

## **BILL ANALYSIS**

H.B. 2653  
By: Krusee  
Transportation  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The increased utilization of different transit options such as commuter rail and rapid bus transit is expected to result in new ways of developing neighborhoods. Transit oriented development places a mix of residential, retail, shopping, schools, and public parks, and green spaces within walking distance of transit stations.

The use of tax increment financing districts, TIFs, are critical to the ability of local jurisdictions to finance infrastructure for these developments. The acquisition of land for the preservation of regional open space to balance the regional effects of urban development should be a component of this infrastructure development.

H.B. 2653 allows for the board of directors of a reinvestment zone to enter into an agreement to acquire land, acquire development rights to land, or enter into a conservation easement in land located outside of the reinvestment zone if the purpose is to preserve the land in its natural or undeveloped condition.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

Section 1 adds Section 311.01005 to the Tax Code, Costs Associated with Transportation or Transit Projects;

Subsection (a) defines eligible transit projects.

Subsection (b) specifies that this new section does not affect the power of a board under Section 311.010(b) of the Tax Code.

Subsection (c) specifies the conditions that must be met for the acquisition of land, development rights to land, or a conservation easement through TIF revenue.

Subsection (d) requires that a board of a reinvestment zone or a governing body of a municipality find specifically that the zone will benefit from the acquisition of land, development rights to land, or a conservation easement will benefit the zone by balancing the effects of urban development with open space, and that the municipality and the county in which the zone is located pay the same portion of their tax increment into the tax increment fund for the zone.

### **EFFECTIVE DATE**

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2005.