

1-1 By: Shapleigh S.B. No. 898
1-2 (In the Senate - Filed February 17, 2009; March 9, 2009,
1-3 read first time and referred to Committee on Transportation and
1-4 Homeland Security; March 30, 2009, reported favorably by the
1-5 following vote: Yeas 9, Nays 0; March 30, 2009, sent to printer.)

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

1-8 relating to the purposes and designation of a municipal
1-9 transportation reinvestment zone.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Section 222.105, Transportation Code, is amended
1-12 to read as follows:

1-13 Sec. 222.105. PURPOSES. The purposes of Sections 222.106
1-14 and 222.107 are to:

1-15 (1) promote public safety;
1-16 (2) facilitate the development or redevelopment of
1-17 property;

1-18 (3) facilitate the movement of traffic; ~~and~~

1-19 (4) enhance a local entity's ability to sponsor a
1-20 project authorized under Section 222.104; and

1-21 (5) enhance a municipality's ability to provide for
1-22 freight or passenger rail facilities or systems.

1-23 SECTION 2. Section 222.106, Transportation Code, is amended
1-24 by amending Subsections (b), (c), (g), (i), and (j) and adding
1-25 Subsections (k-1) and (m) to read as follows:

1-26 (b) This section applies only to a municipality the
1-27 governing body of which intends to:

1-28 (1) enter into an agreement with the department under
1-29 Section 222.104; or

1-30 (2) acquire, construct, improve, or operate a freight
1-31 or passenger rail facility or system, including commuter rail,
1-32 intercity rail, high-speed rail, and tri-track.

1-33 (c) If the governing body determines an area to be
1-34 unproductive and underdeveloped and that action under this section
1-35 will further the purposes stated in Section 222.105, the governing
1-36 body of the municipality by ordinance may designate a contiguous
1-37 geographic area in the jurisdiction of the municipality to be a
1-38 transportation reinvestment zone to promote:

1-39 (1) a transportation project described by Section
1-40 222.104 that cultivates development or redevelopment of the area;
1-41 or

1-42 (2) the acquisition, construction, improvement, or
1-43 operation of a freight or passenger rail facility or system by the
1-44 municipality.

1-45 (g) The ordinance designating an area as a transportation
1-46 reinvestment zone must:

1-47 (1) describe the boundaries of the zone with
1-48 sufficient definiteness to identify with ordinary and reasonable
1-49 certainty the territory included in the zone;

1-50 (2) provide that the zone takes effect immediately on
1-51 passage of the ordinance;

1-52 (3) assign a name to the zone for identification, with
1-53 the first zone designated by a municipality designated as
1-54 "Transportation Reinvestment Zone Number One, (City or Town, as
1-55 applicable) of (name of municipality)," and subsequently
1-56 designated zones assigned names in the same form, numbered
1-57 consecutively in the order of their designation;

1-58 (4) establish an ad valorem tax increment account for
1-59 the zone; ~~and~~

1-60 (5) contain findings that promotion of the
1-61 transportation or rail project will cultivate development or
1-62 redevelopment of the zone; and

1-63 (6) for a zone intended to promote the acquisition,
1-64 construction, improvement, or operation of a freight or passenger

2-1 rail facility or system, provide a date for termination of the zone.
 2-2 (i) Money deposited to a tax increment account must be used,
 2-3 as applicable, to fund:
 2-4 (1) projects authorized under Section 222.104,
 2-5 including the repayment of amounts owed under an agreement entered
 2-6 into under that section; or
 2-7 (2) the acquisition, construction, improvement, or
 2-8 operation of a freight or passenger rail facility or system.
 2-9 (j) Except as provided by Subsections [Subsection] (k) and
 2-10 (k-1), a transportation reinvestment zone terminates on December 31
 2-11 of the year in which the municipality complies with a contractual
 2-12 requirement, if any, that included the pledge of money deposited to
 2-13 a tax increment account or the repayment of money owed under the
 2-14 agreement under Section 222.104 in connection with which the zone
 2-15 was designated.
 2-16 (k-1) A transportation reinvestment zone designated to
 2-17 promote the acquisition, construction, improvement, or operation
 2-18 of a freight or passenger rail facility or system terminates on the
 2-19 earlier of:
 2-20 (1) the termination date specified in the ordinance
 2-21 designating the zone or an earlier or later termination date
 2-22 specified by an ordinance adopted subsequent to the ordinance
 2-23 designating the zone; or
 2-24 (2) the date on which all costs incurred in the
 2-25 acquisition, construction, improvement, or operation of the
 2-26 freight or passenger rail facility or system, tax increment bonds
 2-27 and interest on those bonds, and other obligations have been paid in
 2-28 full.
 2-29 (m) In this section, "rail facility" has the meaning
 2-30 assigned by Section 91.001.
 2-31 SECTION 3. This Act takes effect immediately if it receives
 2-32 a vote of two-thirds of all the members elected to each house, as
 2-33 provided by Section 39, Article III, Texas Constitution. If this
 2-34 Act does not receive the vote necessary for immediate effect, this
 2-35 Act takes effect September 1, 2009.

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