

AN ACT

relating to the implementation of a project plan or financing plan for a reinvestment zone under the Tax Increment Financing Act and the granting of exemptions from ad valorem taxes imposed on real property in a reinvestment zone under that Act.

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

SECTION 1. Subsection (b), Section 311.010, Tax Code, is amended to read as follows:

(b) The board of directors of a reinvestment zone and the governing body of the municipality or county that creates a reinvestment zone may each enter into agreements as the board or the governing body considers necessary or convenient to implement the project plan and reinvestment zone financing plan and achieve their purposes. An agreement may provide for the regulation or restriction of the use of land by imposing conditions, restrictions, or covenants that run with the land. An agreement may during the term of the agreement dedicate, pledge, or otherwise provide for the use of revenue in the tax increment fund to pay any project costs that benefit the reinvestment zone, including project costs relating to the cost of buildings, schools, or other educational facilities owned by or on behalf of a school district, community college district, or other political subdivision of this state, railroad or transit facilities, affordable housing, the remediation of conditions that contaminate public or private land

1 or buildings, the preservation of the facade of a private or public
 2 building, ~~[or]~~ the demolition of public or private buildings, or
 3 the construction of a road, sidewalk, or other public
 4 infrastructure in or out of the zone, including the cost of
 5 acquiring the real property necessary for the construction of the
 6 road, sidewalk, or other public infrastructure. An agreement may
 7 dedicate revenue from the tax increment fund to pay the costs of
 8 providing affordable housing or areas of public assembly in or out
 9 of the zone. ~~[An agreement may dedicate revenue from the tax~~
 10 ~~increment fund to pay a neighborhood enterprise association for~~
 11 ~~providing services or carrying out projects authorized under~~
 12 ~~Subchapters E and G, Chapter 2303, Government Code, in the zone.~~
 13 ~~The term of an agreement with a neighborhood enterprise association~~
 14 ~~may not exceed 10 years.]~~

15 SECTION 2. Subsection (g), Section 311.013, Tax Code, is
 16 amended to read as follows:

17 (g) Subject to the provisions of Section 311.0125, in lieu
 18 of permitting a portion of its tax increment to be paid into the tax
 19 increment fund, and notwithstanding the provisions of Section
 20 312.203, a taxing unit, including ~~[other than]~~ a municipality
 21 ~~[city]~~, may elect to offer the owners of taxable real property in a
 22 reinvestment zone created under this chapter an exemption from
 23 taxation of all or part of the value of the property. To be
 24 effective, an ~~[Any]~~ agreement to exempt real property ~~[concerning~~
 25 ~~an exemption]~~ from ad valorem taxes under this subsection must be
 26 approved by:

27 (1) the board of directors of the reinvestment zone;

1 and

2 (2) the governing body of each taxing unit that
3 imposes taxes on real property in the reinvestment zone and
4 deposits or agrees to deposit any of its tax increment into the tax
5 increment fund for the zone [~~shall be executed in the manner and~~
6 ~~subject to the limitations of Chapter 312; provided, however, the~~
7 ~~property covered by the agreement need not be in a zone created~~
8 ~~pursuant to Chapter 312. A taxing unit may not offer a tax~~
9 ~~abatement agreement to property owners in the zone after it has~~
10 ~~entered into an agreement that its tax increments would be paid into~~
11 ~~the tax increment fund pursuant to Subsection (f)].~~

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

S.B. No. 576

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 576 passed the Senate on March 23, 2009, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 576 passed the House on May 26, 2009, by the following vote: Yeas 140, Nays 2, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor