

1 AN ACT
2 relating to the level of municipal participation in contracts with
3 developers for public improvements.

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

5 SECTION 1. Section 212.072, Local Government Code, is
6 amended by amending Subsection (b) and adding Subsections (c) and
7 (d) to read as follows:

8 (b) The contract:

9 (1) must establish the limit of participation by the
10 municipality at a level not to exceed 30 percent of the total
11 contract price, if the municipality has a population of less than
12 1.8 million; or

13 (2) may allow participation by a municipality at a
14 level not to exceed 70 percent of the total contract price, if the
15 municipality has a population of 1.8 million or more.

16 (b-1) In addition, if the municipality has a population of
17 1.8 million or more, the municipality may participate at a level not
18 to exceed 100 percent of the total contract price for all required
19 drainage improvements related to the development and construction
20 of affordable housing. Under this subsection, affordable housing
21 is defined as housing which is equal to or less than the median
22 sales price, as determined by the Real Estate Center at Texas A&M
23 University, of a home in the Metropolitan Statistical Area (MSA) in
24 which the municipality is located.

1 (c) In addition, the contract may also allow participation
2 by the municipality at a level not to exceed 100 percent of the
3 total cost for any oversizing of improvements required by the
4 municipality, including but not limited to increased capacity of
5 improvements to anticipate other future development in the area.

6 (d) The municipality is liable only for the agreed payment
7 of its share of the contract, which shall be determined in advance
8 either as a lump sum or as a factor or percentage of the total actual
9 cost as determined by municipal ordinance.

10 SECTION 2. This Act takes effect immediately if it receives
11 a vote of two-thirds of all the members elected to each house, as
12 provided by Section 39, Article III, Texas Constitution. If this
13 Act does not receive the vote necessary for immediate effect, this
14 Act takes effect September 1, 2005.

David Swank

President of the Senate

Jim Cusick

Speaker of the House

I certify that H.B. No. 1606 was passed by the House on April 29, 2005, by the following vote: Yeas 142, Nays 0, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 1606 on May 27, 2005, by the following vote: Yeas 140, Nays 0, 2 present, not voting.

Robert Hancy
Chief Clerk of the House

I certify that H.B. No. 1606 was passed by the Senate, with amendments, on May 24, 2005, by the following vote: Yeas 31, Nays 0.

Letsy Saw
Secretary of the Senate

APPROVED: 18 JUNE '05

Date

Rick Peary
Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
12:20 PM O'CLOCK

Roger Williams
Secretary of State