

# **Bond Case Briefs**

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## **INDUSTRIAL DEVELOPMENT CORPORATIONS - TEXAS**

### **Hitchcock Industrial Development Corporation v. Cressman Tubular Products Corporation**

**Court of Appeals of Texas, Houston (14th Dist.) - July 18, 2024 - S.W.3d - 2024 WL 3447475**

City brought action against pipe supply company for breach of economic development agreement, unjust enrichment, and fraud. Company filed third-party claims against industrial development corporation for breach of development agreement, negligent misrepresentation, and fraud.

The 405th District Court denied corporation's plea to the jurisdiction. Corporation appealed.

The Court of Appeals held that:

- It had jurisdiction over corporation's interlocutory appeal, and
- Corporation was not entitled to governmental immunity.

Court of Appeals had jurisdiction over industrial development corporation's appeal of trial court's order denying its plea to the jurisdiction with regard to pipe supply company's claims against corporation for negligent misrepresentation and fraud based on governmental immunity, under statute permitting interlocutory appeal of a decision granting or denying a plea to the jurisdiction by a governmental unit; corporation was a Type A economic development corporation, which was a governmental unit pursuant to Tort Claims Act.

Industrial development corporation was not entitled to governmental immunity, and thus pipe supply company's claims against corporation for negligent misrepresentation and fraud were not barred on such basis; although Development Corporation Act, under which industrial development corporation was formed as a Type A economic development corporation, stated that a Type A corporation was a governmental unit and its actions were governmental functions, that provision did not purport to confer immunity, but only imported the Tort Claims Act's limitations on liability and damages.