

By: Workman

H.B. No. 3834

A BILL TO BE ENTITLED

AN ACT

relating to municipal infrastructure costs.

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

SECTION 1. Section 212.904, Local Government Code, is amended to read as follows:

Sec. 212.904. APPORTIONMENT OF MUNICIPAL INFRASTRUCTURE COSTS. (a) Subject to Local Government Code, Section 212.904, subparagraphs (a)1-4, [If] if a municipality requires as a condition of approval for a property development project that the developer bear a portion of the costs of municipal infrastructure improvements by the making of dedications, the payment of fees, or the payment of construction costs, the developer's portion of the costs may not exceed the amount required for infrastructure improvements that are [~~roughly~~] proportionate to the proposed development as approved by a professional engineer who holds a license issued under Chapter 1001, Occupations Code, and is retained by the municipality.

(1) The determination of the proportionate share of municipal infrastructure improvements costs shall be determined by the engineer retained by the municipality based on the actual, documented and verifiable impact of the development on the existing infrastructure in the immediate area of the development. Any fees or costs paid for infrastructure improvements by the developer shall be used only for the purpose collected and the work shall

1 commence and shall be substantially underway not later than the
2 23rd month following the payment of such fees.

3 (2) Fees collected under this section shall be for new
4 capital improvements only and shall not be used for recurring
5 expenses or maintenance.

6 (3) Fees collected under this section shall not be to
7 supplement or supplant funding of existing capital infrastructure
8 improvement projects which have funding identified through
9 municipal budgets, bond measures, or any other source.

10 (4) Nothing in this section prohibits the developer
11 from making the improvements on behalf of the municipality if the
12 developer and the municipality agree.

13 (5) The amount calculated in Sec. 212.904 (a)(1) shall
14 be offset by the increase in the taxes the municipality will receive
15 as a result of the increased assessed valuation on the property
16 after development and the estimated amount of the increase in the
17 municipalities sales taxes attributed to the development.

18 SECTION 2. This Act takes effect immediately if it receives
19 a vote of two-thirds of all the members elected to each house, as
20 provided by Section 39, Article III, Texas Constitution. If this
21 Act does not receive the vote necessary for immediate effect, this
22 Act takes effect September 1, 2017.