

## **BILL ANALYSIS**

H.B. 3706  
By: Laubenberg  
County Affairs  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Under current law, the commissioners court of a county with a population of 400,000 or less, on petition of the owners of land and after conducting a public hearing, may enter an order creating a county development district (a "district") within such county. A district created pursuant to Chapter 383, Texas Local Government Code ("Chapter 383"), serves the public interest and public purpose of the State of Texas (the "State") by promoting the economic welfare of the residents of this State by providing incentives for the location and development in certain counties of projects that attract visitors and tourists to such counties and that result in employment and economic activity. A district must conduct an election to confirm its creation and authorize the levy of a sales and use tax. A district has the power (i) to acquire and dispose of projects; (ii) of a municipal management district created under Chapter 375, Texas Local Government Code, not inconsistent with Chapter 383; and (iii) to provide for general promotion and tourist advertising of a district.

H.B. 3706 would authorize a district to establish or administer a program to promote the attraction of visitors and tourists to a district and to promote employment, economic activity, and travel in a district. It would allow the program to promote travel by county residents within the county. It would allow a district to appropriate its sales and use tax revenues collected under Chapter 383 to a program, including for the making of grants and loans.

### **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**

H.B. 3706 states a district may establish or administer a program to promote the attraction of visitors and tourists to the district and employment, economic activity, and travel in the district. As part of the program, the district may promote travel by county residents within the county. A district may use taxes collected under Subchapter F for a program created under this section or to make a loan or grant for a public purpose under Section 52-a, Article III, Texas Constitution. A program under this section is a program under Section 52-a, Article III, Texas Constitution.

### **EFFECTIVE DATE**

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.