

## **BILL ANALYSIS**

S.B. 1105  
By: Duncan  
Ways & Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

In 2004, Attorney General Opinion No. GA-0276 stated that Section 311.017 (Termination of Reinvestment Zone), Tax Code, prohibits an extension of the termination of an existing tax increment finance district. In 2008, the City of Lubbock adopted a downtown Revitalization Action Plan (plan). The current Central Business District Tax Increment Financing (TIF) Reinvestment Zone is expected to terminate in 2021, before the plan will be finished. S.B. 1105 would allow the City of Lubbock to amend the TIF ordinance by extending the termination date to 2031.

As proposed, S.B. 1105 authorizes a municipality to designate a termination date for a reinvestment zone that is later than the date designated by the ordinance that created the zone. This bill applies only to a reinvestment zone created by certain municipalities and provides terms for a termination date.

### **RULEMAKING AUTHORITY**

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

### **ANALYSIS**

SECTION 1. Amends Section 311.017, Tax Code, by adding Subsection (a-1), as follows:

(a-1) Provides that this subsection applies only to a reinvestment zone created by a municipality that has a population of 195,000 or more and is the county seat of a county that has a population of 245,000 or less. Authorizes a municipality by ordinance adopted subsequent to the ordinance adopted by the municipality creating a reinvestment zone, notwithstanding Subsection (a)(1) (relating to the termination date designated in the ordinance or order creating the zone), to designate a termination date for the zone that is later than the termination date designated in the ordinance creating the zone but not later than the 20th anniversary of that date. Provides that if the municipality adopts an ordinance extending the termination date for a reinvestment zone as authorized by this subsection, the zone terminates on the earlier of the termination date designated in the ordinance or the date provided by Subsection (a)(2) (relating to the date on which all project costs have been paid in full).

SECTION 2. Effective date: Immediately if it receives a vote of two-thirds vote from both houses or September 1, 2009.

### **EFFECTIVE DATE**

September 1, 2009