

## **BILL ANALYSIS**

Senate Research Center  
84R92 JSL-D

H.B. 3186  
By: Farney (Schwertner)  
Intergovernmental Relations  
5/24/2015  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

H.B. 3186 amends current law relating to the qualifications of directors and the use of project funds of certain municipal development districts.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 377.051, Local Government Code, by adding Subsection (e), as follows:

(e) Authorizes a person, notwithstanding Subsection (d) (requiring a person to reside in the municipality or municipality's extraterritorial jurisdiction district to serve as a director), to qualify to serve as a director of a district that is located in a municipality with a population of more than 5,000 and less than 6,000 and that is located wholly in a county with a population of more than 20,000 and less than 25,000 and that borders the Brazos River if the person resides in the independent school district that serves the majority of the district.

SECTION 2. Amends Section 377.072, Local Government Code, by amending Subsection (c) and adding Subsection (e), as follows:

(c) Authorizes the district, except as provided by Subsections (d) (relating to the allowable uses of the development project fund) and (e), rather than Subsection (d), to use money in the development project fund only to pay certain costs set forth.

(e) Authorizes a district that is located in a municipality with a population of more than 5,000 and less than 6,000 and that is located wholly in a county with a population of more than 20,000 and less than 25,000 and that borders the Brazos River to use money in the development project fund only to:

(1) pay the costs of planning, acquiring, establishing, developing, constructing, or renovating one or more development projects inside the county in which the district is located, if the project accomplishes a public purpose of the district, allows the district to retain control over the money to ensure that the district's public purpose is accomplished and to protect the district's investment, and benefits the district;

(2) pay the principal of, interest on, and other costs relating to bonds or other obligations issued by the district or to refund bonds or other obligations; or

(3) pay the costs of operating or maintaining one or more development projects during the planning, acquisition, establishment, development, construction, or renovation or while bonds or other obligations for the planning, acquisition, establishment, development, construction, or renovation are outstanding.

SECTION 3. Effective date: upon passage or September 1, 2015.