

## CHAPTER 363

H.B. No. 1987

## AN ACT

relating to assistance for the creation and operation of shared foreign sales corporations for the benefit of certain state businesses.

*Be it enacted by the Legislature of the State of Texas:*

## SECTION 1. DEFINITIONS. In this Act:

- (1) "Commission" means the Texas Economic Development Commission.
- (2) "Department" means the Department of Agriculture.
- (3) "Shared foreign sales corporation" is a corporation that satisfies the requirements of Section 922, Internal Revenue Code of 1986 (26 U.S.C. Sec. 922) and is operated for the direct benefit of more than one business in this state.

SECTION 2. CREATION AND OPERATION OF SHARED FOREIGN SALES CORPORATIONS. To stimulate international trade, produce more jobs, create economic diversity and sources of additional tax revenue, allow small and medium-sized businesses to take advantage of opportunities formerly practically available only to larger businesses, and allow businesses in the state to compete with businesses in other states, the commission and department shall encourage and assist in creation and operation of shared foreign sales corporations to benefit businesses in this state. In carrying out this duty the commission and department may:

- (1) develop model shared foreign sales corporations, including model articles of incorporation, bylaws, operation manuals, form contracts, and other appropriate aids that businesses may use in creating and operating shared foreign sales corporations;
- (2) provide information and counseling to businesses relating to state, federal, and international law governing shared foreign sales corporations;
- (3) provide accounting information and counseling to businesses in connection with creation and operation of shared foreign sales corporations; and
- (4) provide other information and assistance necessary to the creation and operation of shared foreign sales corporations to benefit businesses in the state.

SECTION 3. FEES. The commission and department may collect fees for services provided under this Act in amounts determined by the commission or department, as applicable, to be necessary to cover the costs of administering this Act.

SECTION 4. EMERGENCY. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed by the House on May 19, 1987, by a non-record vote. Passed by the Senate on May 29, 1987, by the following vote: Yeas 30, Nays 0.

Approved June 11, 1987.

Effective Aug. 31, 1987, 90 days after date of adjournment.