

## **BILL ANALYSIS**

Senate Research Center

S.B. 1903  
By: Fraser  
Intergovernmental Relations  
4/23/2003  
As Filed

### **DIGEST AND PURPOSE**

Currently, a municipality is authorized to call an election to create a municipal development district (district) and levy a sales tax to provide for the development of public projects in the district, if the city is located in more than one county. As proposed, S.B. 1903 expands the authorization to create a district to any municipality or the municipality's extraterritorial jurisdiction with a combined sales tax rate below the 8.25 percent tax cap.

### **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 Sections 377.001(2) and (3), Local Government Code, to redefine "district" and "development project."

SECTION 2. Amends Section 377.002, Local Government Code, as follows:

Sec. 377.002. **APPLICABILITY.** Provides that this chapter applies only to a municipality and a municipality's extraterritorial jurisdiction. Deletes text limiting application of this Chapter to a municipality located in more than one county.

SECTION 3. Amends Section 377.021(b), Local Government Code, to require the order calling the election to include certain information.

SECTION 4. Amends Sections 377.051(b) and (d), Local Government Code, as follows:

(b) Provides that the board is appointed by the governing body of the municipality that called the election creating the district.

(d) Requires a person, to qualify to serve as a director, to be a resident of the municipality that called the election creating the district or the municipality's extraterritorial jurisdiction.

SECTION 5. Effective date: September 1, 2003.