

## **BILL ANALYSIS**

Senate Research Center  
79R3622 DRH-F

H.B. 918  
By: Krusee (Wentworth)  
Intergovernmental Relations  
4/18/2005  
Engrossed

### **AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

Currently, Chapter 380 (Miscellaneous Provisions Relating to Municipal Planning and Development), Local Government Code, provides municipalities with a tool to stimulate economic development. It has been used successfully by many cities on a variety of projects resulting in increased revenues from sales and ad valorem taxes. Use of the Chapter 380 provision is totally voluntary on the part of a city. Presently, Chapter 380 may only be used for projects located in the corporate limits of a city.

H.B. 918 allows cities to use the provision in areas of limited purpose annexation or extraterritorial jurisdiction. This is particularly important to cities that are surrounded by special purpose districts such as municipal utility districts, which limit a city's ability to annex for full purposes. Chapter 380 has proven to be very beneficial to cities in their efforts to stimulate economic development and the amendment will allow cities to have more flexibility in using it.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 380.001(a), Local Government Code, to provide that for purposes of this subsection, a municipality includes an area that has been annexed by the municipality for limited purposes; and is in the extraterritorial jurisdiction of the municipality.

SECTION 2. Effective date: September 1, 2005.