

By: Davis

S.B. No. 627

A BILL TO BE ENTITLED

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), 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.

Notwithstanding Subsection (f), the commissioners court of a county

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

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

1 authorize the commissioners court of a county to provide for the  
2 payment into the fund of a portion of the tax increment produced by  
3 another taxing unit solely because the county tax  
4 assessor-collector is required by law to assess or collect the  
5 taxing unit's ad valorem taxes.

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

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