

AN ACT

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

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

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

(b) The contract:

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

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

(b-1) In addition, if the municipality has a population of 1.8 million or more, the municipality may participate at a level not to exceed 100 percent of the total contract price for all required drainage improvements related to the development and construction of affordable housing. Under this subsection, affordable housing is defined as housing which is equal to or less than the median sales price, as determined by the Real Estate Center at Texas A&M University, of a home in the Metropolitan Statistical Area (MSA) in which the municipality is located.

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

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

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

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President of the Senate

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Speaker of the House

I certify that H.B. No. 1606 was passed by the House on April 29, 2005, by the following vote: Yeas 142, Nays 0, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 1606 on May 27, 2005, by the following vote: Yeas 140, Nays 0, 2 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 1606 was passed by the Senate, with amendments, on May 24, 2005, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor