**Texas Transportation Code 542.402**

(a) Except as provided by Subsection (b-1), a municipality or county shall use a fine collected for a violation of a highway law in this title to:

(1) construct and maintain roads, bridges, and culverts in the municipality or county;

(2) enforce laws regulating the use of highways by motor vehicles;  and

(3) defray the expense of county traffic officers.

(b) In each fiscal year, a municipality having a population of less than 5,000 may retain, from fines collected for violations of this title and fines collected under [Article 45.051(a)](https://1.next.westlaw.com/Link/Document/FullText?findType=L&originatingContext=document&transitionType=DocumentItem&pubNum=1000172&refType=SP&originatingDoc=I9e703cf0eef711eab2ecc83b425cda07&cite=TXCMART45.051) [45.051, Code of Criminal Procedure](https://1.next.westlaw.com/Link/Document/FullText?findType=L&originatingContext=document&transitionType=DocumentItem&pubNum=1000172&refType=LQ&originatingDoc=I9e703cf1eef711eab2ecc83b425cda07&cite=TXCMART45.051) , in cases in which a violation of this title is alleged, an amount equal to 30 percent of the municipality's revenue for the preceding fiscal year from all sources, other than federal funds and bond proceeds, as shown by the audit performed under [Section 103.001, Local Government Code](https://1.next.westlaw.com/Link/Document/FullText?findType=L&originatingContext=document&transitionType=DocumentItem&pubNum=1000179&refType=LQ&originatingDoc=I9e703cf2eef711eab2ecc83b425cda07&cite=TXLGS103.001) .  After a municipality has retained that amount, the municipality shall send to the comptroller any portion of a fine collected that exceeds $1.

(b-1) Subject to Subsection (b-2), a county may use a fine collected for a violation of a highway law as the county determines appropriate if:

(1) the county has a population of less than 5,000;  and

(2) the commissioners court of the county by resolution elects to spend the revenue in a manner other than as provided by Subsection (a).

(b-2) In each fiscal year, a county described by Subsection (b-1) may retain, from fines collected for violations of this title and from fines collected under [Article 45.051(a)](https://1.next.westlaw.com/Link/Document/FullText?findType=L&originatingContext=document&transitionType=DocumentItem&pubNum=1000172&refType=SP&originatingDoc=I9e708b10eef711eab2ecc83b425cda07&cite=TXCMART45.051) [45.051, Code of Criminal Procedure](https://1.next.westlaw.com/Link/Document/FullText?findType=L&originatingContext=document&transitionType=DocumentItem&pubNum=1000172&refType=LQ&originatingDoc=I9e708b11eef711eab2ecc83b425cda07&cite=TXCMART45.051) , in cases in which a violation of this title is alleged, an amount equal to 30 percent of the county's revenue for the preceding fiscal year from all sources, other than federal funds and bond proceeds, as shown by an audit performed under Chapter 115, Local Government Code.  After a county has retained that amount, the county shall send to the comptroller any portion of a fine collected that exceeds $1.

(c) The comptroller shall enforce Subsections (b) and (b-2).

(d) In a fiscal year in which a municipality retains from fines and special expenses collected for violations of this title an amount equal to at least 20 percent of the municipality's revenue for the preceding fiscal year from all sources other than federal funds and bond proceeds, not later than the 120th day after the last day of the municipality's fiscal year, the municipality shall send to the comptroller:

(1) a copy of the municipality's financial statement for that fiscal year filed under Chapter 103, Local Government Code;  and

(2) a report that shows the total amount collected for that fiscal year from fines under Subsection (b).

(d-1) In a fiscal year in which a county retains from fines and special expenses collected for violations of this title an amount equal to at least 20 percent of the county's revenue for the preceding fiscal year from all sources other than federal funds and bond proceeds, not later than the 120th day after the last day of the county's fiscal year, the county shall send to the comptroller:

(1) a copy of the county's financial statement;  and

(2) a report that shows the total amount collected for that fiscal year from fines under Subsection (b-1).

(e) If an audit is conducted by the comptroller under Subsection (c) and it is determined that the municipality or county is retaining more than 20 percent of the amounts under Subsection (b) or (b-2), as applicable, and has not complied with Subsection (d) or (d-1), as applicable, the municipality or county shall pay the costs incurred by the comptroller in conducting the audit.

(f) A municipality may include the revenue generated from services provided in the municipality by a utility company operating within the municipality as municipal revenue for a fiscal year under Subsection (b) if:

(1) the municipality has a population of more than 1,000 but less than 1,200;  and

(2) part of the municipality's boundary is a river that forms part of the boundary between two counties.

(g) This subsection and Subsection (f) expire on September 1, 2021.