

## **BILL ANALYSIS**

H.B. 918  
By: Krusee  
Economic Development  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Chapter 380 was enacted to provide 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 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. The purpose of the amendment is to allow 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 MUDs, 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**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

SECTION 1. Amends Section 380.001 (a), Local Government Code, by adding language to include an area annexed by the municipality for limited purposes and an area that is located within the extraterritorial jurisdiction of the municipality.

SECTION 2. Provides the effective date of this Act.

### **EFFECTIVE DATE**

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2005.