

By: McClendon

H.B. No. 3030

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the funding of projects in the boundaries of an  
3 intermunicipal commuter rail district.

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

5 SECTION 1. Section 173.002, Transportation Code, as  
6 effective April 1, 2011, is amended by adding Subdivision (2-a) to  
7 read as follows:

8 (2-a) "Commuter rail service" means the transportation  
9 of passengers and baggage by rail between locations in a district.

10 SECTION 2. Sections 173.256(b), (d), and (e),  
11 Transportation Code, as effective April 1, 2011, are amended to  
12 read as follows:

13 (b) A district may enter into an interlocal contract with  
14 one or more [a] local government members [~~member~~] for the financing  
15 of transportation infrastructure that is constructed or that is to  
16 be constructed in the territory of the local governments  
17 [~~government~~] by the district.

18 (d) The agreement may establish one or more transportation  
19 infrastructure zones, which may consist of a contiguous or  
20 noncontiguous geographic area in the territory of one or more local  
21 governments. The district and the local government may agree that,  
22 at one or more specified times, the local government will pay to the  
23 district an amount that is calculated on the basis of increased ad  
24 valorem tax collections in a zone that are attributable to

1 increased values of property located in the zone resulting from an  
2 infrastructure project. The amount may not equal or exceed an  
3 amount that is equal to [~~30 percent of~~] the increase in ad valorem  
4 tax collections in the zone for the specified period.

5 (e) Money received by the district under this section may be  
6 used:

7 (1) to provide a local match for the acquisition of  
8 right-of-way in the territory of the local government; [~~or~~]

9 (2) for design, construction, operation, or  
10 maintenance of transportation facilities in the territory of the  
11 local government;

12 (3) to pay economic development costs associated with  
13 district projects, including:

14 (A) a portion of the cost of affordable housing  
15 in a transportation infrastructure zone; or

16 (B) assistance to a private entity to provide  
17 affordable housing in the transportation infrastructure zone; or

18 (4) to acquire property rights for underdeveloped  
19 lands in the transportation infrastructure zone to be preserved for  
20 the benefit of the public.

21 SECTION 3. Subchapter G, Chapter 173, Transportation Code,  
22 as effective April 1, 2011, is amended by adding Sections 173.305  
23 and 173.306 to read as follows:

24 Sec. 173.305. TAX INCREMENT FUND FOR TRANSPORTATION  
25 INFRASTRUCTURE ZONE. The district shall establish a tax increment  
26 fund. In addition to the amount of tax increment deposited to the  
27 tax increment fund, all revenue from the sale of tax increment bonds

1 or notes under Section 173.306, revenue from the sale of any  
2 property acquired as part of a plan adopted to use tax increment  
3 financing, and other revenue to be used in implementing the plan  
4 shall be deposited in the tax increment fund for the zone.

5 Sec. 173.306. TAX INCREMENT BONDS AND NOTES ISSUED BY LOCAL  
6 GOVERNMENT MEMBER. (a) A local government member of a district  
7 creating a transportation infrastructure zone may issue tax  
8 increment bonds or notes, including refunding bonds, secured by  
9 revenue in the local government's tax increment fund. Proceeds of  
10 bonds issued under this section may be used to:

11 (1) pay project costs for the zone on behalf of which  
12 the bonds or notes were issued; or

13 (2) satisfy claims of holders of the bonds or notes.

14 (b) Tax increment bonds and notes are payable, as to both  
15 principal and interest, solely from the tax increment fund  
16 established for the transportation infrastructure zone. The local  
17 government may pledge irrevocably all or part of the fund for  
18 payment of tax increment bonds or notes. The part of the fund  
19 pledged in payment may be used only for the payment of the bonds or  
20 notes or interest on the bonds or notes until the bonds or notes  
21 have been fully paid. A holder of the bonds or notes or of coupons  
22 issued on the bonds has a lien against the fund for payment of the  
23 bonds or notes and interest on the bonds or notes and may protect or  
24 enforce the lien at law or in equity.

25 (c) A tax increment bond or note is not a general obligation  
26 of the local government issuing the bond or note. A tax increment  
27 bond or note does not give rise to a charge against the general

1 credit or taxing powers of the local government and is not payable  
2 except as provided by this section.

3 (d) A local government's obligation to deposit sales and use  
4 taxes into the tax increment fund is not a general obligation of the  
5 local government. An obligation to make payments from sales and  
6 use taxes does not give rise to a charge against the general credit  
7 or taxing powers of the local government and is not payable except  
8 as provided by this section. A tax increment bond or note issued  
9 under this section that pledges payments must state the  
10 restrictions of this section on its face.

11 (e) A tax increment bond or note may not be included in any  
12 computation of the debt of the issuing local government.

13 SECTION 4. This Act takes effect September 1, 2011.