

THE STATE OF TEXAS §

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COUNTY OF FORT BEND §

FORT BEND COUNTY BUSINESS ATTRACTION AND GROWTH

ECONOMIC DEVELOPMENT PROGRAM

WHEREAS Texas Local Government Code § 381.004 authorizes a county to establish a program to stimulate business location and commercial activity; and

WHEREAS, Fort Bend County seeks to attract new businesses, create jobs, and expand its tax base for the betterment of its citizens; and

WHEREAS, an effective program requires officials and staff to engage in travel and interactions with prospective businesses and industry leaders; and

WHEREAS, the Commissioners Court recognizes the need for a clear, legally compliant policy to govern all related expenditures; and

WHEREAS, this program is designed for economic development, which focuses on generating broad economic growth, new businesses, and jobs for the entire community. It is not intended for the professional development of individual employees or officials, which would involve improving their personal skills for their specific roles; and

WHEREAS, on September 26, 2023, the Fort Bend County Commissioners Court and Drainage District ordered that all funds generated from Payments in Lieu of Taxes (PILOT) Agreements be deposited into a Special Revenue Fund to support Economic Opportunity and Development Programs and Projects; and

WHEREAS, the Fort Bend County Commissioners Court adopted to impose a Hotel Occupancy Tax in 2025 and began collecting such Tax as of May 2, 2025;

NOW, THEREFORE, BE IT RESOLVED by the Commissioners Court of Fort Bend County that the following Economic Development Program, titled the "Fort Bend County Business Attraction and Growth Initiative," is hereby established and adopted.

1.0 Program Purpose and Authority

The Fort Bend County Business Attraction and Growth Initiative is created under the authority of Texas Local Government Code § 381.004 to proactively attract and retain businesses within the county. The program will be managed by the County Economic Development Director, with oversight provided by the County Auditor, Budget Officer, and Purchasing Agent. The Director may also designate other county personnel and officials to participate as needed.

2.0 Fiscal Responsibility and Legal Authority

This initiative is intended to operate in strict compliance with all relevant state laws, including but not limited to, the Texas Local Government Code § 381.004 and the ethical guidelines and reporting requirements established by the Texas Ethics Commission.

All expenditures under this program must serve a legitimate public purpose, as defined by Article III, Section 52 of the Texas Constitution. Any private benefit must be merely incidental to the primary public benefit of stimulating business and commerce in the county.

This program is not an employee reimbursement policy. Its legal basis and scope are fundamentally different. Routine employee travel, unless specifically authorized by this document, must follow the County Travel Policy approved by the Fort Bend County Commissioners Court, including any required variances.

Travel conducted under this Economic Development Program is fundamentally distinguishable from the County Travel Policy. It is governed solely by the requirements herein and this distinction is based on this program's specific public purpose and its legal authority under Texas Local Government Code § 381.004.

- **Purpose:** The core purpose of a standard reimbursement policy is to make an employee financially whole for an expense incurred on behalf of the county. The purpose of this program, however, is to use public funds as a strategic investment in the county's economic growth, as authorized by state law.
- **Legal Authority:** A standard reimbursement policy is an internal county regulation based on general budget authority and is designed to comply with IRS "accountable plan" rules. This program, in contrast, is explicitly authorized by Texas Local Government Code § 381.004, which gives counties the legal authority to spend public money to stimulate business activity.
- **Scope:** The scope of a standard reimbursement policy is limited to typical business travel expenses (e.g., airfare, hotel, per diem meals) and is primarily focused on the individual employee. The scope of this economic development program is much broader and is designed to cover proactive and promotional activities that benefit the county as a whole.

3.0 Approved Activities and Expenditures

The following activities and their associated expenditures are authorized under this program:

Relationship Fostering: Expenses for meeting with prospective businesses and industry leaders, including business lunches, hosted dinners, and other events. These are considered legitimate business costs paid by the county for a public purpose. When the County pays for these expenses, they are not considered personal gifts to the official under Texas Ethics Commission rules, provided they are directly related to the official's duties and documented as required herein.

Special Events and Hosted Occasions: The program authorizes hosting dinners, special events, and other occasions to attract conventions, visitors, and businesses. These must be pre-approved and serve a specific public purpose.

Sponsored Guest Attendance: County employees may attend events, conferences, or hosted dinners as a sponsored guest of a private entity if their attendance is directly related to a county-approved economic development objective. This interaction must comply with Texas Ethics Commission rules on the acceptance of gifts, which may require the reporting of certain benefits received from the private entity on the official's personal financial statement.

Travel: This includes domestic and international travel to meet with business prospects, attend industry conferences, or visit potential sites for business relocation.

Marketing & Promotional Activities: The program authorizes expenditures for the development of marketing materials, trade show fees, and other promotional activities designed to attract businesses. This includes the purchase of promotional items ('swag') for distribution to business prospects and for tourism projects. The value of these items must be of nominal value and directly related to the county's public purpose of marketing and tourism, in line with Texas Ethics Commission guidance on gifts of de minimis value.

Hosting: Expenses for hosting delegations from prospective companies, including lodging, meals, and local transportation.

Professional and Trade Memberships: Dues for professional and trade organizations that are directly related to the county's economic development objectives are considered an allowable expense.

