

By: Dominguez

H.B. No. 4288

A BILL TO BE ENTITLED

AN ACT

relating to a required period for a municipality or water district to begin construction on certain projects.

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

SECTION 1. The heading to Subtitle C, Title 13, Local Government Code, is amended to read as follows:

SUBTITLE C. WATER AND UTILITIES PROVISIONS APPLYING TO MORE THAN ONE TYPE OF LOCAL GOVERNMENT

SECTION 2. Subtitle C, Title 13, Local Government Code, is amended by adding Chapter 574 to read as follows:

CHAPTER 574. REQUIREMENTS FOR CERTAIN PROJECTS

Sec. 574.001. DEFINITIONS. In this chapter:

(1) "Project" means a water supply or treatment system, a water distribution system, a sanitary sewage collection or treatment system, works or improvements necessary for drainage of land, roads and improvements in aid of roads, or any other work, construction, or improvement supported by an increase in a tax or utility rate.

(2) "Water district" means a district created under Section 59, Article XVI, Texas Constitution.

Sec. 574.002. ONE-YEAR REQUIREMENT TO BEGIN PROJECT. A municipality or water district shall begin construction of a project for which the municipality or district raises a tax or utility rate not later than the first anniversary of the date the

1 municipality or district initially raised that rate.

2 Sec. 574.003. LOWER RATE AND REFUND REQUIRED. If a  
3 municipality or water district violates Section 574.002, the  
4 municipality or district shall:

5 (1) lower the tax or utility rate to the rate in effect  
6 immediately before the rate was raised for the project that is the  
7 subject of the violation; and

8 (2) refund to each taxpayer or ratepayer, as  
9 applicable, an amount equal to the amount paid by the taxpayer or  
10 ratepayer for the project that is the subject of the violation.

11 SECTION 3. Chapter 574, Local Government Code, as added by  
12 this Act, applies only to a project for which a tax or utility rate  
13 is raised on or after the effective date of this Act.

14 SECTION 4. This Act takes effect September 1, 2021.