

1-1 By: Brimer S.B. No. 657
1-2 (In the Senate-Filed February 24, 2003; February 27, 2003,
1-3 read first time and referred to Committee on Finance;
1-4 April 28, 2003, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 13, Nays 0; April 28, 2003,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 657 By: Brimer

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the effect of tax increment financing by certain taxing
1-11 units in the calculation of ad valorem tax rates for those taxing
1-12 units.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. Subsections (b) and (d), Section 26.03, Tax
1-15 Code, are amended to read as follows:

1-16 (b) This section ~~does not apply to~~ [~~applies only to a taxing~~
1-17 ~~unit, other than~~] a school district[, ~~that is located in a county~~
1-18 ~~with a population of less than 500,000~~].

1-19 (d) The portion of the tax increment of a taxing unit that
1-20 the unit has agreed to pay into the tax increment fund for a
1-21 reinvestment zone is excluded from the amount of taxes imposed or
1-22 collected by the unit in any tax rate calculation under this
1-23 chapter, except that the portion of the tax increment is not
1-24 excluded if in the same tax rate calculation there is no portion of
1-25 captured appraised value excluded from the value of property
1-26 taxable by the unit under Subsection (c) for the same reinvestment
1-27 zone.

1-28 SECTION 2. This Act takes effect January 1, 2004, and
1-29 applies to the tax rate calculations under Chapter 26, Tax Code, for
1-30 a taxing unit only for a tax year that begins on or after the
1-31 effective date of this Act.

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