

By: Nichols

S.B. No. 1671

A BILL TO BE ENTITLED

AN ACT

relating to the permissible uses of money in an ad valorem tax increment account for a transportation reinvestment zone established by a municipality.

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

SECTION 1. Sections 222.106(c), (g), (i), and (j), Transportation Code, are amended to read as follows:

(c) If the governing body determines an area to be unproductive and underdeveloped and that action under this section will further the purposes stated in Section 222.105, the governing body of the municipality by ordinance may designate a contiguous geographic area in the jurisdiction of the municipality to be a transportation reinvestment zone to promote a transportation project, including a transportation project that is the subject of an agreement under ~~[described by]~~ Section 222.104, that cultivates development or redevelopment of the area.

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

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

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

(3) assign a name to the zone for identification, with

1 the first zone designated by a municipality designated as  
2 "Transportation Reinvestment Zone Number One, (City or Town, as  
3 applicable) of (name of municipality)," and subsequently  
4 designated zones assigned names in the same form, numbered  
5 consecutively in the order of their designation;

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

8 (5) contain findings that promotion of the  
9 transportation project will cultivate development or redevelopment  
10 of the zone; and

11 (6) provide a termination date for a zone that does not  
12 involve a transportation project that is the subject of an  
13 agreement under Section 222.104.

14 (i) Money deposited to a tax increment account must be used  
15 to fund:

16 (1) projects authorized under Section 222.104,  
17 including the repayment of amounts owed under an agreement entered  
18 into under that section; or

19 (2) other transportation projects of the municipality  
20 that are located in the transportation reinvestment zone for which  
21 the tax increment account was established.

22 (j) Except as provided by Subsection (k), a transportation  
23 reinvestment zone:

24 (1) that involves a transportation project that is the  
25 subject of an agreement under Section 222.104 terminates on  
26 December 31 of the year in which the municipality complies with a  
27 contractual requirement, if any, that included the pledge of money

1 deposited to a tax increment account or the repayment of money owed  
2 under the agreement under Section 222.104 in connection with which  
3 the zone was designated; or

4 (2) that does not involve a transportation project  
5 that is the subject of an agreement under Section 222.104  
6 terminates on the date provided under Subsection (g)(6).

7 SECTION 2. Section 222.106(b), Transportation Code, is  
8 repealed.

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