

1-1 By: McClendon (Senate Sponsor - Wentworth) H.B. No. 3030
1-2 (In the Senate - Received from the House May 16, 2011;
1-3 May 16, 2011, read first time and referred to Committee on
1-4 Transportation and Homeland Security; May 20, 2011, reported
1-5 favorably by the following vote: Yeas 9, Nays 0; May 20, 2011, sent
1-6 to printer.)

1-7 A BILL TO BE ENTITLED
1-8 AN ACT

1-9 relating to the funding of projects in the boundaries of certain
1-10 intermunicipal commuter rail districts.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Section 173.002, Transportation Code, is amended
1-13 by adding Subdivision (2-a) to read as follows:

1-14 (2-a) "Commuter rail service" means the transportation
1-15 of passengers and baggage by rail between locations in a district.

1-16 SECTION 2. Section 173.256, Transportation Code, is amended
1-17 by amending Subsections (b) and (d) and adding Subsection (d-1) to
1-18 read as follows:

1-19 (b) A district may enter into an interlocal contract with
1-20 one or more [a] local government members [member] for the financing
1-21 of transportation infrastructure that is constructed or that is to
1-22 be constructed in the territory of the local governments
1-23 [government] by the district.

1-24 (d) The agreement may establish one or more transportation
1-25 infrastructure zones. The district and the local government may
1-26 agree that, at one or more specified times, the local government
1-27 will pay to the district an amount that is calculated on the basis
1-28 of increased ad valorem tax collections in a zone that are
1-29 attributable to increased values of property located in the zone
1-30 resulting from an infrastructure project. Except as provided by
1-31 Subsection (d-1), the [The] amount may not exceed an amount that is
1-32 equal to 30 percent of the increase in ad valorem tax collections
1-33 for the specified period.

1-34 (d-1) A transportation infrastructure zone of a district
1-35 established before January 1, 2005, may consist of a contiguous or
1-36 noncontiguous geographic area in the territory of one or more local
1-37 governments and must include a commuter rail facility or the site of
1-38 a proposed commuter rail facility. The amount paid by a local
1-39 government under Subsection (d) to a district established before
1-40 January 1, 2005, may not exceed an amount that is equal to the
1-41 increase in ad valorem tax collections in the zone for the specified
1-42 period.

1-43 SECTION 3. Subchapter G, Chapter 173, Transportation Code,
1-44 is amended by adding Sections 173.305 and 173.306 to read as
1-45 follows:

1-46 Sec. 173.305. TAX INCREMENT FUND FOR TRANSPORTATION
1-47 INFRASTRUCTURE ZONE IN CERTAIN DISTRICTS. A district established
1-48 before January 1, 2005, that creates a transportation
1-49 infrastructure zone shall establish a tax increment fund. In
1-50 addition to the amount of tax increment deposited to the tax
1-51 increment fund, all revenue from the sale of tax increment bonds or
1-52 notes under Section 173.306, revenue from the sale of any property
1-53 acquired as part of a plan adopted to use tax increment financing,
1-54 and other revenue to be used in implementing the plan shall be
1-55 deposited in the tax increment fund for the zone.

1-56 Sec. 173.306. TAX INCREMENT BONDS AND NOTES ISSUED BY LOCAL
1-57 GOVERNMENT MEMBER IN CERTAIN DISTRICTS. (a) This section applies
1-58 only to a district created before January 1, 2005.

1-59 (b) A local government member of a district creating a
1-60 transportation infrastructure zone may issue tax increment bonds or
1-61 notes, including refunding bonds, secured by revenue in the local
1-62 government's tax increment fund. Proceeds of bonds issued under
1-63 this section may be used to:

1-64 (1) pay project costs for the zone on behalf of which

2-1 the bonds or notes were issued; or

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

2-3 (c) Tax increment bonds and notes are payable, as to both
2-4 principal and interest, solely from the tax increment fund
2-5 established for the transportation infrastructure zone. The local
2-6 government may pledge irrevocably all or part of the fund for
2-7 payment of tax increment bonds or notes. The part of the fund
2-8 pledged in payment may be used only for the payment of the bonds or
2-9 notes or interest on the bonds or notes until the bonds or notes
2-10 have been fully paid. A holder of the bonds or notes or of coupons
2-11 issued on the bonds has a lien against the fund for payment of the
2-12 bonds or notes and interest on the bonds or notes and may protect or
2-13 enforce the lien at law or in equity.

2-14 (d) A tax increment bond or note is not a general obligation
2-15 of the local government issuing the bond or note. A tax increment
2-16 bond or note does not give rise to a charge against the general
2-17 credit or taxing powers of the local government and is not payable
2-18 except as provided by this section.

2-19 (e) A local government's obligation to deposit sales and use
2-20 taxes into the tax increment fund is not a general obligation of the
2-21 local government. An obligation to make payments from sales and
2-22 use taxes does not give rise to a charge against the general credit
2-23 or taxing powers of the local government and is not payable except
2-24 as provided by this section. A tax increment bond or note issued
2-25 under this section that pledges payments must state the
2-26 restrictions of this section on its face.

2-27 (f) A tax increment bond or note may not be included in any
2-28 computation of the debt of the issuing local government.

2-29 SECTION 4. This Act takes effect September 1, 2011.

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