

1-1 By: Watson S.B. No. 1574
1-2 (In the Senate - Filed March 11, 2011; March 23, 2011, read
1-3 first time and referred to Committee on Economic Development;
1-4 May 11, 2011, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 5, Nays 0; May 11, 2011,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1574 By: Watson

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the use of money in a tax increment fund to pay costs
1-11 related to public improvements used for social services programs
1-12 that promote the development or redevelopment of a reinvestment
1-13 zone.

1-14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-15 SECTION 1. Subsection (b), Section 311.008, Tax Code, is
1-16 amended to read as follows:

1-17 (b) A municipality or county may exercise any power
1-18 necessary and convenient to carry out this chapter, including the
1-19 power to:

1-20 (1) cause project plans to be prepared, approve and
1-21 implement the plans, and otherwise achieve the purposes of the
1-22 plan;

1-23 (2) acquire real property by purchase, condemnation,
1-24 or other means to implement project plans and sell that property on
1-25 the terms and conditions and in the manner it considers advisable;

1-26 (3) enter into agreements, including agreements with
1-27 bondholders, determined by the governing body of the municipality
1-28 or county to be necessary or convenient to implement project plans
1-29 and achieve their purposes, which agreements may include
1-30 conditions, restrictions, or covenants that run with the land or
1-31 that by other means regulate or restrict the use of land; and

1-32 (4) consistent with the project plan for the zone:

1-33 (A) acquire blighted, deteriorated,
1-34 deteriorating, undeveloped, or inappropriately developed real
1-35 property or other property in a blighted area or in a federally
1-36 assisted new community in the zone for the preservation or
1-37 restoration of historic sites, beautification or conservation, the
1-38 provision of public works or public facilities, or other public
1-39 purposes;

1-40 (B) acquire, construct, reconstruct, or install
1-41 public works, facilities, or sites or other public improvements,
1-42 including utilities, streets, street lights, water and sewer
1-43 facilities, pedestrian malls and walkways, parks, flood and
1-44 drainage facilities, or parking facilities, but not including
1-45 educational facilities; ~~or~~

1-46 (C) in a reinvestment zone created on or before
1-47 September 1, 1999, acquire, construct, or reconstruct educational
1-48 facilities in the municipality; or

1-49 (D) in a reinvestment zone created in a county
1-50 that has a population of less than 1.5 million but in which a
1-51 municipality is primarily located that has a population of at least
1-52 775,000, acquire, construct, reconstruct, renovate, rehabilitate,
1-53 install, or equip public improvements used or to be used for social
1-54 services programs in the zone, including improvements determined by
1-55 the municipality or county to be beneficial to:

1-56 (i) providing basic necessities such as
1-57 food, clothing, shelter, health care, and mental health care;

1-58 (ii) helping provide individuals and
1-59 families a transition out of poverty by ensuring the availability
1-60 of educational, employment, and other services that promote
1-61 self-reliance;

1-62 (iii) preventing social problems through
1-63 education, preventive physical and mental health programs, crime

2-1 prevention programs, and other preventive programs;
2-2 (iv) providing family and societal support
2-3 services, including education, child care, counseling and
2-4 assistance for the aging, youth, the homeless, and the unemployed,
2-5 rehabilitation services, and other similar support services; and
2-6 (v) encouraging personal development and
2-7 community enrichment through cultural and educational programs.

2-8 SECTION 2. Section 311.010, Tax Code, is amended by adding
2-9 Subsections (b-1) and (b-2) to read as follows:

2-10 (b-1) An agreement under Subsection (b) relating to the
2-11 project plan or the reinvestment zone financing plan for a
2-12 reinvestment zone described by Section 311.008(b)(4)(D) may:

2-13 (1) during the term of the agreement dedicate, pledge,
2-14 or otherwise provide for the use of revenue in the tax increment
2-15 fund to pay project costs relating to the cost of public
2-16 improvements described by Section 311.008(b)(4)(D); or

2-17 (2) dedicate revenue from the tax increment fund to
2-18 pay the costs of operating or administering programs described by
2-19 Section 311.008(b)(4)(D).

2-20 (b-2) A municipality or county may not use revenue from a
2-21 tax increment fund dedicated, pledged, or otherwise provided for a
2-22 purpose described by Subsection (b-1) to replace revenue the
2-23 municipality or county would otherwise have spent from other
2-24 sources for that purpose.

2-25 SECTION 3. This Act takes effect immediately if it receives
2-26 a vote of two-thirds of all the members elected to each house, as
2-27 provided by Section 39, Article III, Texas Constitution. If this
2-28 Act does not receive the vote necessary for immediate effect, this
2-29 Act takes effect September 1, 2011.

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