

By: Buckingham

S.B. No. 1367

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to use of project funds of municipal development  
3 districts.

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

5 SECTION 1. Section 377.072(c), Local Government Code, is  
6 amended to read as follows:

7 (c) Except as provided by Subsections (d) and (e), the  
8 district may use money in the development project fund only to:

9 (1) pay the costs of planning, acquiring,  
10 establishing, developing, constructing, or renovating one or more  
11 development projects located:

12 (A) in the district; or

13 (B) outside the district, if:

14 (i) the board determines that the  
15 development project will provide an economic benefit to the  
16 district; and

17 (ii) the following entities, as applicable,  
18 by resolution approve the development project:

19 (a) the municipality that created the  
20 district;

21 (b) each municipality in whose  
22 corporate limits or extraterritorial jurisdiction the project is  
23 located; and

24 (c) the commissioners court of the

1 county in which the project is located, if the project is not  
2 located in the corporate limits or extraterritorial jurisdiction of  
3 a municipality;

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

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

13 SECTION 2. This Act takes effect immediately if it receives  
14 a vote of two-thirds of all the members elected to each house, as  
15 provided by Section 39, Article III, Texas Constitution. If this  
16 Act does not receive the vote necessary for immediate effect, this  
17 Act takes effect September 1, 2019.