

By: Deshotel

H.B. No. 2685

Substitute the following for H.B. No. 2685:

By: Pickett

C.S.H.B. No. 2685

A BILL TO BE ENTITLED

AN ACT

relating to the purposes, designation, and funding of a transportation reinvestment zone; authorizing an assessment.

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

SECTION 1. Chapter 55, Transportation Code, is amended by adding Section 55.010 to read as follows:

Sec. 55.010. PORT AUTHORITY TRANSPORTATION REINVESTMENT ZONE. (a) In this section:

(1) "Port authority" means a port authority or navigation district created or operating under Section 52, Article III, or Section 59, Article XVI, Texas Constitution.

(2) "Port commission" means the governing body of a port authority or navigation district.

(3) "Port project" means a project that is necessary or convenient for the proper operation of a maritime port or waterway and that will improve the security, movement, and intermodal transportation of cargo or passengers in commerce and trade, including dredging, disposal, and other projects.

(b) In this section:

(1) the amount of a port authority's tax increment for a year is the amount of ad valorem taxes levied and collected by the port authority for that year on the captured appraised value of real property taxable by the port authority and located in a transportation reinvestment zone under this section;

1 (2) the captured appraised value of real property
2 taxable by a port authority for a year is the total appraised value
3 of all real property taxable by the port authority and located in a
4 transportation reinvestment zone for that year less the tax
5 increment base of the port authority; and

6 (3) the tax increment base of a port authority is the
7 total appraised value of all real property taxable by the port
8 authority and located in a transportation reinvestment zone for the
9 year in which the zone was designated under this section.

10 (c) The port commission of the port authority, after
11 determining that an area is unproductive or underdeveloped and that
12 action under this section would improve the security, movement, and
13 intermodal transportation of cargo or passengers in commerce and
14 trade, by order or resolution may designate a contiguous geographic
15 area in the jurisdiction of the port authority to be a
16 transportation reinvestment zone to promote a port project and for
17 the purpose of abating ad valorem taxes or granting other relief
18 from taxes imposed by the county on real property located in the
19 zone.

20 (d) The port commission must comply with all applicable laws
21 in the application of this chapter.

22 (e) Not later than the 30th day before the date the port
23 commission proposes to designate an area as a transportation
24 reinvestment zone under this section, the port commission must hold
25 a public hearing on the creation of the zone, its benefits to the
26 port authority and to property in the proposed zone, and the
27 abatement of ad valorem taxes or the grant of other relief from ad

1 valorem taxes imposed by the port authority on real property
2 located in the zone. At the hearing an interested person may speak
3 for or against the designation of the zone, its boundaries, or the
4 abatement of or other relief from port authority taxes on real
5 property in the zone. Not later than the seventh day before the
6 date of the hearing, notice of the hearing and the intent to create
7 a zone must be published in a newspaper having general circulation
8 in the county in which the zone is proposed to be located.

9 (f) The order or resolution designating an area as a
10 transportation reinvestment zone must:

11 (1) describe the boundaries of the zone with
12 sufficient definiteness to identify with ordinary and reasonable
13 certainty the territory included in the zone;

14 (2) provide that the zone takes effect immediately on
15 adoption of the order or resolution and that the base year shall be
16 the year of passage of the order or resolution or some year in the
17 future;

18 (3) assign a name to the zone for identification, with
19 the first zone designated by a county designated as "Transportation
20 Reinvestment Zone Number One, (name of port authority)," and
21 subsequently designated zones assigned names in the same form
22 numbered consecutively in the order of their designation;

23 (4) designate the base year for purposes of
24 establishing the tax increment base of the port authority; and

25 (5) establish an ad valorem tax increment account for
26 the zone.

27 (g) Compliance with the requirements of this section

1 constitutes designation of an area as a transportation reinvestment
2 zone without further hearings or other procedural requirements.

3 (h) The port commission may:

4 (1) from taxes collected on property in a zone,
5 including maintenance and operation taxes, pay into a tax increment
6 account for the zone an amount equal to the tax increment produced
7 by the port authority less any amounts allocated under previous
8 agreements, including agreements under Chapter 312, Tax Code;

9 (2) from a tax increment account for the zone, repay
10 any loan or other debt incurred to finance a port project under this
11 section;

12 (3) by order or resolution enter into an agreement
13 with the owner of any real property located in the transportation
14 reinvestment zone to abate all or a portion of the ad valorem taxes
15 or to grant other relief from the taxes imposed by the port
16 authority on the owner's property in an amount not to exceed the
17 amount calculated under Subsection (b)(1) for that year;

18 (4) by order or resolution elect to abate all or a
19 portion of the ad valorem taxes imposed by the port authority on all
20 real property in a zone; or

21 (5) grant other relief from ad valorem taxes on
22 property in a zone.

