

## **BILL ANALYSIS**

H.B. 2139  
By: Dutton  
Ways & Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

According to interested parties, with federal and state sources for redevelopment generally less available, local governments have been compelled to find other ways to subsidize improvement projects in their localities without raising taxes. One of the tools many states use to take up the slack left by an absence of federal and state funding is tax increment financing, a public financing method used for redevelopment and community improvement projects for many decades.

Texas uses tax increment financing through the creation of tax increment reinvestment zones, in which the cost of improvements is repaid by the future tax revenues of each taxing unit that levies taxes against the property therein. H.B. 2139 seeks to allow the Near Northside Management District to designate all or any part of the district as a tax increment reinvestment zone.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 2139 amends the Special District Local Laws Code to authorize the Near Northside Management District to designate all or any part of the district as a tax increment reinvestment zone. The bill authorizes the district to use tax increment financing under the Tax Increment Financing Act in the manner provided for a municipality, except as modified by the bill's provisions, and specifies that the district has all powers provided under the Tax Increment Financing Act. The bill authorizes the district and an overlapping taxing unit to enter into an interlocal agreement for the payment of all or a portion of the tax increment of the unit to the district. The bill designates the district's board of directors as the board of directors of the reinvestment zone for the purpose of tax increment financing under the bill's provisions. The bill exempts the district from specified Tax Code provisions relating to the composition of the board of directors of a reinvestment zone under the Tax Increment Financing Act.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2013.