

By: Sheffield

H.B. No. 3465

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the ability of certain municipalities enhancing  
3 participation in economic development programs, including small  
4 business development.

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

6 SECTION 1. PURPOSE. The purpose of this Act is to enable  
7 greater participation in economic development programs, including  
8 development of emerging small businesses, and to attract new  
9 investment to these zones.

10 SECTION 2. Chapter 501, Local Government Code is amended by  
11 adding subchapter J to read as follows:

12 SUBCHAPTER J: ECONOMIC DEVELOPMENT BY CERTAIN MUNICIPALITIES

13 Section 501.501 ECONOMIC AND SMALL BUSINESS DEVELOPMENT A  
14 municipality with a population of 70,000 or less that is located in  
15 a county in which all or part of a military installation is located  
16 may, by vote, adopt an ordinance directing the orderly economic  
17 development of the municipality, including the development of  
18 small businesses in the municipality.

19 SECTION 501.502 ECONOMIC AND SMALL BUSINESS DEVELOPMENT  
20 PLAN In developing the economic development ordinance, including  
21 portions of the ordinance dealing with the development of small  
22 businesses, a municipality may create or participate in a  
23 reinvestment zone financing plan, that may operate under Section  
24 403.302(e), Government Code or may create another plan, under other

1 existing law.

2 SECTION 501.503 INTERACTION WITH OTHER FINANCING PLANS The  
3 provisions of Section 403.302(e), Government Code apply only if all  
4 participants in reinvestment zone financing plan agree with the use  
5 of the provision to accelerate the economic development of Small  
6 Businesses in the participating political subdivisions.

7 SECTION 3. Section 403.302(e), Government Code, is amended  
8 by adding subsection (e): (e) The total dollar amount deducted in  
9 each year as required by Subsection (d)(4) in a reinvestment zone  
10 created after January 1, 1999, may not exceed the captured  
11 appraised value estimated for that year as required by Section  
12 311.011(c)(8), Tax Code, in the reinvestment zone financing plan  
13 approved under Section 311.011(d), Tax Code, before September 1,  
14 1999. The number of years for which the total dollar amount may be  
15 deducted under Subsection (d)(4) shall for any zone, including  
16 those created on or before January 1, 1999, be limited to the  
17 duration of the zone as specified as required by Section 311.017,  
18 Tax Code. ~~311.011(c)(9), Tax Code, in the reinvestment zone~~  
19 ~~financing plan approved under Section 311.011(d), Tax Code, before~~  
20 ~~September 1, 1999.~~ The total dollar amount deducted under  
21 Subsection (d)(4) for any zone, including those created on or  
22 before January 1, 1999, may not be increased by any reinvestment  
23 zone financing plan amendments that occur after August 31, 1999.  
24 The total dollar amount deducted under Subsection (d)(4) for any  
25 zone, including those created on or before January 1, 1999, may not  
26 be increased by a change made after August 31, 1999, in the portion  
27 of the tax increment retained by the school district.

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