

AN ACT

relating to the use of the development project fund by certain municipal development districts.

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.

H.B. No. 167

President of the Senate

Speaker of the House

I certify that H.B. No. 167 was passed by the House on April 20, 2005, by the following vote: Yeas 142, Nays 1, 2 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 167 on May 23, 2005, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 167 on May 28, 2005, by the following vote: Yeas 143, Nays 0, 2 present, not voting.

Chief Clerk of the House

H.B. No. 167

I certify that H.B. No. 167 was passed by the Senate, with amendments, on May 20, 2005, by the following vote: Yeas 31, Nays 0; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 167 on May 28, 2005, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor