

1-1 By: Pitts (Senate Sponsor - Averitt) H.B. No. 390  
1-2 (In the Senate - Received from the House May 6, 2003;  
1-3 May 8, 2003, read first time and referred to Committee on  
1-4 Intergovernmental Relations; May 24, 2003, reported favorably by  
1-5 the following vote: Yeas 3, Nays 0; May 24, 2003, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to the effect of tax increment financing by certain taxing  
1-9 units in the calculation of ad valorem tax rates for those taxing  
1-10 units.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Section 26.03(c), Tax Code, is amended to read as  
1-13 follows:

1-14 (c) The portion of the captured appraised value of real  
1-15 property taxable by a taxing unit that corresponds to the portion of  
1-16 the tax increment of the unit from that property that the unit has  
1-17 agreed to pay into the tax increment fund for a reinvestment zone  
1-18 and that is not included in the calculation of "new property value"  
1-19 as defined by Section 26.012 is excluded from the value of property  
1-20 taxable by the unit in any tax rate calculation under this chapter.

1-21 SECTION 2. This Act takes effect January 1, 2004, and  
1-22 applies to the tax rate calculations under Chapter 26, Tax Code,  
1-23 only for a tax year that begins on or after the effective date of  
1-24 this Act.

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