

AN ACT

relating to the participation by certain taxing units in tax increment financing and the payment of tax increments into the tax increment fund for a reinvestment zone.

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

SECTION 1. Section 311.013, Tax Code, is amended by amending Subsection (c) and adding Subsections (c-1), (f-1), and (f-2) to read as follows:

(c) Notwithstanding any termination of the reinvestment zone under Section 311.017(a) and unless otherwise specified by an agreement between the taxing unit and the municipality or county that created the zone, a taxing unit shall make a payment required by Subsection (b) not later than the 90th day after the later of:

(1) the delinquency date for the unit's property taxes; or

(2) the date the municipality or county that created the zone submits to the taxing unit an invoice specifying the tax increment produced by the taxing unit and the amount the taxing unit is required to pay into the tax increment fund for the zone.

(c-1) A delinquent payment incurs a penalty of five percent of the amount delinquent and accrues interest at an annual rate of 10 percent.

(f-1) This subsection does not apply to a hospital district to which Section 281.095, Health and Safety Code, applies.

1 Notwithstanding Subsection (f), the commissioners court of a county
2 that enters into an agreement with the governing body of a
3 municipality under Subsection (f) may enter into an agreement with
4 the governing body of the municipality under that subsection on
5 behalf of a taxing unit other than the county if by statute the ad
6 valorem tax rate of the other taxing unit is approved by the
7 commissioners court or the commissioners court is expressly
8 required by statute to levy the ad valorem taxes of the other taxing
9 unit. The agreement entered into on behalf of the other taxing unit
10 is not required to contain the same conditions as the agreement
11 entered into on behalf of the county. This subsection does not
12 authorize the commissioners court of a county to enter into an
13 agreement on behalf of another taxing unit solely because the
14 county tax assessor-collector is required by law to assess or
15 collect the taxing unit's ad valorem taxes.

16 (f-2) This subsection does not apply to a hospital district
17 to which Section 281.095, Health and Safety Code, applies.
18 Notwithstanding Subsection (f), the commissioners court of a county
19 that creates a zone may provide by order for the payment into the
20 tax increment fund for the zone of a portion of the tax increment
21 produced by a taxing unit other than the county if by statute the ad
22 valorem tax rate of the other taxing unit is approved by the
23 commissioners court or the commissioners court is expressly
24 required by statute to levy the ad valorem taxes of the other taxing
25 unit. The order may include conditions for payment of that tax
26 increment into the fund that are different from the conditions
27 applicable to the county's obligation to pay into the fund the tax

1 increment produced by the county. This subsection does not
2 authorize the commissioners court of a county to provide for the
3 payment into the fund of a portion of the tax increment produced by
4 another taxing unit solely because the county tax
5 assessor-collector is required by law to assess or collect the
6 taxing unit's ad valorem taxes.

7 SECTION 2. This Act applies only to a taxing unit's tax
8 increment for a period occurring on or after the effective date of
9 this Act. A taxing unit's tax increment for a period occurring
10 before the effective date of this Act is governed by the law in
11 effect for that period, and the former law is continued in effect
12 for that purpose.

13 SECTION 3. This Act takes effect immediately if it receives
14 a vote of two-thirds of all the members elected to each house, as
15 provided by Section 39, Article III, Texas Constitution. If this
16 Act does not receive the vote necessary for immediate effect, this
17 Act takes effect September 1, 2011.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 627 passed the Senate on April 27, 2011, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 627 passed the House on May 23, 2011, by the following vote: Yeas 142, Nays 0, one present not voting.

Chief Clerk of the House

Approved:

Date

Governor