

By: Smith of Tarrant

H.B. No. 3327

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the implementation of a project plan or financing plan  
3 for a reinvestment zone under the Tax Increment Financing Act and  
4 the granting of exemptions from ad valorem taxes imposed on real  
5 property in a reinvestment zone under that Act.

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

7 SECTION 1. Section 311.010(b), Tax Code, is amended to read  
8 as follows:

9 (b) The board of directors of a reinvestment zone and the  
10 governing body of the municipality or county that creates a  
11 reinvestment zone may each enter into agreements as the board or the  
12 governing body considers necessary or convenient to implement the  
13 project plan and reinvestment zone financing plan and achieve their  
14 purposes. An agreement may provide for the regulation or  
15 restriction of the use of land by imposing conditions,  
16 restrictions, or covenants that run with the land. An agreement may  
17 during the term of the agreement dedicate, pledge, or otherwise  
18 provide for the use of revenue in the tax increment fund to pay any  
19 project costs that benefit the reinvestment zone, including project  
20 costs relating to the cost of buildings, schools, or other  
21 educational facilities owned by or on behalf of a school district,  
22 community college district, or other political subdivision of this  
23 state, railroad or transit facilities, affordable housing, the  
24 remediation of conditions that contaminate public or private land

1 or buildings, the preservation of the facade of a private or public  
 2 building, ~~[or]~~ the demolition of public or private buildings, or  
 3 the construction of a road, sidewalk, or other public  
 4 infrastructure in or out of the zone, including the cost of  
 5 acquiring the real property necessary for the construction of the  
 6 road, sidewalk, or other public infrastructure. An agreement may  
 7 dedicate revenue from the tax increment fund to pay the costs of  
 8 providing affordable housing or areas of public assembly in or out  
 9 of the zone. ~~[An agreement may dedicate revenue from the tax~~  
 10 ~~increment fund to pay a neighborhood enterprise association for~~  
 11 ~~providing services or carrying out projects authorized under~~  
 12 ~~Subchapters E and G, Chapter 2303, Government Code, in the zone.~~  
 13 ~~The term of an agreement with a neighborhood enterprise association~~  
 14 ~~may not exceed 10 years.]~~

15 SECTION 2. Section 311.013(g), Tax Code, is amended to read  
 16 as follows:

17 (g) Subject to the provisions of Section 311.0125, in lieu  
 18 of permitting a portion of its tax increment to be paid into the tax  
 19 increment fund, and notwithstanding the provisions of Section  
 20 312.203, a taxing unit, including ~~[other than]~~ a municipality  
 21 ~~[city]~~, may elect to offer the owners of taxable real property in a  
 22 reinvestment zone created under this chapter an exemption from  
 23 taxation of all or part of the value of the property. To be  
 24 effective, an ~~[Any]~~ agreement to exempt real property ~~[concerning~~  
 25 ~~an exemption]~~ from ad valorem taxes under this subsection must be  
 26 approved by:

27 (1) the board of directors of the reinvestment zone;

1 and

2 (2) the governing body of each taxing unit that  
3 imposes taxes on real property in the reinvestment zone and  
4 deposits or agrees to deposit any of its tax increment into the tax  
5 increment fund for the zone ~~[shall be executed in the manner and~~  
6 ~~subject to the limitations of Chapter 312; provided, however, the~~  
7 ~~property covered by the agreement need not be in a zone created~~  
8 ~~pursuant to Chapter 312. A taxing unit may not offer a tax~~  
9 ~~abatement agreement to property owners in the zone after it has~~  
10 ~~entered into an agreement that its tax increments would be paid into~~  
11 ~~the tax increment fund pursuant to Subsection (f)].~~

12 SECTION 3. This Act takes effect immediately if it receives  
13 a vote of two-thirds of all the members elected to each house, as  
14 provided by Section 39, Article III, Texas Constitution. If this  
15 Act does not receive the vote necessary for immediate effect, this  
16 Act takes effect September 1, 2007.