

By: Wentworth

S.B. No. 313

A BILL TO BE ENTITLED

AN ACT

relating to the extension of the term of a reinvestment zone created under the Tax Increment Financing Act.

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

SECTION 1. Section 311.017, Tax Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

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

(1) the termination date designated in the ordinance or order, as applicable, creating the zone or an earlier or later termination date designated by an ordinance or order adopted subsequent to the ordinance or order creating the zone; or

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

(a-1) Notwithstanding the designation of a later termination date under Subsection (a), a taxing unit that taxes real property located in the zone, other than the municipality or county that created the zone, is not required to pay any of its tax increment into the tax increment fund for the zone after the termination date designated in the ordinance or order creating the zone unless the governing body of the taxing unit enters into an agreement to do so with the governing body of the municipality or county that created the zone.

1 SECTION 2. (a) The legislature validates and confirms all
2 governmental acts and proceedings of a municipality or county that
3 were taken before the effective date of this Act and relate to or
4 are associated with the extension of the term of a reinvestment zone
5 created by the municipality or county under Chapter 311, Tax Code,
6 as of the dates on which they occurred. The acts and proceedings
7 may not be held invalid because they were not in accordance with
8 Chapter 311, Tax Code, or other law.

9 (b) Subsection (a) of this section does not apply to any
10 matter that on the effective date of this Act:

11 (1) is involved in litigation if the litigation
12 ultimately results in the matter being held invalid by a final
13 judgment of a court; or

14 (2) has been held invalid by a final judgment of a
15 court.

16 SECTION 3. This Act takes effect immediately if it receives
17 a vote of two-thirds of all the members elected to each house, as
18 provided by Section 39, Article III, Texas Constitution. If this
19 Act does not receive the vote necessary for immediate effect, this
20 Act takes effect September 1, 2009.