

By: Miller

H.B. No. 2503

A BILL TO BE ENTITLED

AN ACT

relating to the use of sales tax revenue collected under certain contracts.

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

SECTION 1. Subchapter G, Chapter 54, Water Code, is amended by adding Section 54.605 to read as follows:

Sec. 54.605. USE OF SALES TAX REVENUE UNDER CERTAIN CONTRACTS. (a) This section applies only to:

(1) a district located in a county with a population of 550,000 or more and included in:

(A) the Harris-Galveston Subsidence District; or

(B) the Fort Bend Subsidence District;

(2) a municipality with a population of one million or more that is included in the Harris-Galveston Subsidence District; and

(3) money received by a municipality described by Subdivision (2) under Chapter 321, Tax Code, from sales or uses consummated within a district described by Subdivision (1), a percentage of which is distributed to the district by the municipality under the terms of a contract with the municipality, including a strategic partnership agreement authorized by Section 43.0751, Local Government Code.

(b) Except as provided by Subsection (d), the municipality must use at least 50 percent of the municipality's share of the

1 money described by Subsection (a)(3) for drainage or road projects
2 that:

3 (1) are located or conducted within the district or
4 within five miles of the district's boundary;

5 (2) benefit residents of the district; and

6 (3) if they include a major thoroughfare, are
7 consistent with the major thoroughfare plan of the county in which
8 the project is located.

9 (c) Except as provided by Subsection (d), the district must
10 use at least 75 percent of the district's share of the money
11 described by Subsection (a)(3) that is in excess of the amount of
12 its share of the money collected in 2016 under Subsection (a)(3) for
13 services and improvements that:

14 (1) are located or conducted within the district or
15 within five miles of the district's boundary;

16 (2) benefit residents of the district;

17 (3) are identified by the district and agreed upon by
18 the district and the county in which the district is located; and

19 (4) relate to:

20 (A) water;

21 (B) sewer;

22 (C) drainage;

23 (D) roads;

24 (E) parks;

25 (F) fire fighting or fire prevention; or

26 (G) public safety.

27 (d) This section applies to a contract or strategic

1 partnership agreement entered into before September 1, 2017, only
2 to the extent that the provisions of Subsection (b) or (c) do not
3 impair obligations under the provisions of the contract or
4 agreement.

5 SECTION 2. This Act takes effect September 1, 2017.