

By: Villarreal

H.B. No. 3111

A BILL TO BE ENTITLED

1 AN ACT
2 relating to authorizing Bexar County to issue bonds or notes to
3 finance the acquisition of real property and the construction of a
4 building or facility on the property for use by an institution of
5 higher education and to pledge for repayment of those bonds or notes
6 increases in revenues from ad valorem taxes imposed by the county
7 and other political subdivisions on property located in a
8 designated area of the county.

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

10 SECTION 1. Subtitle B, Title 3, Tax Code, is amended by
11 adding Chapter 311A to read as follows:

12 CHAPTER 311A. BEXAR COUNTY TAX INCREMENT FINANCING ACT

13 Sec. 311A.001. APPLICABILITY. This chapter applies only to
14 Bexar County and real property in that county.

15 Sec. 311A.002. DEFINITIONS. In this chapter:

16 (1) "Board" means the board of directors of the
17 reinvestment zone.

18 (2) "Commissioners court" means the commissioners
19 court of Bexar County.

20 (3) "County" means Bexar County.

21 (4) "Taxing unit" has the meaning assigned by Section
22 1.04.

23 Sec. 311A.003. PROCEDURE FOR CREATING REINVESTMENT ZONE.

24 (a) The commissioners court by order may designate a contiguous

1 geographic area in the jurisdiction of the county to be a
2 reinvestment zone.

3 (b) The designated area must include land that the county
4 owns or proposes to acquire and on which the county proposes to
5 construct a building or facility for use by an institution of higher
6 education selected by the county.

7 Sec. 311A.004. CONTENTS OF REINVESTMENT ZONE ORDER. The
8 order designating an area as the reinvestment zone must:

9 (1) describe the boundaries of the zone with
10 sufficient definiteness to identify with ordinary and reasonable
11 certainty the territory included in the zone;

12 (2) create a board of directors for the zone and
13 specify the number of directors of the board;

14 (3) provide that the zone take effect immediately on
15 adoption of the order;

16 (4) provide a date for termination of the zone;

17 (5) specify the powers of the county that are
18 delegated to the board for the zone; and

19 (6) establish a tax increment fund for the zone.

20 Sec. 311A.005. POWERS OF COUNTY. The county may acquire
21 real property by purchase, condemnation, or other means and
22 construct a building or facility for use by an institution of higher
23 education selected by the commissioners court.

24 Sec. 311A.006. COMPOSITION OF BOARD OF DIRECTORS. (a) The
25 board of directors of the reinvestment zone consists of at least
26 five and not more than 15 members, unless more than 15 members are
27 required to satisfy the requirements of this subsection. Each

1 taxing unit other than the county that levies taxes on real property
2 in the zone may appoint one member of the board. A unit may waive
3 its right to appoint a director.

4 (b) Members of the board are appointed for terms of two
5 years. Terms of members may be staggered.

6 (c) A vacancy on the board is filled for the unexpired term
7 by appointment of the governing body of the taxing unit that
8 appointed the director who served in the vacant position.

9 (d) To be eligible for appointment to the board, an
10 individual must:

11 (1) be a qualified voter of the county; or

12 (2) be at least 18 years of age and own real property
13 in the zone, regardless of whether the individual resides in the
14 county.

15 (e) Each year the commissioners court shall appoint one
16 member of the board to serve as presiding officer for a term of one
17 year that begins on January 1 of the following year. The board may
18 elect an assistant presiding officer to preside in the absence of
19 the presiding officer or when there is a vacancy in the office of
20 presiding officer. The board may elect other officers as it
21 considers appropriate.

22 (f) A member of the board is not a public official by virtue
23 of that position.

24 Sec. 311A.007. POWERS AND DUTIES OF BOARD OF DIRECTORS. (a)
25 The board shall make recommendations to the commissioners court
26 concerning the administration of this chapter in the reinvestment
27 zone.

1 (b) The board may exercise any power delegated to the board
2 in the order designating the reinvestment zone.

3 Sec. 311A.008. PROJECT AND FINANCING PLANS. (a) The board
4 shall prepare and adopt a project plan and a reinvestment zone
5 financing plan for the zone and submit the plans to the
6 commissioners court.

7 (b) The project plan must include:

8 (1) a map showing existing uses of real property in the
9 zone and a map showing the proposed building or facility; and

10 (2) a statement of a method of relocating persons to be
11 displaced as a result of implementing the plan.

