

## **BILL ANALYSIS**

Senate Research Center  
86R14394 JCG-F

S.B. 1367  
By: Buckingham  
Intergovernmental Relations  
4/5/2019  
As Filed

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

Chapter 377 of the Local Government Code provides direction for allowable actions of municipal development districts, which may be created by municipalities to plan, acquire, establish, develop, construct, or renovate one or more development projects beneficial to the district.

However, current law unnecessarily restricts municipal development districts from funding certain economic development projects outside a district's boundaries, even if those projects are determined to have a positive return on investment for the district.

S.B. 1367 would create an option for municipal development districts to fund certain projects outside their district if the board of the municipal development district determines that the development project will provide an economic benefit to the district and the governing body of the municipality that created the district by resolution approves the development project.

As proposed, S.B. 1367 amends current law relating to use of project funds of municipal development districts.

### **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 377.072(c), Local Government Code, as follows:

(c) Authorizes the municipal development district, except as provided by Subsections (d) and (e), to use money in the development project fund only to:

(1) pay the costs of planning, acquiring, establishing, developing, constructing, or renovating one or more development projects located:

(A) creates this paragraph from existing text; or

(B) outside the district, if:

(i) the board of directors of the municipal development district determines that the development project will provide an economic benefit to the district; and

(ii) the governing body of the municipality that created the district by resolution approves the development project;

(2)–(3) makes no changes to these subdivisions.

SECTION 2. Effective date: upon passage or September 1, 2019.