

By: White, et al.

H.B. No. 4231

Substitute the following for H.B. No. 4231:

By: Shine

C.S.H.B. No. 4231

A BILL TO BE ENTITLED

1

AN ACT

2 relating to allocating a portion of oil and gas production tax
3 revenue to the counties from which the oil and gas originated.

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

5 SECTION 1. Section 201.404, Tax Code, is amended to read as
6 follows:

7 Sec. 201.404. ALLOCATION OF REVENUE. After deducting the
8 amount required to be deposited by Section 201.403 [~~of this code~~],
9 the comptroller shall deposit [~~one-fourth of~~] the revenue collected
10 from the tax imposed by this chapter as follows:

11 (1) 25 percent to the credit of the foundation school
12 fund;

13 (2) two percent to the credit of the trust fund created
14 under Section 205.001, to be disbursed to counties for the purposes
15 and in the manner provided by that section; and

16 (3) the remainder [~~three-fourths~~] to the general
17 revenue fund.

18 SECTION 2. Section 202.353, Tax Code, is amended to read as
19 follows:

20 Sec. 202.353. ALLOCATION OF REVENUE. After deducting the
21 amount required to be deposited by Section 202.352 [~~of this code~~],
22 the comptroller shall deposit [~~one-fourth of~~] the revenue collected
23 from the tax imposed by this chapter as follows:

24 (1) 25 percent to the credit of the foundation school

1 fund;

2 (2) two percent to the credit of the trust fund created
3 under Section 205.001, to be disbursed to counties for the purposes
4 and in the manner provided by that section; and

5 (3) the remainder [~~three-fourths~~] to the general
6 revenue fund.

7 SECTION 3. Subtitle I, Title 2, Tax Code, is amended by
8 adding Chapter 205 to read as follows:

9 CHAPTER 205. SEVERANCE TAX TRUST FUND

10 Sec. 205.001. TRUST FUND FOR REVENUE FROM SEVERANCE TAXES
11 FOR COUNTIES. (a) The comptroller shall deposit the following in a
12 trust fund outside the state treasury to be held with the
13 comptroller in trust:

14 (1) the revenue collected from the gas production tax
15 as specified by Section 201.404(2); and

16 (2) the revenue collected from the oil production tax
17 as specified by Section 202.353(2).

18 (b) The comptroller shall:

19 (1) administer the fund as trustee on behalf of each
20 county in this state; and

21 (2) send to the county treasurer payable to the county
22 the county's share of the revenue in the trust fund as provided by
23 this section.

24 (c) Each county's share of the revenue in the trust fund is
25 equal to the amount of revenue in the trust fund that is
26 attributable to gas production and oil production in that county.

27 (d) The comptroller shall remit to a county the county's

1 share of the revenue in the trust fund not later than the 90th day
2 after the last day of the calendar month during which the revenue
3 was deposited in the trust fund.

4 (e) A county may use money received under this section only
5 to supplement construction and maintenance of county roads and
6 bridges that are impacted by oil and gas exploration and production
7 activities.

8 SECTION 4. The changes in law made by this Act apply only to
9 tax revenue collected under Chapters 201 and 202, Tax Code, from oil
10 and gas produced on or after the effective date of this Act. Tax
11 revenue collected under Chapters 201 and 202, Tax Code, from oil and
12 gas produced before that date is governed by the law in effect at
13 the time the oil and gas was produced, and that law is continued in
14 effect for that purpose.

15 SECTION 5. This Act takes effect September 1, 2019.