

By: Goolsby

H.B. No. 2323

A BILL TO BE ENTITLED

AN ACT

relating to imposing a civil penalty on a political subdivision that spends the proceeds of an impact fee for a purpose other than the purpose for which the fee was imposed.

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

SECTION 1. Section 395.024, Local Government Code, is amended by adding Subsection (e) to read as follows:

(e) A political subdivision that spends funds from an impact fee in violation of Subsection (c) is liable to the state for a civil penalty in an amount equal to 20 percent of the amount of the funds spent in violation of that subsection. The attorney general shall sue to collect the penalty and deposit the amount collected to the credit of the housing trust fund.

SECTION 2. This Act takes effect September 1, 2007.