

By: West

S.B. No. 1947

A BILL TO BE ENTITLED

AN ACT

relating to the authority of two or more municipalities to designate a joint tax increment financing reinvestment zone.

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

SECTION 1. Chapter 311, Tax Code, is amended by adding Section 311.0035 to read as follows:

Sec. 311.0035. PROCEDURE FOR DESIGNATING JOINT REINVESTMENT ZONE. (a) The governing bodies of two or more municipalities by ordinance adopted by each municipality may designate a contiguous area in the jurisdiction of each of the municipalities to be a joint reinvestment zone. Except as otherwise provided by this section, each of the municipalities must follow the procedures provided by Section 311.003 to designate an area as a joint reinvestment zone. The ordinances adopted by all of the municipalities designating an area as a joint reinvestment zone must contain the same terms and 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) create a board of directors for the zone and specify:

(A) the number of directors;

(B) the qualifications of directors;

(C) the manner in which directors are appointed;

1 (D) the terms of directors;

2 (E) the manner in which vacancies on the board
3 are filled; and

4 (F) the manner by which officers of the board are
5 selected;

6 (3) provide that the zone takes effect immediately on
7 adoption of the ordinance by the last of the municipalities in the
8 jurisdiction of which the area contained in the zone is located;

9 (4) provide a termination date for the zone;

10 (5) assign a name to the zone for identification
11 purposes, which may include the name of one or more of the
12 designating municipalities and may contain a number;

13 (6) establish a tax increment fund for the zone; and

14 (7) contain findings that:

15 (A) improvements in the zone will significantly
16 enhance the value of all taxable real property in the zone and will
17 be of general benefit to the municipalities; and

18 (B) the area meets the requirements of Sections
19 311.005(a)(1) and (2) and (a-1).

20 (b) For purposes of complying with Subsection (a)(7)(A),
21 the ordinances are not required to identify the specific parcels of
22 real property to be enhanced in value.

23 (c) The restrictions applicable to other reinvestment zones
24 under Section 311.006 apply to a joint reinvestment zone designated
25 under this section.

26 (d) The boundaries of a joint reinvestment zone may be
27 enlarged or reduced by ordinance of the governing bodies of the

1 municipalities that designated the zone, subject to the
2 restrictions contained in this section.

3 (e) The municipalities designating a joint reinvestment
4 zone may exercise any power necessary and convenient to carry out
5 this section and the other provisions of this chapter, including
6 the powers listed in Section 311.008.

7 (f) Except as otherwise provided by this section, the board
8 of directors of a joint reinvestment zone has the same powers and
9 duties and is subject to the same limitations as the board of
10 directors of a reinvestment zone designated by a single
11 municipality. Sections 311.011, 311.012, 311.0123, 311.013,
12 311.014, 311.015, 311.016, 311.0163, and 311.018 apply to the
13 municipalities designating a joint reinvestment zone, except that a
14 reference in those sections to a municipality means all of the
15 municipalities designating a joint reinvestment zone and an action
16 required of a municipality under those sections is considered to be
17 required of all of the municipalities designating a joint
18 reinvestment zone.

19 (g) Expenditures from tax increment financing funds or
20 bonds secured by tax increment financing may be made without regard
21 to the location from which the funds were derived or the location
22 within the joint reinvestment zone at which the funds are spent, but
23 only if those expenditures are authorized as required by this
24 chapter.

25 SECTION 2. This Act takes effect immediately if it receives
26 a vote of two-thirds of all the members elected to each house, as
27 provided by Section 39, Article III, Texas Constitution. If this

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1 Act does not receive the vote necessary for immediate effect, this

2 Act takes effect September 1, 2009.