BILL ANALYSIS

Senate Research Center
79R6422 MXM-F

C.S.S.B. 466
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Intergovernmental Relations
3/10/2005
Committee Report (Substituted)

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Currently, a municipality is authorized to call an election to create a municipal development district and levy a sales tax to provide for the development of public projects in the district, if the city is located in more than two counties. C.S.S.B. 466 expands the authorization to create a municipal development district to any municipality or the municipality's extraterritorial jurisdiction with a combined sales tax rate below the 8.25 percent tax cap.

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 377.001(3), Local Government Code, to make nonsubstantive changes.

SECTION 2. Amends Section 377.002, Local Government Code, as follows:

Sec. 377.002. New heading: SCOPE. (a) Authorizes a municipality to create a district as provided in this chapter in certain areas of a municipality. Deletes existing text relating to this chapters applicability.

(b) Authorizes the municipality to include territory outside of the municipality only to the extent that territory is in the municipality's extraterritorial jurisdiction.

SECTION 3. Amends Subchapter A, Chapter 377, Local Government Code, by adding Section 377.003, as follows:

Sec. 377.003. CONSTITUTIONAL PURPOSE. Provides that this chapter creates a program under Section 52-a (Loan or Grant of Public Money for Economic Development), Article III, Texas Constitution.

SECTION 4. Amends Sections 377.021(b), (e), and (g), Local Government Code, as follows:

(b) Deletes existing text related to the requirement that the order of an election define the district's boundaries to include all or part of the boundaries of the municipality.

(e) Makes nonsubstantive changes.

(g) Authorizes the municipality, in the order calling the election, to provide for the district boundaries to conform automatically to any changes in the boundaries of the municipality's extraterritorial jurisdiction included in the district.

SECTION 5. Amends Section 377.022(a), Local Government Code, to provide that a district is a political subdivision of this state and of the municipality that created the district, rather than in which the district is located.

SECTION 6. Amends Sections 377.051(b) and (d), Local Government Code, as follows:

(b) Makes conforming changes.

(d) Requires a person, to qualify to serve as a director, to reside in the municipality that created the district or in that municipality's extraterritorial jurisdiction. Makes nonsubstantive and conforming changes.

SECTION 7. Amends Section 377.053, Local Government Code, to make conforming changes.

SECTION 8. Effective date: September 1, 2005.