

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATURE 4TH CALLED SESSION - 2004
Revision 1

May 7, 2004

TO: Honorable Robert Talton, Chair, House Committee on Urban Affairs

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB39 by Smith, Wayne (Relating to the use of the development project fund by a municipal development district.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend Section 377.072(c), Local Government Code, to specify that a project funded by a municipal development district using the development project fund must be beneficial to the district. The bill would take effect immediately if it receives the required two-thirds vote in each house, otherwise, it would take effect on the 91st day after the last day of the legislative session.

Under current statute, a district may only use money in the development project fund for projects that are in the district. The proposed change in statute would allow a district to also fund a project outside of the district as long as the project would be beneficial to the district. It is assumed a district would conduct a study to determine if a project would be beneficial to the district. The cost of a study would vary, but is not anticipated to have a significant fiscal impact. Further, areas outside of the district would likely benefit from projects funded in that area by the district.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: JK, DLBa