

Allowing county assistance districts to provide certain grants

HB 1174 by Reynolds (Miles)

Digest

HB 1174 would have allowed a county assistance district in Fort Bend County to provide a grant or loan to a political subdivision to assist in funding the performance of at least one of the district's authorized functions.

Governor's reason for veto

"House Bill 1174 would allow county assistance districts to give their financial resources to other political subdivisions, but would do so without protecting against abuse."

Response

Rep. Ron Reynolds, the bill's author, said, "I am deeply disappointed that Gov. Abbott chose to veto HB 1174. The bill would have allowed county assistance districts to provide a grant or a loan to a political subdivision of the state. This would have helped the districts better serve the area(s) that they encompass. The idea for this legislation came from a current Fort Bend County commissioner who saw the need to make a change in the law to allow for more flexibility within the county assistance districts, which would benefit these communities.

"The governor's interpretation of the bill was not correct. He said HB 1174 would not have protected against abuse of these CAD funds. However, county commissioners and county judges are the governing boards of the various county assistance districts. It takes a majority of a district's board to spend any sales tax revenue from the district, providing protection from abuse."

Sen. Borris Miles, the Senate sponsor, said, "HB 1174 would have provided Fort Bend County needed flexibility in administering its county assistance districts. County assistance districts allow counties to raise revenue

from targeted areas and then expend the revenue on certain public services. HB 1174 would have allowed Fort Bend County's county assistance district to collect revenues from the district and enter into funding agreements with the county or other political subdivisions, to the benefit of the entire county.

"Certain Texas counties, particularly Fort Bend County, have lost sales tax revenue base as some municipalities strip annex certain roads and commercial properties to collect sales tax but then fail to provide services to these areas. HB 1174 would have provided Fort Bend County some relief by allowing its county assistance districts to partner with other local government entities to the benefit of the county. The governor's office never indicated any concerns with the bill during the session and their now-stated concern about the potential for abuse exists with any special district and could have been addressed if the author's office or our office had been informed of their concerns."

Notes

HB 1174 passed on the Local, Consent, and Resolutions Calendar and was not analyzed in a *Daily Floor Report*.