

By: Thompson

H.B. No. 1606

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the level of municipal participation in contracts with
3 developers for public improvements.

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

5 SECTION 1. Section 212.072, Local Government Code, is
6 amended by amending Subsection (b) and adding Subsections (c) and
7 (d) to read as follows:

8 (b) The contract:

9 (1) must establish the limit of participation by the
10 municipality at a level not to exceed 30 percent of the total
11 contract price, if the municipality has a population of less than
12 1.8 million; or

13 (2) may allow participation by a municipality at a
14 level not to exceed 70 percent of the total contract price, if the
15 municipality has a population of 1.8 million or more.

16 (c) In addition, the contract may also allow participation
17 by the municipality at a level not to exceed 100 percent of the
18 total cost for any oversizing of improvements required by the
19 municipality, including but not limited to increased capacity of
20 improvements to anticipate other future development in the area.

21 (d) The municipality is liable only for the agreed payment
22 of its share of the contract, which shall be determined in advance
23 either as a lump sum or as a factor or percentage of the total actual
24 cost as determined by municipal ordinance.

1 SECTION 2. This Act takes effect immediately if it receives
2 a vote of two-thirds of all the members elected to each house, as
3 provided by Section 39, Article III, Texas Constitution. If this
4 Act does not receive the vote necessary for immediate effect, this
5 Act takes effect September 1, 2005.