

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 1684
By: Bernsen
Intergovernmental Relations
4/15/1999
Committee Report (Substituted)

DIGEST

Currently, municipal management districts are authorized by general law to issue bonds for a variety of purposes and to make such bonds payable out of a combination of revenue sources. However, the East Montgomery County Improvement District (district) was not authorized in its enabling legislation to issue bonds until the viability and effectiveness of the district had been demonstrated and until a procedure for the orderly payment and discharge of bonded indebtedness secured by sales tax revenues was adopted. The district has been active for approximately two years; it implemented and maintained a variety of highly successful community service, safety, and crime prevention programs; it demonstrated the financial and administrative capabilities of the district; and is presently in need of the ability to finance capital improvement projects through the issuance of the district bonds. C.S.S.B. 1684 would authorize the district to contract for the lease, operation, and management of improvement projects for the district; issue bonds for all other municipal management districts; and eliminate the requirement that funds collected within the boundaries of the district be expended outside the district.

PURPOSE

As proposed, C.S.S.B. 1684 sets forth provisions for the operation of the East Montgomery County Improvement District.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 16, Chapter 1316, Acts of the 75th Legislature, Regular Session, 1997, by adding Subsection (d), to authorize the East Montgomery County Improvement District (district) to have the economic development powers and authority conferred on a home-rule municipality with a population of more than 100,000 pursuant to Chapter 380, Local Government Code, and Article 835s, V.T.C.S.

SECTION 2. Amends Chapter 1316, Acts of the 75th Legislature, Regular Session, 1997, by adding Section 30A, as follows:

Sec. 30A. BONDS. Authorizes the board of directors of the district to issue bonds as provided by Chapter 375J, Local Government Code. Authorizes the bonds issued by the district to be secured and made payable, wholly or partly, by a pledge of any part of the net proceeds the district receives from a specified portion of no more than one-half of the maximum sales and use tax amount authorized and approved by voters of the district under Section 22 of this Act, in addition to the sources described in Chapter 375J, Local Government Code.

SECTION 3. Repealers: Section 29, Chapter 1316, Acts of the 75th Legislature, Regular Session, 1997 (Application of certain tax proceeds) and Section 30, Chapter 1316, Acts of the 75th Legislature, Regular Session, 1997 (Limitation on indebtedness).

SECTION 4. Effective date: September 1, 1999.

SECTION 5. Emergency clause.

SUMMARY OF COMMITTEE CHANGES

SECTION 1.

Amends Section 16, Chapter 1316, Acts of the 75th Legislature, Regular Session, 1997, to authorize the district to have the economic development powers and authority conferred on a home-rule municipality with a population of more than 100,000 pursuant to Chapter 380, Local Government Code, and Article 835s, V.T.C.S.

SECTION 2.

Amends Subsection (b), Section 30A, Chapter 1316, Acts of the 75th Legislature, Regular Session, 1997, to authorize the bonds issued by the district to be secured and made payable, wholly or partly, by a pledge of any part of the net proceeds the district receives from a specified portion of no more than one-half of the maximum sales and use tax amount authorized and approved by voters of the district under Section 22 of this Act, in addition to the sources described in Chapter 375J, Local Government Code.