

By: Krusee (Senate Sponsor - Barrientos) H.B. No. 2653
(In the Senate - Received from the House April 20, 2005;
April 21, 2005, read first time and referred to Committee on
Transportation and Homeland Security; May 20, 2005, reported
adversely, with favorable Committee Substitute by the following
vote: Yeas 8, Nays 0; May 20, 2005, sent to printer.)

COMMITTEE SUBSTITUTE FOR H.B. No. 2653 By: Barrientos

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;

(D) a maintenance facility; and

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

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

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

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

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

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

(d) The board of directors of a reinvestment zone, if all of
the members of the board are appointed by the municipality that
creates the zone, or the governing body of the municipality that
creates a reinvestment zone may enter into an agreement described
by Subsection (c) only if:

(1) the board or the governing body determines that
the acquisition of the land, or the development rights or
conservation easement in the land, located outside the zone
benefits or will benefit the zone by facilitating the preservation

of regional open space in order to balance the regional effects of urban development promoted by the rail transportation project or bus rapid transit project; and

(2) the municipality that creates the reinvestment zone 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.

(e) Property acquired under Subsection (c) may not be acquired through condemnation.

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

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