

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

February 22, 2005

TO: Honorable Frank Madla, Chair, Senate Committee on Intergovernmental Relations

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

IN RE: SB466 by Fraser (Relating to the creation and authority of municipal development districts.),
As Introduced

No fiscal implication to the State is anticipated.

The bill would require that all or part of a municipality's extraterritorial jurisdiction (ETJ) 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, DLBa