

## **BILL ANALYSIS**

H.B. 2636  
By: Frullo  
Ways & Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Interested parties note that tax increment funds are an important tool by which many Texas communities have undertaken economic development, public improvement, and revitalization in their cities and towns. Interested parties contend that allowing the transfer of funds from a tax increment fund for a reinvestment zone to another adjacent tax increment fund under certain conditions would increase flexibility at the local level. H.B. 2636 seeks to obtain greater flexibility at the local level.

### **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. 2636 amends the Tax Code to authorize money in the tax increment fund for a reinvestment zone to be transferred to the tax increment fund for an adjacent zone if the following conditions are met: the taxing units that participate in the zone from which the money is to be transferred participate in the adjacent zone and vice versa; each participating taxing unit has agreed to deposit the same portion of its tax increment in the fund for each zone; each participating taxing unit has agreed to the transfer; and the holders of any tax increment bonds or notes issued for the zone from which the money is to be transferred have agreed to the transfer.

### **EFFECTIVE DATE**

September 1, 2013.