

By: Nichols

S.B. No. 1633

A BILL TO BE ENTITLED

AN ACT

relating to certain restrictions on the composition of a tax increment financing reinvestment zone.

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

SECTION 1. Section 311.006(a), Tax Code, is amended to read as follows:

(a) A municipality may not create a reinvestment zone if:

(1) more than 10 percent of the property in the proposed zone, excluding property that is publicly owned, is used for residential purposes; or

(2) the total appraised value of taxable real property in the proposed zone and in existing reinvestment zones exceeds:

(A) 20 percent of the total appraised value of taxable real property in the municipality and in the industrial districts created by the municipality, if the municipality is the county seat of a county:

(i) that is adjacent to a county with a population of 3.3 million or more; and

(ii) in which a planned community is located that has 20,000 or more acres of land, that was originally established under the Urban Growth and New Community Development Act of 1970 (42 U.S.C. Section 4501 et seq.), and that is subject to restrictive covenants containing ad valorem or annual variable budget-based assessments on real property; or

1                    (B) 15 percent of the total appraised value of  
2 taxable real property in the municipality and in the industrial  
3 districts created by the municipality, if Paragraph (A) does not  
4 apply to the municipality.

5            SECTION 2. The changes in law made by this Act apply only to  
6 a reinvestment zone created on or after the effective date of this  
7 Act. The creation of a reinvestment zone before the effective date  
8 of this Act is covered by the law in effect immediately before the  
9 effective date of this Act, and the former law is continued in  
10 effect for that purpose.

11            SECTION 3. This Act takes effect September 1, 2009.