

1-1 By: Hartnett, Anchia (Senate Sponsor - West) H.B. No. 1188
1-2 (In the Senate - Received from the House April 25, 2005;
1-3 April 26, 2005, read first time and referred to Committee on
1-4 Intergovernmental Relations; May 20, 2005, reported adversely,
1-5 with favorable Committee Substitute by the following vote: Yeas 4,
1-6 Nays 0; May 20, 2005, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 1188 By: Deuell

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

1-10 relating to tax increment financing.

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

1-12 SECTION 1. Subsection (a), Section 311.005, Tax Code, is
1-13 amended to read as follows:

1-14 (a) To be designated as a reinvestment zone, an area must:

1-15 (1) substantially arrest or impair the sound growth of
1-16 the municipality creating the zone, retard the provision of housing
1-17 accommodations, or constitute an economic or social liability and
1-18 be a menace to the public health, safety, morals, or welfare in its
1-19 present condition and use because of the presence of:

1-20 (A) a substantial number of substandard, slum,
1-21 deteriorated, or deteriorating structures;

1-22 (B) the predominance of defective or inadequate
1-23 sidewalk or street layout;

1-24 (C) faulty lot layout in relation to size,
1-25 adequacy, accessibility, or usefulness;

1-26 (D) unsanitary or unsafe conditions;

1-27 (E) the deterioration of site or other
1-28 improvements;

1-29 (F) tax or special assessment delinquency
1-30 exceeding the fair value of the land;

1-31 (G) defective or unusual conditions of title;

1-32 [~~or~~]

1-33 (H) conditions that endanger life or property by
1-34 fire or other cause; or

1-35 (I) structures, other than single-family
1-36 residential structures, that have been substantially vacant for at
1-37 least five years;

1-38 (2) be predominantly open and, because of obsolete
1-39 platting, deterioration of structures or site improvements, or
1-40 other factors, substantially impair or arrest the sound growth of
1-41 the municipality; [~~or~~]

1-42 (3) be in a federally assisted new community located
1-43 in the municipality or in an area immediately adjacent to a
1-44 federally assisted new community; or

1-45 (5) be an area described in a petition requesting that
1-46 the area be designated as a reinvestment zone, if the petition is
1-47 submitted to the governing body of the municipality by the owners of
1-48 property constituting at least 50 percent of the appraised value of
1-49 the property in the area according to the most recent certified
1-50 appraisal roll for the county in which the area is located.

1-51 SECTION 2. Section 311.008, Tax Code, is amended by adding
1-52 Subsection (e) to read as follows:

1-53 (e) The implementation of a project plan to alleviate a
1-54 condition described by Section 311.005(a)(1), (2), or (3) and to
1-55 promote development or redevelopment of a reinvestment zone in
1-56 accordance with this chapter serves a public purpose.

1-57 SECTION 3. Section 311.010, Tax Code, is amended by adding
1-58 Subsection (g) to read as follows:

1-59 (g) Chapter 252, Local Government Code, does not apply to a
1-60 dedication, pledge, or other use of revenue in the tax increment
1-61 fund for a reinvestment zone by the board of directors of the zone
1-62 in carrying out its powers under Subsection (b).

1-63 SECTION 4. This Act takes effect immediately if it receives

2-1 a vote of two-thirds of all the members elected to each house, as
2-2 provided by Section 39, Article III, Texas Constitution. If this
2-3 Act does not receive the vote necessary for immediate effect, this
2-4 Act takes effect September 1, 2005.

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