

BILL ANALYSIS

H.B. 2864
By: Luna
Local Government Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Current law provides several means by which a municipality can promote economic development in certain areas. However, statute prohibits the use of certain funds to use for economic stimulus in these cases.

This bill allows a municipality to use sales and use tax revenue to pay or secure the payment of public securities which finance certain types of public works and other projects.

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

Amends Chapter 1331, Government Code, by adding Subchapter Z. Revenue from sales and use taxes may be used to finance projects which are located in whole or in part in one of the following areas: a tax increment reinvestment zone created under Chapter 311, Tax Code; an area designated as an enterprise zone under Chapter 2303; a municipal management district created under general or local law; a public improvement district created under Chapter 372, Local Government Code; an empowerment zone or enterprise community designated under Section 1391, Internal Revenue Code of 1986; or a renewal community designated under Section 1400E, Internal Revenue Code of 1986.

EFFECTIVE DATE

This Act takes effect immediately upon a two-thirds vote. Otherwise, this Act takes effect on September 1, 2005.