

By: Pitts

H.B. No. 390

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the effect of tax increment financing by certain taxing
3 units in the calculation of ad valorem tax rates for those taxing
4 units.

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

6 SECTION 1. Section 26.03, Tax Code, is amended by adding
7 Subsection (c-1) to read as follows:

8 (c-1) For purposes of a tax rate calculation under this
9 chapter, new property value does not include the portion of the
10 captured appraised value of real property taxable by a taxing unit
11 that corresponds to the portion of the tax increment of the unit
12 from that property that the unit has agreed to pay into the tax
13 increment fund for a reinvestment zone.

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