

By: Watson, Zaffirini

S.B. No. 1574

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the use of money in a tax increment fund to pay costs  
3 related to public improvements used for social services programs  
4 that promote the development or redevelopment of a reinvestment  
5 zone.

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

7 SECTION 1. Subsection (b), Section 311.008, Tax Code, is  
8 amended to read as follows:

9 (b) A municipality or county may exercise any power  
10 necessary and convenient to carry out this chapter, including the  
11 power to:

12 (1) cause project plans to be prepared, approve and  
13 implement the plans, and otherwise achieve the purposes of the  
14 plan;

15 (2) acquire real property by purchase, condemnation,  
16 or other means to implement project plans and sell that property on  
17 the terms and conditions and in the manner it considers advisable;

18 (3) enter into agreements, including agreements with  
19 bondholders, determined by the governing body of the municipality  
20 or county to be necessary or convenient to implement project plans  
21 and achieve their purposes, which agreements may include  
22 conditions, restrictions, or covenants that run with the land or  
23 that by other means regulate or restrict the use of land; and

24 (4) consistent with the project plan for the zone:

1 (A) acquire blighted, deteriorated,  
2 deteriorating, undeveloped, or inappropriately developed real  
3 property or other property in a blighted area or in a federally  
4 assisted new community in the zone for the preservation or  
5 restoration of historic sites, beautification or conservation, the  
6 provision of public works or public facilities, or other public  
7 purposes;

8 (B) acquire, construct, reconstruct, or install  
9 public works, facilities, or sites or other public improvements,  
10 including utilities, streets, street lights, water and sewer  
11 facilities, pedestrian malls and walkways, parks, flood and  
12 drainage facilities, or parking facilities, but not including  
13 educational facilities; ~~or~~

14 (C) in a reinvestment zone created on or before  
15 September 1, 1999, acquire, construct, or reconstruct educational  
16 facilities in the municipality; or

17 (D) in a reinvestment zone created in a county  
18 that has a population of less than 1.5 million but in which a  
19 municipality is primarily located that has a population of at least  
20 775,000, acquire, construct, reconstruct, renovate, rehabilitate,  
21 install, or equip public improvements used or to be used for social  
22 services programs in the zone, including improvements determined by  
23 the municipality or county to be beneficial to:

24 (i) providing basic necessities such as  
25 food, clothing, shelter, health care, and mental health care;

26 (ii) helping provide individuals and  
27 families a transition out of poverty by ensuring the availability

1 of educational, employment, and other services that promote  
2 self-reliance;

3 (iii) preventing social problems through  
4 education, preventive physical and mental health programs, crime  
5 prevention programs, and other preventive programs;

6 (iv) providing family and societal support  
7 services, including education, child care, counseling and  
8 assistance for the aging, youth, the homeless, and the unemployed,  
9 rehabilitation services, and other similar support services; and

10 (v) encouraging personal development and  
11 community enrichment through cultural and educational programs.

12 SECTION 2. Section 311.010, Tax Code, is amended by adding  
13 Subsections (b-1) and (b-2) to read as follows:

14 (b-1) An agreement under Subsection (b) relating to the  
15 project plan or the reinvestment zone financing plan for a  
16 reinvestment zone described by Section 311.008(b)(4)(D) may:

17 (1) during the term of the agreement dedicate, pledge,  
18 or otherwise provide for the use of revenue in the tax increment  
19 fund to pay project costs relating to the cost of public  
20 improvements described by Section 311.008(b)(4)(D); or

21 (2) dedicate revenue from the tax increment fund to  
22 pay the costs of operating or administering programs described by  
23 Section 311.008(b)(4)(D).

24 (b-2) A municipality or county may not use revenue from a  
25 tax increment fund dedicated, pledged, or otherwise provided for a  
26 purpose described by Subsection (b-1) to replace revenue the  
27 municipality or county would otherwise have spent from other

1 sources for that purpose.

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