By: Wentworth   S.B. No. 313

A BILL TO BE ENTITLED

1   AN ACT

2 relating to the term of a reinvestment zone and to the assessment

3 and payment of tax increments under the Tax Increment Financing

4 Act.

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

6   SECTION 1. Subsection (a), Section 311.012, Tax Code, is

7 amended to read as follows:

8   (a) The amount of a taxing unit's tax increment for a year is

9 the amount of property taxes assessed and levied [and collected] by

10 the unit for that year on the captured appraised value of real

11 property taxable by the unit and located in a reinvestment zone.

12   SECTION 2. Subsections (c) and (i), Section 311.013, Tax

13 Code, are amended to read as follows:

14   (c) Notwithstanding any termination of the reinvestment

15 zone under Section 311.017(a), a [A] taxing unit shall make a

16 payment required by Subsection (b) not later than the 90th day after

17 the delinquency date for the unit's property taxes. A delinquent

18 payment incurs a penalty of five percent of the amount delinquent

19 and accrues interest at an annual rate of 10 percent.

20   (i) Notwithstanding Subsection (c) and Section 311.012(a),

21 a taxing unit is not required to pay into a tax increment fund the

22 applicable portion of a tax increment attributable to delinquent

23 taxes until those taxes are collected.

24   SECTION 3. Section 311.017, Tax Code, is amended by amending

1 Subsection (a) and adding Subsection (a-1) to read as follows:

2 (a) A reinvestment zone terminates on the earlier of:

3 (1) the termination date designated in the ordinance

4 or order, as applicable, creating the zone or an earlier or later

5 termination date designated by an ordinance or order adopted

6 subsequent to the ordinance or order creating the zone; or

7 (2) the date on which all project costs, tax increment

8 bonds and interest on those bonds, and other obligations have been

9 paid in full.

10 (a-1) Notwithstanding the designation of a later

11 termination date under Subsection (a), a taxing unit that taxes

12 real property located in the reinvestment zone, other than the

13 municipality or county that created the zone, is not required to pay

14 any of its tax increment into the tax increment fund for the zone

15 after the termination date designated in the ordinance or order

16 creating the zone unless the governing body of the taxing unit

17 enters into an agreement to do so with the governing body of the

18 municipality or county that created the zone.

19 SECTION 4. (a) The legislature validates and confirms all

20 governmental acts and proceedings of a municipality or county that

21 were taken before the effective date of this Act and relate to or

22 are associated with the extension of the term of a reinvestment zone

23 created by the municipality or county under Chapter 311, Tax Code,

24 as of the dates on which they occurred. The acts and proceedings

25 may not be held invalid because they were not in accordance with

26 Chapter 311, Tax Code, or other law.

27 (b) Subsection (a) of this section does not apply to any

1 matter that on the effective date of this Act:

2   (1) is involved in litigation if the litigation

3 ultimately results in the matter being held invalid by a final

4 judgment of a court; or

5   (2) has been held invalid by a final judgment of a

6 court.

7 SECTION 5. This Act applies only to a taxing unit's tax

8 increment for a period occurring on or after the effective date of

9 this Act. A taxing unit's tax increment for a period occurring

10 before the effective date of this Act is governed by the law in

11 effect for such period, and the former law is continued in effect

12 for that purpose.

13 SECTION 6. This Act takes effect immediately if it receives

14 a vote of two-thirds of all the members elected to each house, as

15 provided by Section 39, Article III, Texas Constitution. If this

16 Act does not receive the vote necessary for immediate effect, this

17 Act takes effect September 1, 2009.