

By: White

H.B. No. 4231

A BILL TO BE ENTITLED

AN ACT

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

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

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

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

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

(2) 2.5 percent to the credit of the trust fund created under Section 205.001, to be disbursed to counties for the purposes and in the manner provided by that section; and

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

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

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

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

fund;

(2) 2.5 percent to the credit of the trust fund created under Section 205.001, to be disbursed to counties for the purposes and in the manner provided by that section; and

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

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

CHAPTER 205. SEVERANCE TAX TRUST FUND

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

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

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

(b) The comptroller shall:

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

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

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

(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 for
5 building and maintenance of infrastructure in the county or may
6 deposit the money in the county treasury.

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

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