

1-1 By: Brimer S.B. No. 1809
1-2 (In the Senate - Filed March 9, 2007; March 22, 2007, read
1-3 first time and referred to Subcommittee on Emerging Technologies
1-4 and Economic Development; April 10, 2007, reported favorably from
1-5 Committee on Business and Commerce by the following vote: Yeas 9,
1-6 Nays 0; April 10, 2007, sent to printer.)

1-7 A BILL TO BE ENTITLED
1-8 AN ACT

1-9 relating to the implementation of a project plan or financing plan
1-10 for a reinvestment zone under the Tax Increment Financing Act and
1-11 the granting of exemptions from ad valorem taxes imposed on real
1-12 property in a reinvestment zone under that Act.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. Subsection (b), Section 311.010, Tax Code, is
1-15 amended to read as follows:

1-16 (b) The board of directors of a reinvestment zone and the
1-17 governing body of the municipality or county that creates a
1-18 reinvestment zone may each enter into agreements as the board or the
1-19 governing body considers necessary or convenient to implement the
1-20 project plan and reinvestment zone financing plan and achieve their
1-21 purposes. An agreement may provide for the regulation or
1-22 restriction of the use of land by imposing conditions,
1-23 restrictions, or covenants that run with the land. An agreement may
1-24 during the term of the agreement dedicate, pledge, or otherwise
1-25 provide for the use of revenue in the tax increment fund to pay any
1-26 project costs that benefit the reinvestment zone, including project
1-27 costs relating to the cost of buildings, schools, or other
1-28 educational facilities owned by or on behalf of a school district,
1-29 community college district, or other political subdivision of this
1-30 state, railroad or transit facilities, affordable housing, the
1-31 remediation of conditions that contaminate public or private land
1-32 or buildings, the preservation of the facade of a private or public
1-33 building, ~~or~~ the demolition of public or private buildings, or
1-34 the construction of a road, sidewalk, or other public
1-35 infrastructure in or out of the zone, including the cost of
1-36 acquiring the real property necessary for the construction of the
1-37 road, sidewalk, or other public infrastructure. An agreement may
1-38 dedicate revenue from the tax increment fund to pay the costs of
1-39 providing affordable housing or areas of public assembly in or out
1-40 of the zone. ~~[An agreement may dedicate revenue from the tax~~
1-41 ~~increment fund to pay a neighborhood enterprise association for~~
1-42 ~~providing services or carrying out projects authorized under~~
1-43 ~~Subchapters E and G, Chapter 2303, Government Code, in the zone.~~
1-44 ~~The term of an agreement with a neighborhood enterprise association~~
1-45 ~~may not exceed 10 years.]~~

1-46 SECTION 2. Subsection (g), Section 311.013, Tax Code, is
1-47 amended to read as follows:

1-48 (g) Subject to the provisions of Section 311.0125, in lieu
1-49 of permitting a portion of its tax increment to be paid into the tax
1-50 increment fund, and notwithstanding the provisions of Section
1-51 312.203, a taxing unit, including [other than] a municipality
1-52 [city], may elect to offer the owners of taxable real property in a
1-53 reinvestment zone created under this chapter an exemption from
1-54 taxation of all or part of the value of the property. To be
1-55 effective, an [Any] agreement to exempt real property [concerning
1-56 an exemption] from ad valorem taxes under this subsection must be
1-57 approved by:

1-58 (1) the board of directors of the reinvestment zone;
1-59 and

1-60 (2) the governing body of each taxing unit that
1-61 imposes taxes on real property in the reinvestment zone and
1-62 deposits or agrees to deposit any of its tax increment into the tax
1-63 increment fund for the zone [shall be executed in the manner and
1-64 subject to the limitations of Chapter 312; provided, however, the

2-1 ~~property covered by the agreement need not be in a zone created~~
2-2 ~~pursuant to Chapter 312. A taxing unit may not offer a tax~~
2-3 ~~abatement agreement to property owners in the zone after it has~~
2-4 ~~entered into an agreement that its tax increments would be paid into~~
2-5 ~~the tax increment fund pursuant to Subsection (f)].~~

2-6 SECTION 3. This Act takes effect immediately if it receives
2-7 a vote of two-thirds of all the members elected to each house, as
2-8 provided by Section 39, Article III, Texas Constitution. If this
2-9 Act does not receive the vote necessary for immediate effect, this
2-10 Act takes effect September 1, 2007.

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