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

13 (1) a detailed list describing the estimated cost of
14 the proposed building or facility;

15 (2) a statement describing the proposed building or
16 facility and specifying the institution of higher education for
17 which the proposed building or facility is to be constructed;

18 (3) the estimated amount of bonded indebtedness to be
19 incurred;

20 (4) the time when related costs or monetary
21 obligations are to be incurred;

22 (5) a description of the methods of financing the
23 acquisition of land and the construction of the building or
24 facility, including the percentage of tax increment to be derived
25 from the property taxes of each taxing unit that levies taxes on
26 real property in the zone;

27 (6) the current total appraised value of taxable real

1 property in the zone;

2 (7) the estimated captured appraised value of the zone
3 during each year of its existence; and

4 (8) the duration of the zone.

5 (d) The commissioners court by order must approve the
6 project plan or reinvestment zone financing plan after its adoption
7 by the board if the commissioners court finds that the plan is
8 feasible.

9 Sec. 311A.009. DETERMINATION OF AMOUNT OF TAX INCREMENT.

10 (a) The amount of a taxing unit's tax increment for a year is the
11 amount of property taxes levied and collected by the unit for that
12 year on the captured appraised value of real property taxable by the
13 unit and located in the reinvestment zone.

14 (b) The captured appraised value of real property taxable by
15 a taxing unit for a year is the total appraised value of all real
16 property taxable by the unit and located in the reinvestment zone
17 for that year less the tax increment base of the unit.

18 (c) The tax increment base of a taxing unit is the total
19 appraised value of all real property taxable by the unit and located
20 in the reinvestment zone for the year in which the zone was
21 designated.

22 Sec. 311A.010. COLLECTION AND DEPOSIT OF TAX INCREMENTS.

23 (a) Each taxing unit that taxes real property located in the
24 reinvestment zone shall provide for the collection of its taxes in
25 the zone as for any other property taxed by the unit.

26 (b) Each taxing unit shall pay into the tax increment fund
27 for the zone an amount equal to the tax increment produced by the

1 unit.

2 (c) A taxing unit shall make a payment required by
3 Subsection (b) not later than the 90th day after the delinquency
4 date for the unit's property taxes. A delinquent payment incurs a
5 penalty of five percent of the amount delinquent and accrues
6 interest at an annual rate of 10 percent.

7 (d) Notwithstanding Subsection (c), a taxing unit is not
8 required to pay into the tax increment fund the applicable portion
9 of a tax increment attributable to delinquent taxes until those
10 taxes are collected.

11 Sec. 311A.011. TAX INCREMENT FUND. (a) In addition to the
12 deposits required by Section 311A.010, all revenues from the sale
13 of tax increment bonds or notes and other revenues to be used in the
14 reinvestment zone shall be deposited in the tax increment fund.

15 (b) Money may be disbursed from the fund only to satisfy
16 claims of holders of tax increment bonds or notes issued for the
17 zone, to pay project costs for the zone, or to repay other
18 obligations incurred for the zone.

19 (c) Subject to an agreement with the holders of tax
20 increment bonds or notes, money in a tax increment fund may be
21 temporarily invested in the same manner as other funds of the
22 county.

23 (d) After all project costs, all tax increment bonds or
24 notes issued for a reinvestment zone, and any other obligations
25 incurred for the zone have been paid, and subject to any agreement
26 with bondholders, any money remaining in the tax increment fund
27 shall be paid to the county and all other taxing units levying taxes

1 on property in the zone in proportion to the county's and each other
2 unit's respective share of the total amount of tax increments
3 derived from taxable real property in the zone that were deposited
4 in the fund during the fund's existence.

5 Sec. 311A.012. TAX INCREMENT BONDS AND NOTES. In relation
6 to tax increment bonds and notes, the county has the same authority
7 as a municipality under Section 311.015, and that section applies
8 to tax increment bonds and notes issued under this chapter.

9 Sec. 311A.013. TERMINATION OF REINVESTMENT ZONE. The
10 reinvestment zone terminates on the earlier of:

11 (1) the termination date designated in the order
12 designating the zone or an earlier termination date designated by
13 an order adopted subsequent to that order; or

14 (2) the date on which all costs, tax increment bonds
15 and interest on those bonds, and other obligations have been paid in
16 full.

17 SECTION 2. This Act takes effect January 1, 2010, but only
18 if the constitutional amendment authorizing Bexar County to issue
19 bonds or notes to finance the acquisition of real property and the
20 construction of a building or facility on the property for use by an
21 institution of higher education and to pledge for repayment of
22 those bonds or notes increases in revenues from ad valorem taxes
23 imposed by the county and other political subdivisions on property
24 located in a designated area of the county is approved by the
25 voters. If that amendment is not approved by the voters, this Act
26 has no effect.