

By: Shapleigh, Shapiro

S.B. No. 898

A BILL TO BE ENTITLED

AN ACT

relating to the purposes and designation of a municipal transportation reinvestment zone.

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

SECTION 1. Section 222.105, Transportation Code, is amended to read as follows:

Sec. 222.105. PURPOSES. The purposes of Sections 222.106 and 222.107 are to:

- (1) promote public safety;
- (2) facilitate the development or redevelopment of property;
- (3) facilitate the movement of traffic; ~~and~~
- (4) enhance a local entity's ability to sponsor a project authorized under Section 222.104; and
- (5) enhance a municipality's ability to provide for freight or passenger rail facilities or systems.

SECTION 2. Section 222.106, Transportation Code, is amended by amending Subsections (b), (c), (g), (i), and (j) and adding Subsections (k-1) and (m) to read as follows:

(b) This section applies only to a municipality the governing body of which intends to:

- (1) enter into an agreement with the department under Section 222.104; or
- (2) acquire, construct, improve, or operate a freight

1 or passenger rail facility or system, including commuter rail,
2 intercity rail, high-speed rail, and tri-track.

3 (c) If the governing body determines an area to be
4 unproductive and underdeveloped and that action under this section
5 will further the purposes stated in Section 222.105, the governing
6 body of the municipality by ordinance may designate a contiguous
7 geographic area in the jurisdiction of the municipality to be a
8 transportation reinvestment zone to promote:

9 (1) a transportation project described by Section
10 222.104 that cultivates development or redevelopment of the area;
11 or

12 (2) the acquisition, construction, improvement, or
13 operation of a freight or passenger rail facility or system by the
14 municipality.

15 (g) The ordinance designating an area as a transportation
16 reinvestment zone must:

17 (1) describe the boundaries of the zone with
18 sufficient definiteness to identify with ordinary and reasonable
19 certainty the territory included in the zone;

20 (2) provide that the zone takes effect immediately on
21 passage of the ordinance;

22 (3) assign a name to the zone for identification, with
23 the first zone designated by a municipality designated as
24 "Transportation Reinvestment Zone Number One, (City or Town, as
25 applicable) of (name of municipality)," and subsequently
26 designated zones assigned names in the same form, numbered
27 consecutively in the order of their designation;

1 (4) establish an ad valorem tax increment account for
2 the zone; ~~and~~

3 (5) contain findings that promotion of the
4 transportation or rail project will cultivate development or
5 redevelopment of the zone; and

6 (6) for a zone intended to promote the acquisition,
7 construction, improvement, or operation of a freight or passenger
8 rail facility or system, provide a date for termination of the zone.

9 (i) Money deposited to a tax increment account must be used,
10 as applicable, to fund:

11 (1) projects authorized under Section 222.104,
12 including the repayment of amounts owed under an agreement entered
13 into under that section; or

14 (2) the acquisition, construction, improvement, or
15 operation of a freight or passenger rail facility or system.

16 (j) Except as provided by Subsections ~~[Subsection]~~ (k) and
17 (k-1), a transportation reinvestment zone terminates on December 31
18 of the year in which the municipality complies with a contractual
19 requirement, if any, that included the pledge of money deposited to
20 a tax increment account or the repayment of money owed under the
21 agreement under Section 222.104 in connection with which the zone
22 was designated.

23 (k-1) A transportation reinvestment zone designated to
24 promote the acquisition, construction, improvement, or operation
25 of a freight or passenger rail facility or system terminates on the
26 earlier of:

27 (1) the termination date specified in the ordinance

1 designating the zone or an earlier or later termination date
2 specified by an ordinance adopted subsequent to the ordinance
3 designating the zone; or

4 (2) the date on which all costs incurred in the
5 acquisition, construction, improvement, or operation of the
6 freight or passenger rail facility or system, tax increment bonds
7 and interest on those bonds, and other obligations have been paid in
8 full.

9 (m) In this section, "rail facility" has the meaning
10 assigned by Section 91.001.

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