23 (i) All abatements or other relief granted by the port
24 commission in a transportation reinvestment zone must be equal in
25 rate. In any ad valorem tax year, the total amount of the taxes
26 abated or the total amount of other relief granted under this
27 section may not exceed the amount calculated under Subsection

1 (b)(1) for that year, less any amounts allocated under previous
2 agreements, including agreements under Chapter 312, Tax Code.

3 (j) To further the development of the port project for which
4 the transportation reinvestment zone was designated, a port
5 authority may assess all or part of the cost of the port project
6 against property within the zone. The assessment against each
7 property in the zone may be levied and payable in installments in
8 the same manner as provided for municipal and county public
9 improvement districts under Sections 372.016-372.018, Local
10 Government Code, provided that the installments do not exceed the
11 total amount of the tax abatement or other relief granted under
12 Subsection (h). The port authority has the powers provided to
13 municipalities and counties under Sections 372.015-372.020 and
14 372.023, Local Government Code, for the assessment of costs and
15 Sections 372.024-372.030, Local Government Code, for the issuance
16 of bonds by the port authority to pay the cost of a port project.
17 The port commission of the port authority may contract with a public
18 or private entity to develop, redevelop, or improve a port project
19 in the transportation reinvestment zone, including aesthetic
20 improvements, and may pledge and assign to that entity all or a
21 specified amount of the revenue the port authority receives from
22 installment payments of the assessments for the payment of the
23 costs of that port project. After a pledge or assignment is made,
24 if the entity that received the pledge or assignment has itself
25 pledged or assigned that amount to secure bonds or other
26 obligations issued to obtain funding for the port project, the port
27 commission of the port authority may not rescind its pledge or

1 assignment until the bonds or other obligations secured by the
2 pledge or assignment have been paid or discharged. Any amount
3 received from installment payments of the assessments not pledged
4 or assigned in connection with the port project may be used for
5 other purposes associated with the port project or in the zone.

6 (k) To accommodate changes in the limits of the project for
7 which a reinvestment zone was designated, the boundaries of a zone
8 may be amended at any time, except that property may not be removed
9 or excluded from a designated zone if any part of the assessment has
10 been assigned or pledged directly by the port authority or through
11 another entity to secure bonds or other obligations issued to
12 obtain funding of the project, and property may not be added to a
13 designated zone unless the port commission of the port authority
14 complies with Subsections (e) and (f).

15 (l) Except as provided by Subsection (m), a tax abatement
16 agreement entered into under Subsection (h), or an order or
17 resolution on the abatement of taxes or the grant of other relief
18 from taxes under that subsection, terminates on December 31 of the
19 year in which the port authority completes any contractual
20 requirement that included the pledge or assignment of assessments
21 collected under this section.

22 (m) A transportation reinvestment zone terminates on
23 December 31 of the 10th year after the year the zone was designated,
24 if before that date the port authority has not used the zone for the
25 purpose for which it was designated.

26 SECTION 2. Section 201.943(d), Transportation Code, is
27 amended to read as follows:

1 (d) Obligations may be issued for one or more of the
2 following purposes:

3 (1) to pay all or part of the costs of constructing,
4 reconstructing, acquiring, and expanding state highways, including
5 any necessary design and acquisition of rights-of-way, in the
6 manner and locations determined by the commission that, according
7 to conclusive findings of the commission, have an expected useful
8 life, without material repair, of not less than 10 years;

9 (2) to provide participation by the state in the
10 payment of part of the costs of constructing and providing publicly
11 owned toll roads and other public transportation projects,
12 including transportation projects described by Section 222.108(d),
13 that are determined by the commission to be in the best interests of
14 the state in its major goal of improving the mobility of the
15 residents of the state;

16 (3) to create debt service reserve accounts;

17 (4) to pay interest on obligations for a period of not
18 longer than two years;

19 (5) to refund or cancel outstanding obligations; and

20 (6) to pay the commission's costs of issuance.

21 SECTION 3. Section 222.108(d), Transportation Code, is
22 amended to read as follows:

23 (d) In this section, "transportation project" includes:

24 (1) transportation projects described [~~has the~~
25 ~~meaning assigned~~] by Section 370.003; and

26 (2) port security, transportation, or facility
27 projects available for funding under Section 55.010.

1 SECTION 4. This Act takes effect September 1, 2013.