

## **BILL ANALYSIS**

C.S.S.B. 2453  
By: Williams  
Natural Resources  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

The East Montgomery County Improvement District is unable to charge one ticket tax for the whole park that will be located within its boundaries because the law does not include "tourist development area along an inland waterway" under its definition of venue.

C.S.S.B. 2453 expands the definition of the term "venue" for the East Montgomery County Improvement District to include a tourist development area along an inland waterway. The bill also authorizes the district to issue bonds for any district purpose and modifies the ownership required to be represented in a petition seeking the creation of a governing body for a development zone 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**

C.S.S.B. 2453 expands the definition of the term "venue" as it relates to the East Montgomery County Improvement District's ability to impose a tax to include a tourist development area along an inland waterway and establishes that this provision takes effect either as an amendment to Section 3846.001(3), Special District Local Law Code, or to Section 33(a), Chapter 1316, Acts of the 75th Legislature, Regular Session, 1997, as added Section 11, Chapter 950, Acts of the 80th Legislature, Regular Session, 2007, contingent on passage of the Act of the 81st Legislature, 2009, relating to nonsubstantive additions to and corrections in existing codes.

C.S.S.B. 2453 provides for the automatic reduction of a political subdivision's sales and use tax to a rate that, when added to the district's rate, does not exceed two percent if as a result of the imposition or increase in the district sales and use tax authorized by district voters the overlapping sales and use tax in a political subdivision located in the boundaries of the district will exceed two percent. The bill makes conforming changes. The bill authorizes the district to issue bonds for any district purpose, including for the purpose of an economic development program.

C.S.S.B. 2453 specifies that on receipt of a petition signed by the owners of all real property in a defined area of the district consisting of one tract of land containing at least 25 contiguous acres and any additional smaller or larger tracts, rather than consisting of one tract of land consisting of 25 or more contiguous acres, the board of the district by resolution is authorized to create, designate, describe, assign a name to, and appoint the governing body for a development zone in the district, if the board finds the creation will further certain public purposes. The bill authorizes a development zone to be enlarged to include noncontiguous tracts only if on the date the zone is enlarged the zone contains at least one tract consisting of at least 25 contiguous acres. The bill establishes that these provisions take effect either as amendments to Sections 3846.253 and 3846.260, Special District Local Laws Code, or to Sections 30(b) and (j), Chapter 1316, Acts of

the 75th Legislature, Regular Session, 1997, as added Section 11, Chapter 950, Acts of the 80th Legislature, Regular Session, 2007, contingent on passage of the Act of the 81st Legislature, 2009, relating to nonsubstantive additions to and corrections in existing codes.

### **EFFECTIVE DATE**

September 1, 2009.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.S.B. 2453 adds provisions not in the original relating to the automatic reduction of a political subdivision's sales and use tax rate in response to the voter approved imposition or increase of the district sales and use tax if the overlapping local sales and use taxes will exceed two percent.

C.S.S.B. 2453 adds a provision not in the original authorizing the district to issue bonds for any district purpose, including for the purpose of an economic development program.

C.S.S.B. 2453 adds a provision not in the original specifying that, on receipt of a petition signed by the owners of all real property in a defined area of the district consisting of one tract of land containing at least 25 contiguous acres and any additional smaller or larger tracts, rather than consisting of one tract of land consisting of 25 or more contiguous acres, the board is authorized to create, designate, describe, assign a name to, and appoint the governing body for a development zone in the district, and adds a provision not in the original authorizing a development zone to be enlarged to include noncontiguous tracts only if on the date the zone is enlarged the zone contains at least one tract consisting of at least 25 contiguous acres.