

By: Castro

H.B. No. 3957

A BILL TO BE ENTITLED

AN ACT

1
2 relating to extending the termination of a reinvestment zone
3 created under the Tax Increment Financing Act.

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

5 SECTION 1.01 Section 311.011, Texas Tax Code is amended, by
6 amending Subsection (e) to read as follows:

7 Sec. 311.011. PROJECT AND FINANCING PLANS. (a) The board
8 of directors of a reinvestment zone shall prepare and adopt a
9 project plan and a reinvestment zone financing plan for the zone and
10 submit the plans to the governing body of the municipality or county
11 that created the zone. The plans must be as consistent as possible
12 with the preliminary plans developed for the zone before the
13 creation of the board.

14 (b) The project plan must include:

15 (1) a map showing existing uses and conditions of real
16 property in the zone and a map showing proposed improvements to and
17 proposed uses of that property;

18 (2) proposed changes of zoning ordinances, the master
19 plan of the municipality, building codes, other municipal
20 ordinances, and subdivision rules and regulations, if any, of the
21 county, if applicable;

22 (3) a list of estimated nonproject costs; and

23 (4) a statement of a method of relocating persons to be
24 displaced as a result of implementing the plan.

1 (c) The reinvestment zone financing plan must include:

2 (1) a detailed list describing the estimated project
3 costs of the zone, including administrative expenses;

4 (2) a statement listing the kind, number, and location
5 of all proposed public works or public improvements in the zone;

6 (3) an economic feasibility study;

7 (4) the estimated amount of bonded indebtedness to be
8 incurred;

9 (5) the time when related costs or monetary
10 obligations are to be incurred;

11 (6) a description of the methods of financing all
12 estimated project costs and the expected sources of revenue to
13 finance or pay project costs, including the percentage of tax
14 increment to be derived from the property taxes of each taxing unit
15 that levies taxes on real property in the zone;

16 (7) the current total appraised value of taxable real
17 property in the zone;

18 (8) the estimated captured appraised value of the zone
19 during each year of its existence; and

20 (9) the duration of the zone.

21 (d) The governing body of the municipality or county that
22 created the zone must approve a project plan or reinvestment zone
23 financing plan after its adoption by the board. The approval must
24 be by ordinance, in the case of a municipality, or by order, in the
25 case of a county, that finds that the plan is feasible and conforms
26 to the master plan, if any, of the municipality or to subdivision
27 rules and regulations, if any, of the county.

1 (e) The board of directors of the zone at any time may adopt
2 an amendment to the project plan consistent with the requirements
3 and limitations of this chapter. The amendment takes effect on
4 approval by the governing body of the municipality or county that
5 created the zone. That approval must be by ordinance, in the case
6 of a municipality, or by order, in the case of a county. If an
7 amendment reduces or increases the geographic area of the zone,
8 increases the amount of bonded indebtedness to be incurred,
9 increases or decreases the percentage of a tax increment to be
10 contributed by a taxing unit, increases the total estimated project
11 costs, extends the termination date of the zone, or designates
12 additional property in the zone to be acquired by the municipality
13 or county, the approval must be by ordinance or order, as
14 applicable, adopted after a public hearing that satisfies the
15 procedural requirements of Sections 311.003(c) and (d).

16 (f) In a zone designated under Section 311.005(a)(5) that is
17 located in a county with a population of 3.3 million or more, the
18 project plan must provide that at least one-third of the tax
19 increment of the zone be used to provide affordable housing during
20 the term of the zone.

21 (g) An amendment to the project plan or the reinvestment
22 zone financing plan for a zone does not apply to a school district
23 that participates in the zone unless the governing body of the
24 school district by official action approves the amendment, if the
25 amendment:

26 (1) has the effect of directly or indirectly
27 increasing the percentage or amount of the tax increment to be

1 contributed by the school district; or

2 (2) requires or authorizes the municipality or county
3 creating the zone to issue additional tax increment bonds or notes.

4 SECTION 1.02. Chapter 311, Texas Tax Code is amended, by
5 adding Section 311.021 to read as follows:

6 Sec. 311.021 EXTENSION OF TERMINATION DATE OF REINVESTMENT
7 ZONE.

8 (a) The governing body of a municipality by ordinance or the
9 governing body of a county by order may extend the date for
10 termination of a reinvestment zone.

11 SECTION 1. The changes in law made by this Act apply to
12 ordinances or orders adopted or approved by the governing body of a
13 municipality or a county on or before the effective date of this
14 Act.

15 SECTION 2. This Act takes effect immediately if it receives
16 a vote of two-thirds of all the members elected to each house, as
17 provided by Section 39, Article III, Texas Constitution. If this
18 Act does not receive the vote necessary for immediate effect, this
19 Act takes effect September 1, 2007.