Third-Party Funding: Officials may accept payment for travel expenses (e.g., airfare, hotel) from a third-party entity, such as a Chamber of Commerce, under a pre-existing partnership. Any related expenses not covered by the third party (e.g., ground transportation like an Uber from the county to the airport) are considered eligible expenditures under this program and may be reimbursed with proper documentation.

4.0 Requirements Regarding Outside Hospitality

To maintain the highest ethical standards, officials must follow these best practices when offered hospitality by a private entity:

Evaluate Intent: Before accepting any hospitality, an official must determine if the offering is for a legitimate business purpose directly tied to the county's economic goals. If the purpose is unclear or social, the offer should be declined.

Document and Justify: All interactions must be documented. The official must record who attended, what was discussed, the specific public purpose of the meeting, and a good-faith estimated value of the hospitality.

No Quid Pro Quo: Officials shall never accept hospitality in exchange for a vote, favorable decision, or other official action. This constitutes bribery under state law.

Officials must be aware that while a private entity's hospitality may be for a legitimate business purpose, the receipt of such hospitality may be a reportable gift under Texas Ethics Commission rules. The official retains the personal responsibility to understand and comply with all applicable reporting requirements.

5.0 Budget and Funding

The Commissioners Court will allocate a budget to be used for all program expenditures each year. This fund shall be a designated revolving account for the Fort Bend County Business Attraction and Growth Initiative.

The County Economic Development Director is authorized to draw against this fund for the pre-approved expenditures as outlined in this document.

The County Auditor will monitor all expenditures and report the fund's status to the Commissioners Court quarterly.

6.0 Donations vs. Prohibited Gifts

This program strictly distinguishes between authorized program expenditures and prohibited personal gifts.

1. Authorized Program Expenditures: The expenditures under this program, such as a business lunch paid for by the county, are not considered prohibited personal gifts because they are a component of the official's duties and serve a specific public purpose.
2. Donations to the County: Any offering of money, land, or other property intended for the public's benefit must be formally accepted by the Commissioners Court under Texas Local Government Code § 81.032.
3. Things of Value: Any gift or experience offered to an official for their private benefit must be declined to avoid conflicts of interest and maintain public trust

7.0 Approval and Documentation Process

All program expenses require strict adherence to these procedures:

Certification: All travel and non-specified expenses must be certified by the County Economic Development Director, regardless of the county department or official participating.

Documentation: The County Economic Development Director shall ensure a detailed expense report with all receipts and documentation is created. This report must include the full names, titles, and affiliations of all attendees and a specific public purpose statement.

Auditor Review: The County Auditor's office will review and approve all expenditures to ensure compliance.

Commissioners Court Review: The Commissioners Court will receive a quarterly report summarizing all program expenditures, including details on attendees and the public purpose for key events and trips.

8.0 Compliance and Ethics

All employees and officials participating in this program are subject to the ethical guidelines and financial reporting requirements established by the Texas Ethics Commission. The acceptance of gifts from sources other than the County, beyond those specifically authorized and documented as permissible expenditures or reportable gifts under this policy and TEC rules, remains strictly prohibited.

9.0 Confidentiality and Non-Disclosure Agreements

County employees and officials acting under this program are authorized to execute non-disclosure agreements (NDAs) with business prospects.

This authorization is a critical component of successful economic development negotiations, allowing the county to protect the proprietary information of businesses considering a move or expansion.

The use of a Standard Non-disclosure Agreement for Fort Bend County personnel was specifically approved by the Commissioners Court on September 12, 2023.

Changes to this standard form are authorized on an as-needed basis to facilitate negotiations. However, to ensure legal and fiscal integrity, any revisions require the prior written approval of the County Attorney, the Risk Management Department, and the Economic Opportunity & Development Director.

A copy of all fully executed NDAs must be kept on file with the Economic Development Director. This ensures a clear record of all confidential agreements and is essential for maintaining the integrity of ongoing projects.

10.0 Hotel Occupancy Tax Funded Projects

All projects proposed for funding by Hotel Occupancy Tax (HOT) funds shall be considered based on a completed application submitted to the Office of Economic Opportunity and Development.

The application must demonstrate that the project:

- Directly promotes tourism and the hotel and convention industry, as defined by Texas Tax Code Chapters 351 and 352.

- Fits into one of the eligible categories, such as convention facilities, advertising, arts promotion, historical preservation, or sporting events.
- Can generate a minimum of twenty (20) room nights at hotels located within Fort Bend County.
- Includes all required documentation, such as a written narrative, marketing plan, and event budget.

The Office of Economic Opportunity and Development will evaluate each complete application and provide a recommendation to the Commissioners Court.

All projects proposed for Hotel Occupancy Tax (HOT) funds require a supermajority vote for approval. This is defined as more than just a simply majority of members present. Please see below:

| Number Attending Meeting | Members | Super Majority Votes Needed | |
|-----------------------------|---------|--------------------------------|-----------|
| 5 | | 4 | |
| 4 | | 3 | |
| 3 | | 3 | |
| (less than 3) | | N/A | No quorum |

ADOPTED this [Date] day of [Mo....