

By: West

S.B. No. 771

Substitute the following for S.B. No. 771:

By: McCall

C.S.S.B. No. 771

A BILL TO BE ENTITLED

AN ACT

relating to tax increment financing.

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

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

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

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

(A) a substantial number of substandard, slum, deteriorated, or deteriorating structures;

(B) the predominance of defective or inadequate sidewalk or street layout;

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

(D) unsanitary or unsafe conditions;

(E) the deterioration of site or other improvements;

(F) tax or special assessment delinquency exceeding the fair value of the land;

(G) defective or unusual conditions of title;

~~or~~

1 (H) conditions that endanger life or property by
2 fire or other cause; or

3 (I) structures, other than single-family
4 residential structures, that have been substantially vacant for at
5 least five years;

6 (2) be predominantly open and, because of obsolete
7 platting, deterioration of structures or site improvements, or
8 other factors, substantially impair or arrest the sound growth of
9 the municipality; [~~or~~]

10 (3) be in a federally assisted new community located
11 in the municipality or in an area immediately adjacent to a
12 federally assisted new community; or

13 (5) be an area described in a petition requesting that
14 the area be designated as a reinvestment zone, if the petition is
15 submitted to the governing body of the municipality by the owners of
16 property constituting at least 50 percent of the appraised value of
17 the property in the area according to the most recent certified
18 appraisal roll for the county in which the area is located.

19 SECTION 2. Section 311.008, Tax Code, is amended by adding
20 Subsection (e) to read as follows:

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

25 SECTION 3. Section 311.010, Tax Code, is amended by adding
26 Subsection (g) to read as follows:

27 (g) Chapter 252, Local Government Code, does not apply to a

1 dedication, pledge, or other use of revenue in the tax increment
2 fund for a reinvestment zone by the board of directors of the zone
3 in carrying out its powers under Subsection (b).

4 SECTION 4. This Act takes effect immediately if it receives
5 a vote of two-thirds of all the members elected to each house, as
6 provided by Section 39, Article III, Texas Constitution. If this
7 Act does not receive the vote necessary for immediate effect, this
8 Act takes effect September 1, 2005.