

1-1 By: Davis

S.B. No. 627

1-2 (In the Senate - Filed February 11, 2011; February 17, 2011,
1-3 read first time and referred to Committee on Economic Development;
1-4 April 21, 2011, reported favorably by the following vote: Yeas 6,
1-5 Nays 0; April 21, 2011, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the participation by certain taxing units in tax
1-9 increment financing and the payment of tax increments into the tax
1-10 increment fund for a reinvestment zone.

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

1-12 SECTION 1. Section 311.013, Tax Code, is amended by
1-13 amending Subsection (c) and adding Subsections (c-1), (f-1), and
1-14 (f-2) to read as follows:

1-15 (c) Notwithstanding any termination of the reinvestment
1-16 zone under Section 311.017(a), a taxing unit shall make a payment
1-17 required by Subsection (b) not later than the 90th day after the
1-18 later of:

1-19 (1) the delinquency date for the unit's property
1-20 taxes; or

1-21 (2) the date the municipality or county that created
1-22 the zone submits to the taxing unit an invoice specifying the tax
1-23 increment produced by the taxing unit and the amount the taxing unit
1-24 is required to pay into the tax increment fund for the zone.

1-25 (c-1) A delinquent payment incurs a penalty of five percent
1-26 of the amount delinquent and accrues interest at an annual rate of
1-27 10 percent.

1-28 (f-1) This subsection does not apply to a hospital district
1-29 to which Section 281.095, Health and Safety Code, applies.
1-30 Notwithstanding Subsection (f), the commissioners court of a county
1-31 that enters into an agreement with the governing body of a
1-32 municipality under Subsection (f) may enter into an agreement with
1-33 the governing body of the municipality under that subsection on
1-34 behalf of a taxing unit other than the county if by statute the ad
1-35 valorem tax rate of the other taxing unit is approved by the
1-36 commissioners court or the commissioners court is expressly
1-37 required by statute to levy the ad valorem taxes of the other taxing
1-38 unit. The agreement entered into on behalf of the other taxing unit
1-39 is not required to contain the same conditions as the agreement
1-40 entered into on behalf of the county. This subsection does not
1-41 authorize the commissioners court of a county to enter into an
1-42 agreement on behalf of another taxing unit solely because the
1-43 county tax assessor-collector is required by law to assess or
1-44 collect the taxing unit's ad valorem taxes.

1-45 (f-2) This subsection does not apply to a hospital district
1-46 to which Section 281.095, Health and Safety Code, applies.
1-47 Notwithstanding Subsection (f), the commissioners court of a county
1-48 that creates a zone may provide by order for the payment into the
1-49 tax increment fund for the zone of a portion of the tax increment
1-50 produced by a taxing unit other than the county if by statute the ad
1-51 valorem tax rate of the other taxing unit is approved by the
1-52 commissioners court or the commissioners court is expressly
1-53 required by statute to levy the ad valorem taxes of the other taxing
1-54 unit. The order may include conditions for payment of that tax
1-55 increment into the fund that are different from the conditions
1-56 applicable to the county's obligation to pay into the fund the tax
1-57 increment produced by the county. This subsection does not
1-58 authorize the commissioners court of a county to provide for the
1-59 payment into the fund of a portion of the tax increment produced by
1-60 another taxing unit solely because the county tax
1-61 assessor-collector is required by law to assess or collect the
1-62 taxing unit's ad valorem taxes.

1-63 SECTION 2. This Act applies only to a taxing unit's tax
1-64 increment for a period occurring on or after the effective date of

2-1 this Act. A taxing unit's tax increment for a period occurring
2-2 before the effective date of this Act is governed by the law in
2-3 effect for that period, and the former law is continued in effect
2-4 for that purpose.

2-5 SECTION 3. This Act takes effect immediately if it receives
2-6 a vote of two-thirds of all the members elected to each house, as
2-7 provided by Section 39, Article III, Texas Constitution. If this
2-8 Act does not receive the vote necessary for immediate effect, this
2-9 Act takes effect September 1, 2011.

2-10

* * * * *