

By: Farney

H.B. No. 3186

A BILL TO BE ENTITLED

AN ACT

relating to the qualifications of directors and the use of project funds of certain municipal development districts.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 377.051, Local Government Code, is amended by adding Subsection (e) to read as follows:

(e) Notwithstanding Subsection (d), a person may 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. Section 377.072, Local Government Code, is amended by amending Subsection (c) and adding Subsection (e) to read as follows:

(c) Except as provided by Subsections [~~Subsection~~] (d) and (e), the district may 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 in the district;

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

1 refund bonds or other obligations; or

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

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

13 (1) pay the costs of planning, acquiring,
14 establishing, developing, constructing, or renovating one or more
15 development projects inside the county in which the district is
16 located, if the project:

17 (A) accomplishes a public purpose of the
18 district;

19 (B) allows the district to retain control over
20 the money to ensure that the district's public purpose is
21 accomplished and to protect the district's investment; and

22 (C) benefits the district;

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

26 (3) pay the costs of operating or maintaining one or
27 more development projects during the planning, acquisition,

1 establishment, development, construction, or renovation or while
2 bonds or other obligations for the planning, acquisition,
3 establishment, development, construction, or renovation are
4 outstanding.

5 SECTION 3. This Act takes effect immediately if it receives
6 a vote of two-thirds of all the members elected to each house, as
7 provided by Section 39, Article III, Texas Constitution. If this
8 Act does not receive the vote necessary for immediate effect, this
9 Act takes effect September 1, 2015.