

By: West

H.B. No. 3075

A BILL TO BE ENTITLED

AN ACT

1
2 relating to local agreements to allow certain development
3 corporations and taxing units to invest in and receive tax revenues
4 from certain regional economic development projects.

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

6 SECTION 1. Section 4A, Development Corporation Act of 1979
7 (Article 5190.6, Vernon's Texas Civil Statutes), is amended by
8 adding Subsections (u) and (v) to read as follows:

9 (u)(1) In this subsection:

10 (A) "Base taxable value" means the taxable value
11 of property located in the defined area of a project as of January 1
12 of the year in which the agreement is entered into under this
13 subsection.

14 (B) "Corresponding taxing unit" means another
15 taxing unit of the same type of political subdivision as a taxing
16 unit that enters into an agreement under this subsection.

17 (C) "Taxing unit" has the meaning assigned by
18 Section 1.04, Tax Code.

19 (2) Before entering into an agreement under this
20 subsection, the corporation undertaking the project must designate
21 a defined area that includes the territory where the project is to
22 be located.

23 (3) A taxing unit other than a school district may
24 enter into an agreement with a corporation created under this

1 section to invest in a project that is undertaken by the corporation
2 and that is not located in the territory of the taxing unit. A
3 corporation may enter into an agreement under this subsection with
4 more than one taxing unit.

5 (4) An agreement entered into under this subsection
6 shall state the base taxable value of the property in the defined
7 area of the project.

8 (5) The agreement may provide that the taxing unit is
9 entitled to receive from the corporation, in exchange for the
10 investment, an amount equal to a specified percentage of the tax
11 revenue from taxes imposed by the corresponding taxing unit that
12 taxes property located in the defined area of the project on the
13 taxable value of the property in the defined area that exceeds the
14 base taxable value, for so long as the corresponding taxing unit
15 imposes taxes on that property.

16 (6) If a corporation enters into an agreement under
17 this subsection, the corporation shall enter into an agreement with
18 a corresponding taxing unit that taxes property located in the
19 defined area of the project to recover the amount paid by the
20 corporation to a taxing unit as provided by Subdivision (5).

21 (v)(1) In this subsection, "base taxable value" has the
22 meaning assigned by Subsection (u).

23 (2) Before entering into an agreement under this
24 subsection, the corporation undertaking the project must designate
25 a defined area that includes the territory where the project is to
26 be located.

27 (3) A corporation created under this section may enter

1 into an agreement with another corporation created under this
2 section to invest in a project undertaken by the other corporation.

3 (4) An agreement entered into under this subsection
4 shall state the base taxable value of the property in the defined
5 area that is taxable by the city that created the corporation
6 undertaking the project.

7 (5) The agreement may provide that the corporation
8 making the investment is entitled to receive from the city that
9 created the corporation undertaking the project, in exchange for
10 the investment, an amount equal to a specified percentage of the tax
11 revenue from taxes imposed by the city on the taxable value of the
12 defined area of the project that exceeds the base taxable value, for
13 so long as the city imposes taxes on that property.

14 SECTION 2. This Act takes effect immediately if it receives
15 a vote of two-thirds of all the members elected to each house, as
16 provided by Section 39, Article III, Texas Constitution. If this
17 Act does not receive the vote necessary for immediate effect, this
18 Act takes effect September 1, 2003.