

1-1 By: Nichols S.B. No. 1633  
1-2 (In the Senate - Filed March 10, 2009; March 20, 2009, read  
1-3 first time and referred to Committee on Economic Development;  
1-4 April 7, 2009, reported favorably by the following vote: Yeas 5,  
1-5 Nays 0; April 7, 2009, sent to printer.)

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

1-8 relating to certain restrictions on the composition of a tax  
1-9 increment financing reinvestment zone.

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

1-11 SECTION 1. Subsection (a), Section 311.006, Tax Code, is  
1-12 amended to read as follows:

1-13 (a) A municipality may not create a reinvestment zone if:

1-14 (1) more than 10 percent of the property in the  
1-15 proposed zone, excluding property that is publicly owned, is used  
1-16 for residential purposes; or

1-17 (2) the total appraised value of taxable real property  
1-18 in the proposed zone and in existing reinvestment zones exceeds:

1-19 (A) 20 percent of the total appraised value of  
1-20 taxable real property in the municipality and in the industrial  
1-21 districts created by the municipality, if the municipality is the  
1-22 county seat of a county;

1-23 (i) that is adjacent to a county with a  
1-24 population of 3.3 million or more; and

1-25 (ii) in which a planned community is  
1-26 located that has 20,000 or more acres of land, that was originally  
1-27 established under the Urban Growth and New Community Development  
1-28 Act of 1970 (42 U.S.C. Section 4501 et seq.), and that is subject to  
1-29 restrictive covenants containing ad valorem or annual variable  
1-30 budget-based assessments on real property; or

1-31 (B) 15 percent of the total appraised value of  
1-32 taxable real property in the municipality and in the industrial  
1-33 districts created by the municipality, if Paragraph (A) does not  
1-34 apply to the municipality.

1-35 SECTION 2. The changes in law made by this Act apply only to  
1-36 a reinvestment zone created on or after the effective date of this  
1-37 Act. The creation of a reinvestment zone before the effective date  
1-38 of this Act is covered by the law in effect immediately before the  
1-39 effective date of this Act, and the former law is continued in  
1-40 effect for that purpose.

1-41 SECTION 3. This Act takes effect September 1, 2009.

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