

By: Wentworth

S.B. No. 1611

A BILL TO BE ENTITLED

AN ACT

relating to the funding of projects in the boundaries of an intermunicipal commuter rail district.

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

SECTION 1. Section 173.002, Transportation Code, as effective April 1, 2011, 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. Sections 173.256(b), (d), and (e), Transportation Code, as effective April 1, 2011, are amended 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, which may consist of a contiguous or noncontiguous geographic area in the territory of one or more local governments. 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

1 increased values of property located in the zone resulting from an
2 infrastructure project. The amount may not equal or exceed an
3 amount that is equal to [~~30 percent of~~] the increase in ad valorem
4 tax collections in the zone for the specified period.

5 (e) Money received by the district under this section may be
6 used:

7 (1) to provide a local match for the acquisition of
8 right-of-way in the territory of the local government; [~~or~~]

9 (2) for design, construction, operation, or
10 maintenance of transportation facilities in the territory of the
11 local government; or

12 (3) to acquire property rights for underdeveloped
13 lands in the transportation infrastructure zone to be preserved for
14 the benefit of the public.

15 SECTION 3. Subchapter G, Chapter 173, Transportation Code,
16 as effective April 1, 2011, is amended by adding Sections 173.305
17 and 173.306 to read as follows:

18 Sec. 173.305. TAX INCREMENT FUND FOR TRANSPORTATION
19 INFRASTRUCTURE ZONE. The district shall establish a tax increment
20 fund. In addition to the amount of tax increment deposited to the
21 tax increment fund, all revenue from the sale of tax increment bonds
22 or notes under Section 173.306, revenue from the sale of any
23 property acquired as part of a plan adopted to use tax increment
24 financing, and other revenue to be used in implementing the plan
25 shall be deposited in the tax increment fund for the zone.

26 Sec. 173.306. TAX INCREMENT BONDS AND NOTES ISSUED BY LOCAL
27 GOVERNMENT MEMBER. (a) A local government member of a district

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

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

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

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

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

24 (d) A local government's obligation to deposit sales and use
25 taxes into the tax increment fund is not a general obligation of the
26 local government. An obligation to make payments from sales and
27 use taxes does not give rise to a charge against the general credit

1 or taxing powers of the local government and is not payable except
2 as provided by this section. A tax increment bond or note issued
3 under this section that pledges payments must state the
4 restrictions of this section on its face.

5 (e) A tax increment bond or note may not be included in any
6 computation of the debt of the issuing local government.

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