

By: Smith of Harris

H.B. No. 167

A BILL TO BE ENTITLED

AN ACT

relating to the use of the development project fund by a municipal development district.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 377.072, Local Government Code, is amended by amending Subsection (c) and adding Subsection (d) to read as follows:

(c) Except as provided by Subsection (d), the ~~[The]~~ district may 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 in the district;

(2) pay the principal of, interest on, and other costs relating to bonds or other obligations issued by the district or to refund bonds or other obligations; or

(3) pay the costs of operating or maintaining one or more development projects during the planning, acquisition, establishment, development, construction, or renovation or while bonds or other obligations for the planning, acquisition, establishment, development, construction, or renovation are outstanding.

(d) A district located in a county with a population of 3.3 million or more may use money in the development project fund only to:

1           (1) pay the costs of planning, acquiring,  
2 establishing, developing, constructing, or renovating one or more  
3 development projects beneficial to the district if the projects are  
4 in the district boundaries or the extraterritorial jurisdiction of  
5 the municipality where the district is located;

6           (2) pay the principal of, interest on, and other costs  
7 relating to bonds or other obligations issued by the district or to  
8 refund bonds or other obligations; or

9           (3) pay the costs of operating or maintaining one or  
10 more development projects during the planning, acquisition,  
11 establishment, development, construction, or renovation or while  
12 bonds or other obligations for the planning, acquisition,  
13 establishment, development, construction, or renovation are  
14 outstanding.

15           SECTION 2. This Act takes effect immediately if it receives  
16 a vote of two-thirds of all the members elected to each house, as  
17 provided by Section 39, Article III, Texas Constitution. If this  
18 Act does not receive the vote necessary for immediate effect, this  
19 Act takes effect September 1, 2005.