

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 governing body of the municipality  
18 that created the district by resolution approves the development  
19 project;

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

23 (3) pay the costs of operating or maintaining one or  
24 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 2. 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, 2019.