

By: Brown

H.B. No. 2553

A BILL TO BE ENTITLED

AN ACT

relating to revenue sharing agreements between certain municipalities.

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

SECTION 1. Subtitle A, Title 4, Local Government Code, is amended by adding Chapter 109 to read as follows:

CHAPTER 109. REVENUE SHARING AGREEMENTS BETWEEN CERTAIN MUNICIPALITIES

Sec. 109.001. APPLICABILITY. This chapter applies only to a home-rule municipality located in a county:

(1) with a population of less than 200,000; and

(2) in which two or more municipalities with a population of 75,000 or more are primarily located.

Sec. 109.002. DEFINITION. In this chapter, "revenue" means a municipal property tax, sales tax, fee, fine, or cost of court.

Sec. 109.003. REVENUE SHARING AGREEMENT. (a) Two or more municipalities may make a revenue sharing agreement that:

(1) designates a revenue sharing territory in one or more of the municipalities; and

(2) provides that a portion of the revenue a municipality derives from the revenue sharing territory may be transferred to another municipality in exchange for the other municipality's contribution to the economic development of the territory.

1       (b) The municipalities must agree to contribute to the  
2 economic development of the revenue sharing territory in a manner  
3 that is feasible and consistent with the development policies for  
4 the revenue sharing territory. A municipality may not make a gift  
5 or grant of revenue to another municipality under a revenue sharing  
6 agreement.

7       Sec. 109.004. USE OF REVENUE. A municipality may use  
8 revenue obtained under a revenue sharing agreement for any public  
9 purpose.

10       Sec. 109.005. CONFLICT PROVISIONS. (a) To the extent this  
11 chapter conflicts with any other law, this chapter controls.

12       (b) To the extent a provision of a revenue sharing agreement  
13 adopted in accordance with this chapter conflicts with a municipal  
14 charter provision, the provision of the agreement controls.

15       SECTION 2. This Act takes effect immediately if it receives  
16 a vote of two-thirds of all the members elected to each house, as  
17 provided by Section 39, Article III, Texas Constitution. If this  
18 Act does not receive the vote necessary for immediate effect, this  
19 Act takes effect September 1, 2011.