

By: Menendez

H.B. No. 2504

A BILL TO BE ENTITLED

AN ACT

relating to the powers of an Urban Renewal Agency.

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

SECTION 1. Section 374.003, Local Government Code, is amended to add the following definitions:

(XX) "Educational facility" includes equipment, real property, and other facilities, including a public school building, that are used or intended to be used jointly by the municipality or an urban renewal agency created and an independent school district or an institution of higher education.

(XX) "Market Price Housing" means housing which does not qualify as affordable housing as defined by 42 U.S.C. Section 12745 because the income of the tenants of such housing exceeds the limits provided in 42 U.S.C. Section 12745.

(XX) "Public Housing" shall not include housing owned or operated by or for an institution of higher education or market price or senior-citizen housing owned by an Urban Renewal Agency created under this chapter.

SECTION 2. Section 374.031, Local Government Code, is amended to read as follows:

(a) An election on the use of tax increment financing for urban renewal purposes is not required since the constitutional amendment on tax increment financing was approved by the voters of the State at a state-wide election held in 1981.

1 (b) A municipality by ordinance may authorize the use of the
2 tax increment method of financing prescribed under this subchapter
3 if a petition is submitted to the governing body of the municipality
4 by the governing body of an urban renewal agency created under this
5 Chapter.

6 (c) After the adoption of an ordinance by the governing body
7 of the municipality authorizing the use of the tax increment method
8 of financing prescribed by this subchapter, the governing body of
9 an urban renewal agency may by resolution establish tax increment
10 financing zones in all or any portions of an area subject to an
11 urban renewal plan.

12 (d) An urban renewal agency may enter into an agreement,
13 with a school district that is located in whole or in part in an
14 urban renewal tax increment financing zone created by the urban
15 renewal agency under this chapter to dedicate revenue from the tax
16 increment fund to the school district for acquiring, constructing,
17 or reconstructing an educational facility located in or outside of
18 the zone.

19 SECTION 3. Section 374.021, Local Government Code, is
20 amended to add a new subsection (c) read as follows:

21 (c) In this section, in addition to the "urban renewal
22 project powers" provided elsewhere in this Chapter, "urban renewal
23 project powers" of the municipality which may be exercised by an
24 urban renewal agency also expressly include the following:

25 (a) A municipality may acquire land, including
26 improvements and facilities located thereon, and may construct,
27 repair, rehabilitate, renovate, equip, or improve, or acquire a

1 building or other facility or improvement for the purpose of
2 leasing the land, building, or other facility or improvement for a
3 purpose consistent with an approved urban renewal plan to:

4 (1) a political subdivision, state agency or
5 institution of higher education for public use consistent with an
6 urban renewal plan approved under this chapter; or

7 (2) an individual, private for profit or
8 non-profit corporation, or other private entity for use consistent
9 with an urban renewal plan approved under this chapter, including
10 use in manufacturing, industrial, or another commercial or
11 institutional activity, or for market price housing or student
12 housing.

13 (b) The municipality may operate, maintain, sell or
14 lease the property:

15 (1) without public notice or bidding; and

16 (2) on terms the governing body of the
17 municipality finds acceptable.

18 (c) A sale under Subsection (b) may be by an
19 installment sale agreement or otherwise.

20 (d) The property of the urban renewal agency is public
21 property used for essential public and governmental purposes. The
22 urban renewal agency and the urban renewal agency's property are
23 exempt from all taxes and special assessments of a municipality, a
24 county, another political subdivision, or the state.

25 (e) A municipality may form a public facility
26 corporation in accordance and with the powers provided in Chapter
27 303 Local Government Code. In addition to the rights, powers and

1 authority provided to such corporations by Chapter 303 Local
2 Government Code, such corporation shall also have the following
3 powers:

4 (i) to form a partnership or another legal entity
5 to raise capital for a project to be owned by the partnership or
6 other legal entity; and

7 (ii) to purchase, receive, subscribe for, or
8 otherwise acquire, own, hold, vote, use, employ, mortgage, lend,
9 pledge, sell, or otherwise dispose of, and otherwise use and deal in
10 and with:

11 (1) shares and other interests in or
12 obligations of other domestic or foreign corporations, whether
13 profit or nonprofit, associations, partnerships, or individuals;
14 or

15 (2) direct or indirect obligations of the
16 United States or of any other government, state, political
17 subdivision of a state, territory, government district, or any
18 instrumentality of such a governmental entity.

19 (iii) The property of such a corporation is
20 public property used for essential public and governmental
21 purposes. The corporation and the corporation's property are
22 exempt from all taxes and special assessments of a municipality, a
23 county, another political subdivision, or the state.

24 (iv) all the powers of a non-profit corporation
25 under the Texas Non-Profit Corporation Act.

26 SECTION 4. Section 303.003, Local Government Code, is
27 amended to add a new subparagraph (D) to subsection (10) to read as

1 follows:

2 (D) an urban renewal agency created under Chapter
3 374, Local Government Code.

4 SECTION 5. This Act takes effect immediately if it receives
5 a vote of two-thirds of all the members elected to each house, as
6 provided by Section 39, Article III, Texas Constitution. If this
7 Act does not receive the vote necessary for immediate effect, this
8 Act takes effect September 1, 2003.