

## **BILL ANALYSIS**

Senate Research Center  
78R4387 MXM-D

S.B. 1617  
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As Filed

### **DIGEST AND PURPOSE**

Under current law, a municipal utility district (MUD) will reimburse at least 70 percent, and in some cases up to 100 percent, of development infrastructure costs through collected tax revenue. However, current statute limits developer reimbursements by municipalities to an amount not greater than 30 percent of such costs. Any amount reimbursed over the 30 percent cap requires the municipality to comply with the competitive bid law, which involves a cumbersome process of taking bids, advertising, and awarding contracts. As proposed, S.B. 1617 increases the cap on developer reimbursables from municipalities to a level not to exceed 70 percent.

### **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 212.072(b), Local Government Code, to require that the level of participation by a municipality for total public improvements may not exceed 70, rather than 30, percent of the total by contract price.

SECTION 2. Effective date: upon passage or September 1, 2003.