

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 17, 2005

TO: Honorable Fred Hill, Chair, House Committee on Local Government Ways & Means

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB2393 by Hill (Relating to the creation and authority of municipal development districts.),
As Introduced

No fiscal implication to the State is anticipated.

The bill would authorize that all or part of a municipality's boundaries, all or part of the municipality's boundaries and all or part of its extraterritorial jurisdiction (ETJ) boundaries, or all or part of just the ETJ boundaries could be included in the boundaries for a municipal development district. The bill would also authorize the creation of a district in any municipality. In addition, the proposed statute would establish economic development as the constitutional purpose of programs created under Chapter 377 of the Local Government Code. The bill would take effect September 1, 2005.

Under current statute, only a municipality that is located in more than one county is authorized to create a municipal development district, and the ETJ is not included in the boundaries of the district.

Local Government Impact

Authorizing a municipality in any county, regardless of the number of counties in which the municipality may exist, to create an economic development district is anticipated to have a positive fiscal impact on each municipality that chooses to establish a district. The impact would vary and would depend on the development projects implemented by a district.

Source Agencies:

LBB Staff: JOB, WP, SD, DLBa