

BILL ANALYSIS

C.S.H.B. 3030
By: McClendon
Transportation
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties observe that intermunicipal commuter rail districts were created by the legislature to facilitate the operation of passenger rail service between two or more municipalities, and several districts have been organized by local governments. C.S.H.B. 3030 seeks to help ensure that these districts receive proper funding by making changes to provisions of law relating to the funding of projects in the boundaries of an intermunicipal commuter rail district.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 3030 amends the Transportation Code to expand the authority for an intermunicipal commuter rail district to enter into an interlocal contract for the financing of transportation infrastructure by authorizing a district to enter into a contract with one or more local government members of the district, rather than one member. The bill authorizes a transportation infrastructure zone established by such an agreement to consist of a contiguous or noncontiguous geographic area in the territory of one or more local governments. The bill prohibits the amount paid to the district by a local government member from exceeding the increase in property tax collections in the zone attributable to an infrastructure project for a specified period, rather than prohibiting the amount from exceeding 30 percent of the increase in property tax collections for the period. The bill authorizes the use of money received by the district from a local government member to acquire property rights for underdeveloped lands in the transportation infrastructure zone to be preserved for the benefit of the public.

C.S.H.B. 3030 requires an intermunicipal commuter rail district to establish a tax increment fund for a transportation infrastructure zone and, in addition to the amount of tax increment deposited to the tax increment fund, requires all revenue from the sale of tax increment bonds or notes, revenue from the sale of any property acquired as part of a plan adopted to use tax increment financing, and other revenue to be used in implementing the plan to be deposited in the tax increment fund for the zone. The bill authorizes a local government member of a district creating a zone to issue tax increment bonds or notes, including refunding bonds, secured by revenue in the local government's tax increment fund. The bill authorizes the bond proceeds to be used to pay project costs for the zone or to satisfy claims of holders of the bonds or notes. The bill includes financial provisions relating to the tax increment bonds and notes issued by a local government member of a district. The bill defines "commuter rail service" for purposes of the law relating to intermunicipal commuter rail districts.

EFFECTIVE DATE

September 1, 2011.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 3030 differs from the original by prohibiting the amount paid to an intermunicipal commuter rail district by a local government member that is calculated on the basis of increased property tax values and collections that are attributable to an infrastructure project from exceeding the increase in property tax collections in the zone for a specified period, whereas the original prohibits the amount from equaling or exceeding that increase in property tax collections. The substitute omits a provision included in the original authorizing the use of money received by the district from a local government member to pay economic development costs associated with district projects. The substitute differs from the original in nonsubstantive ways.