

BILL ANALYSIS

Senate Research Center
81R25325 JAM-F

H.B. 3983
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Economic Development
5/14/2009
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

This legislation modifies a bill passed in 2007 that created a homestead preservation district in East Austin—specifically to specify how the City of Austin and Travis County shall participate in a tax increment financing system related to affordable housing.

H.B. 3983 relates to certain homestead preservation reinvestment zones.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 373A.155(b), Local Government Code, to require the county to pay into the tax increment fund for the zone the same percentage of the tax increment produced by the county that the municipality pays into the fund, rather than for the zone an amount equal to the tax increment paid by the municipality as specified in the order adopted under the Section 373A.1522.

SECTION 2. Amends Section 373A.1522, Local Government Code, as follows:

Sec. 373A.1522. EFFECTIVE DATE OF ZONE. Deletes existing text providing that the zone designated by the ordinance adopted under Section 373A.1521 (Contents of Reinvestment Zone Ordinance) takes effect on the date on which the county adopts a final order specifying an amount of tax increment to be deposited by the county into the tax increment fund that is equal to the amount of the tax increment specified by the municipality under Section 373A.1521(3) (relating to requiring that the ordinance designating the homestead preservation zone specify the amount of tax increment to be deposited). Makes nonsubstantive changes.

SECTION 3. Amends Subchapter D, Chapter 373A, Local Government Code, by adding Section 373A.159, as follows:

Sec. 373A.159. COMPOSITION OF BOARD OF DIRECTORS OF HOMESTEAD PRESERVATION REINVESTMENT ZONES. (a) Provides that the board of directors of a homestead preservation reinvestment zone (board), notwithstanding Chapter 311 (Tax Increment Financing Act), Tax Code, consists of at least 6 and not more than 16 members, unless more than 16 members are required to satisfy the requirements of this section.

(b) Authorizes the municipality and county approving the payment of all or part of the tax increment into the tax increment fund each to appoint an equal number of members to the board.

(c) Provides that members of the board are appointed for terms of two years unless longer terms are provided under Section 11 (Term of Office Exceeding Two Years in Home Rule and General Law Cities; Vacancies), Article XI (Municipal Corporations), Texas Constitution. Authorizes terms of the members to be staggered.

(d) Provides that a vacancy on the board is filled for the unexpired term by appointment of the governing body of the taxing unit that appointed the director who served in the vacant position.

(e) Requires an individual, to be eligible for appointment to the board, to be a qualified voter of the county or be at least 18 years of age and own real property in the reinvestment zone or be an employee or agent of a person that owns real property in the zone.

(f) Requires that each year the board of directors of a reinvestment zone elect one of its members to serve as presiding officer for a term of one year. Authorizes the board of directors to elect an assistant presiding officer to preside in the absence of the presiding officer or when there is a vacancy in the office of presiding officer. Authorizes the board to elect other officers as it considers appropriate.

(g) Provides that a member of the board of directors of a homestead preservation reinvestment zone is not a public official by virtue of that position and unless otherwise ineligible, is authorized to be appointed to serve concurrently on the board of directors of a local government corporation created under Subchapter D (Local Government Corporations), Chapter 431 (Texas Transportation Corporation Act), Transportation Code.

SECTION 4. Effective date: September 1, 2009.