

**BILL ANALYSIS**

Senate Research Center  
78R647 ATP-D

S.B. 419  
By: Nelson  
Intergovernmental Relations  
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As Filed

**DIGEST AND PURPOSE**

Currently, questions exist as to whether a county development district is authorized to levy ad valorem taxes and construct infrastructure for a residential subdivision as an element of its statutory purpose of providing incentives for the location and development of projects in certain counties to attract visitors and tourists. As proposed, S.B. 419 prohibits a county development district from levying ad valorem taxes, constructing, financing, or providing infrastructure for a residential subdivision, unless the infrastructure serves the purpose of attracting visitors and tourists to the county.

**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 383.061, Local Government Code, by adding Subsections (d) and (e), as follows:

(d) Prohibits a county development district (district) from imposing an ad valorem tax.

(e) Authorizes a district to construct, finance, or otherwise provide infrastructure for a residential subdivision only if the infrastructure serves the purpose of attracting visitors and tourists to the county.

SECTION 2. Effective date: upon passage or September 1, 2003.