

By: Krusee

H.B. No. 2653

A BILL TO BE ENTITLED

AN ACT

relating to the use of tax increment financing to pay certain costs associated with certain transportation or transit projects.

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

SECTION 1. Chapter 311, Tax Code, is amended by adding Section 311.01005 to read as follows:

Sec. 311.01005. COSTS ASSOCIATED WITH TRANSPORTATION OR TRANSIT PROJECTS. (a) In this section:

(1) "Bus rapid transit project" means a mass transportation facility designed to give preferential treatment to buses on a roadway in order to reduce bus travel time, improve service reliability, increase the convenience of users, and increase bus ridership, including:

(A) a fixed guideway, high occupancy vehicle lane, bus way, or bus lane;

(B) a transit center or station;

(C) a maintenance facility; and

(D) other real property associated with a bus rapid transit operation.

(2) "Rail transportation project" means a passenger rail facility, including:

(A) tracks;

(B) a rail line;

(C) a depot;

1                   (D) a maintenance facility; and

2                   (E) other real property associated with a  
3 passenger rail operation.

4           (b) This section does not affect the power of the board of  
5 directors of a reinvestment zone or the governing body of the  
6 municipality that creates a reinvestment zone to enter into an  
7 agreement under Section 311.010(b) to dedicate, pledge, or  
8 otherwise provide for the use of revenue in the tax increment fund  
9 to pay the costs of acquiring, constructing, operating, or  
10 maintaining property located in the zone.

11           (c) An agreement under Section 311.010(b) may dedicate,  
12 pledge, or otherwise provide for the use of revenue in the tax  
13 increment fund to pay the costs of acquiring land, or the  
14 development rights or a conservation easement in land, located  
15 outside the reinvestment zone, if:

16                   (1) the zone is or will be served by a rail  
17 transportation project or bus rapid transit project;

18                   (2) the land or the development rights or conservation  
19 easement in the land is acquired for the purpose of preserving the  
20 land in its natural or undeveloped condition; and

21                   (3) the land is located in the county in which the zone  
22 is located.

23           (d) The board of directors of a reinvestment zone or the  
24 governing body of the municipality that creates a reinvestment zone  
25 may enter into an agreement described by Subsection (c) only if:

26                   (1) the board or the governing body determines that  
27 the acquisition of the land, or the development rights or

1 conservation easement in the land, located outside the zone  
2 benefits or will benefit the zone by facilitating the preservation  
3 of regional open space in order to balance the regional effects of  
4 urban development promoted by the rail transportation project or  
5 bus rapid transit project; and

6 (2) the municipality that creates the reinvestment  
7 zone and the county in which the zone is located pay the same  
8 portion of their tax increment into the tax increment fund for the  
9 zone.

10 SECTION 2. This Act takes effect immediately if it receives  
11 a vote of two-thirds of all the members elected to each house, as  
12 provided by Section 39, Article III, Texas Constitution. If this  
13 Act does not receive the vote necessary for immediate effect, this  
14 Act takes effect September 1, 2005.