

By: Gates

H.B. No. 4353

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 under Chapter 321, Tax Code, from sales or uses consummated within the district, 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 (c), the municipality must use at least 50 percent of the municipality's share of the money described by Subsection (a)(3) for drainage or road projects

1 that:

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

4 (2) benefit residents of the district; and

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

8 (c) This section applies to a contract or strategic
9 partnership agreement entered into before September 1, 2021, only
10 to the extent that the provisions of Subsection (b) do not impair
11 obligations under the provisions of the contract or agreement.

12 SECTION 2. This Act takes effect September 1, 2021.