



County Attorney
FORT BEND COUNTY, TEXAS

RQ-899

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Opinion Committee

RQ-899

FILE #	ML-38853-96
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May 30, 1996

The Honorable Dan Morales
Texas Attorney General
P.O. Box 12548
Austin, Texas 78711-2548

CMRRR #Z 287 370 155

Dear Mr. Morales:

The City of Rosenberg in Fort Bend County Texas has asked the County Attorney to request an opinion. We understand that we are to submit a brief with the request for an opinion, however, the applicable law (V.T.C.A. Local Government Code, chapter 380, and Article III Section 52-a of the Texas Constitution) is without case law or interpretive guidance in which to provide a brief. The City's questions are:

1. Is the grant or rebate of sales tax revenues for economic expansion of certain industries, whose point of sale is within the city limits and where such sales tax revenue is derived from bona fide sales to purchasers outside the city limits, a permissible economic development program under applicable constitutional and statutory law?
2. May the city use the portion of the sales tax revenues collected for economic development purposes and/or for property tax reduction to make such grants or rebates to certain industries?
3. If you conclude in the affirmative, then may the economic development corporation created in accordance with Vernon's Ann.Civ.St. art. 5190.6, Sec. 4B administer the program?

4. If you determine that the actions as stated in question one above are permissible, then can the city establish minimum standards as to the entities corporate or otherwise) who are eligible to participate? Does the city have discretion to exclude an entity that otherwise meets the minimum standards for participation?

Please let us know if you need more information.

Very truly yours,



Portia Poindexter

First Assistant County Attorney