

1-1 By: Wentworth S.B. No. 313  
1-2 (In the Senate - Filed November 21, 2008; February 11, 2009,  
1-3 read first time and referred to Committee on Economic Development;  
1-4 March 26, 2009, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 5, Nays 0; March 26, 2009,  
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 313 By: Eltife

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to the term of a reinvestment zone and to the assessment  
1-11 and payment of tax increments under the Tax Increment Financing  
1-12 Act.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. Subsection (a), Section 311.012, Tax Code, is  
1-15 amended to read as follows:

1-16 (a) The amount of a taxing unit's tax increment for a year is  
1-17 the amount of property taxes assessed and levied [~~and collected~~] by  
1-18 the unit for that year on the captured appraised value of real  
1-19 property taxable by the unit and located in a reinvestment zone.

1-20 SECTION 2. Subsections (c) and (i), Section 311.013, Tax  
1-21 Code, are amended to read as follows:

1-22 (c) Notwithstanding any termination of the reinvestment  
1-23 zone under Section 311.017(a), a [A] taxing unit shall make a  
1-24 payment required by Subsection (b) not later than the 90th day after  
1-25 the delinquency date for the unit's property taxes. A delinquent  
1-26 payment incurs a penalty of five percent of the amount delinquent  
1-27 and accrues interest at an annual rate of 10 percent.

1-28 (i) Notwithstanding Subsection (c) and Section 311.012(a),  
1-29 a taxing unit is not required to pay into a tax increment fund the  
1-30 applicable portion of a tax increment attributable to delinquent  
1-31 taxes until those taxes are collected.

1-32 SECTION 3. Section 311.017, Tax Code, is amended by amending  
1-33 Subsection (a) and adding Subsection (a-1) to read as follows:

1-34 (a) A reinvestment zone terminates on the earlier of:

1-35 (1) the termination date designated in the ordinance  
1-36 or order, as applicable, creating the zone or an earlier or later  
1-37 termination date designated by an ordinance or order adopted  
1-38 subsequent to the ordinance or order creating the zone; or

1-39 (2) the date on which all project costs, tax increment  
1-40 bonds and interest on those bonds, and other obligations have been  
1-41 paid in full.

1-42 (a-1) Notwithstanding the designation of a later  
1-43 termination date under Subsection (a), a taxing unit that taxes  
1-44 real property located in the reinvestment zone, other than the  
1-45 municipality or county that created the zone, is not required to pay  
1-46 any of its tax increment into the tax increment fund for the zone  
1-47 after the termination date designated in the ordinance or order  
1-48 creating the zone unless the governing body of the taxing unit  
1-49 enters into an agreement to do so with the governing body of the  
1-50 municipality or county that created the zone.

1-51 SECTION 4. (a) The legislature validates and confirms all  
1-52 governmental acts and proceedings of a municipality or county that  
1-53 were taken before the effective date of this Act and relate to or  
1-54 are associated with the extension of the term of a reinvestment zone  
1-55 created by the municipality or county under Chapter 311, Tax Code,  
1-56 as of the dates on which they occurred. The acts and proceedings  
1-57 may not be held invalid because they were not in accordance with  
1-58 Chapter 311, Tax Code, or other law.

1-59 (b) Subsection (a) of this section does not apply to any  
1-60 matter that on the effective date of this Act:

1-61 (1) is involved in litigation if the litigation  
1-62 ultimately results in the matter being held invalid by a final  
1-63 judgment of a court; or

2-1 (2) has been held invalid by a final judgment of a  
2-2 court.

2-3 SECTION 5. This Act applies only to a taxing unit's tax  
2-4 increment for a period occurring on or after the effective date of  
2-5 this Act. A taxing unit's tax increment for a period occurring  
2-6 before the effective date of this Act is governed by the law in  
2-7 effect for such period, and the former law is continued in effect  
2-8 for that purpose.

2-9 SECTION 6. This Act takes effect immediately if it receives  
2-10 a vote of two-thirds of all the members elected to each house, as  
2-11 provided by Section 39, Article III, Texas Constitution. If this  
2-12 Act does not receive the vote necessary for immediate effect, this  
2-13 Act takes effect September 1, 2009.

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