

AN ACT

relating to the effect of tax increment financing by certain taxing units in the calculation of ad valorem tax rates for those taxing units.

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

SECTION 1. Section 26.03(c), Tax Code, is amended to read as follows:

(c) The portion of the captured appraised value of real property taxable by a taxing unit that corresponds to the portion of the tax increment of the unit from that property that the unit has agreed to pay into the tax increment fund for a reinvestment zone and that is not included in the calculation of "new property value" as defined by Section 26.012 is excluded from the value of property taxable by the unit in any tax rate calculation under this chapter.

SECTION 2. This Act takes effect January 1, 2004, and applies to the tax rate calculations under Chapter 26, Tax Code, only for a tax year that begins on or after the effective date of this Act.

President of the Senate

Speaker of the House

I certify that H.B. No. 390 was passed by the House on May 5, 2003, by a non-record vote.

Chief Clerk of the House

I certify that H.B. No. 390 was passed by the Senate on May 28, 2003, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor