

BILL ANALYSIS

H.B. 4376
By: Smith, Wayne
Natural Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Baytown Municipal Development District (MDD) was created to foster and promote an environment for new and expanded business development. The use of funds is governed by economic development "4B" sales tax rules. The challenge under the newly changed rules is that the most blighted and economically disadvantaged areas lack the ability to provide meaningful incentives to attract commercial enterprises, including neighborhood retail and restaurants, and an expanded employment base. The MDD should have the ability to expend funds to attract a wide range of businesses, improve quality of life, retain the primary jobs already created, and attract new ones.

The areas most distressed in Baytown include the former downtown business district of Texas Avenue, Alexander Drive, and Market Street. Rule changes that eliminated the support for infrastructure for retail development severely hampered Baytown's efforts in these challenged areas especially in the aftermath of Hurricane Ike. This bill greatly enhances Baytown's ability to strengthen the tax base, revitalizes the most challenged neighborhoods, and improves the quality of life for all segments of the population.

H.B. 4376 authorizes the Baytown MDD to expend sales tax revenue on land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements to promote new or expanded business development in the district.

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. 4376 amends the Special District Local Laws Code to authorize the Baytown Municipal Development District to spend sales tax revenue on the land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements the governing body of the district finds will promote new or expanded business development in the district. The bill defines "district" for the purposes of these provisions.

EFFECTIVE DATE

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.