

By: Wentworth

S.B. No. 1611

A BILL TO BE ENTITLED

AN ACT

relating to the funding of projects in the boundaries of certain intermunicipal commuter rail districts.

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

SECTION 1. Section 173.002, Transportation Code, is amended by adding Subdivision (2-a) to read as follows:

(2-a) "Commuter rail service" means the transportation of passengers and baggage by rail between locations in a district.

SECTION 2. Section 173.256, Transportation Code, is amended by amending Subsections (b) and (d) and adding Subsection (d-1) to read as follows:

(b) A district may enter into an interlocal contract with one or more ~~a~~ local government members ~~member~~ for the financing of transportation infrastructure that is constructed or that is to be constructed in the territory of the local governments ~~government~~ by the district.

(d) The agreement may establish one or more transportation infrastructure zones. The district and the local government may agree that, at one or more specified times, the local government will pay to the district an amount that is calculated on the basis of increased ad valorem tax collections in a zone that are attributable to increased values of property located in the zone resulting from an infrastructure project. Except as provided by

1 Subsection (d-1), the ~~[The]~~ amount may not exceed an amount that is
2 equal to 30 percent of the increase in ad valorem tax collections
3 for the specified period.

4 (d-1) A transportation infrastructure zone of a district
5 established before January 1, 2005, may consist of a contiguous or
6 noncontiguous geographic area in the territory of one or more local
7 governments and must include a commuter rail facility or the site of
8 a proposed commuter rail facility. The amount paid by a local
9 government under Subsection (d) to a district established before
10 January 1, 2005, may not exceed an amount that is equal to the
11 increase in ad valorem tax collections in the zone for the specified
12 period.

13 SECTION 3. Subchapter G, Chapter 173, Transportation Code,
14 is amended by adding Sections 173.305 and 173.306 to read as
15 follows:

16 Sec. 173.305. TAX INCREMENT FUND FOR TRANSPORTATION
17 INFRASTRUCTURE ZONE IN CERTAIN DISTRICTS. A district established
18 before January 1, 2005, that creates a transportation
19 infrastructure zone shall establish a tax increment fund. In
20 addition to the amount of tax increment deposited to the tax
21 increment fund, all revenue from the sale of tax increment bonds or
22 notes under Section 173.306, revenue from the sale of any property
23 acquired as part of a plan adopted to use tax increment financing,
24 and other revenue to be used in implementing the plan shall be
25 deposited in the tax increment fund for the zone.

26 Sec. 173.306. TAX INCREMENT BONDS AND NOTES ISSUED BY LOCAL
27 GOVERNMENT MEMBER IN CERTAIN DISTRICTS. (a) This section applies

1 only to a district created before January 1, 2005.

2 (b) A local government member of a district creating a
3 transportation infrastructure zone may issue tax increment bonds or
4 notes, including refunding bonds, secured by revenue in the local
5 government's tax increment fund. Proceeds of bonds issued under
6 this section may be used to:

7 (1) pay project costs for the zone on behalf of which
8 the bonds or notes were issued; or

9 (2) satisfy claims of holders of the bonds or notes.

10 (c) Tax increment bonds and notes are payable, as to both
11 principal and interest, solely from the tax increment fund
12 established for the transportation infrastructure zone. The local
13 government may pledge irrevocably all or part of the fund for
14 payment of tax increment bonds or notes. The part of the fund
15 pledged in payment may be used only for the payment of the bonds or
16 notes or interest on the bonds or notes until the bonds or notes
17 have been fully paid. A holder of the bonds or notes or of coupons
18 issued on the bonds has a lien against the fund for payment of the
19 bonds or notes and interest on the bonds or notes and may protect or
20 enforce the lien at law or in equity.

21 (d) A tax increment bond or note is not a general obligation
22 of the local government issuing the bond or note. A tax increment
23 bond or note does not give rise to a charge against the general
24 credit or taxing powers of the local government and is not payable
25 except as provided by this section.

26 (e) A local government's obligation to deposit sales and use
27 taxes into the tax increment fund is not a general obligation of the

1 local government. An obligation to make payments from sales and
2 use taxes does not give rise to a charge against the general credit
3 or taxing powers of the local government and is not payable except
4 as provided by this section. A tax increment bond or note issued
5 under this section that pledges payments must state the
6 restrictions of this section on its face.

7 (f) A tax increment bond or note may not be included in any
8 computation of the debt of the issuing local government.

9 SECTION 4. This Act takes effect September 1, 2011.