

1-1 By: Davis

S.B. No. 576

1-2 (In the Senate - Filed January 28, 2009; February 23, 2009,
1-3 read first time and referred to Committee on Economic Development;
1-4 March 17, 2009, reported favorably by the following vote: Yeas 4,
1-5 Nays 0; March 17, 2009, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the implementation of a project plan or financing plan
1-9 for a reinvestment zone under the Tax Increment Financing Act and
1-10 the granting of exemptions from ad valorem taxes imposed on real
1-11 property in a reinvestment zone under that Act.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Subsection (b), Section 311.010, Tax Code, is
1-14 amended to read as follows:

1-15 (b) The board of directors of a reinvestment zone and the
1-16 governing body of the municipality or county that creates a
1-17 reinvestment zone may each enter into agreements as the board or the
1-18 governing body considers necessary or convenient to implement the
1-19 project plan and reinvestment zone financing plan and achieve their
1-20 purposes. An agreement may provide for the regulation or
1-21 restriction of the use of land by imposing conditions,
1-22 restrictions, or covenants that run with the land. An agreement may
1-23 during the term of the agreement dedicate, pledge, or otherwise
1-24 provide for the use of revenue in the tax increment fund to pay any
1-25 project costs that benefit the reinvestment zone, including project
1-26 costs relating to the cost of buildings, schools, or other
1-27 educational facilities owned by or on behalf of a school district,
1-28 community college district, or other political subdivision of this
1-29 state, railroad or transit facilities, affordable housing, the
1-30 remediation of conditions that contaminate public or private land
1-31 or buildings, the preservation of the facade of a private or public
1-32 building, ~~or~~ the demolition of public or private buildings, or
1-33 the construction of a road, sidewalk, or other public
1-34 infrastructure in or out of the zone, including the cost of
1-35 acquiring the real property necessary for the construction of the
1-36 road, sidewalk, or other public infrastructure. An agreement may
1-37 dedicate revenue from the tax increment fund to pay the costs of
1-38 providing affordable housing or areas of public assembly in or out
1-39 of the zone. ~~[An agreement may dedicate revenue from the tax~~
1-40 ~~increment fund to pay a neighborhood enterprise association for~~
1-41 ~~providing services or carrying out projects authorized under~~
1-42 ~~Subchapters E and G, Chapter 2303, Government Code, in the zone.~~
1-43 ~~The term of an agreement with a neighborhood enterprise association~~
1-44 ~~may not exceed 10 years.]~~

1-45 SECTION 2. Subsection (g), Section 311.013, Tax Code, is
1-46 amended to read as follows:

1-47 (g) Subject to the provisions of Section 311.0125, in lieu
1-48 of permitting a portion of its tax increment to be paid into the tax
1-49 increment fund, and notwithstanding the provisions of Section
1-50 312.203, a taxing unit, including [other than] a municipality
1-51 [city], may elect to offer the owners of taxable real property in a
1-52 reinvestment zone created under this chapter an exemption from
1-53 taxation of all or part of the value of the property. To be
1-54 effective, an [Any] agreement to exempt real property [concerning
1-55 an exemption] from ad valorem taxes under this subsection must be
1-56 approved by:

1-57 (1) the board of directors of the reinvestment zone;
1-58 and

1-59 (2) the governing body of each taxing unit that
1-60 imposes taxes on real property in the reinvestment zone and
1-61 deposits or agrees to deposit any of its tax increment into the tax
1-62 increment fund for the zone [shall be executed in the manner and
1-63 subject to the limitations of Chapter 312; provided, however, the
1-64 property covered by the agreement need not be in a zone created

2-1 ~~pursuant to Chapter 312. A taxing unit may not offer a tax~~
2-2 ~~abatement agreement to property owners in the zone after it has~~
2-3 ~~entered into an agreement that its tax increments would be paid into~~
2-4 ~~the tax increment fund pursuant to Subsection (f)].~~

2-5 SECTION 3. This Act takes effect immediately if it receives
2-6 a vote of two-thirds of all the members elected to each house, as
2-7 provided by Section 39, Article III, Texas Constitution. If this
2-8 Act does not receive the vote necessary for immediate effect, this
2-9 Act takes effect September 1, 2009.

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