

By: Williams, et al.

S.B. No. 971

A BILL TO BE ENTITLED

AN ACT

relating to the purposes, designation, and funding of a transportation reinvestment zone for port projects; providing authority to issue bonds; 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

1 transportation reinvestment zone under this section;

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

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

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

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

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

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

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

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

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

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

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

26 (5) establish an ad valorem tax increment account for
27 the zone; and

1 (6) contain findings that promotion of a port project
2 will improve the security, movement, and intermodal transportation
3 of cargo or passengers in commerce and trade.

4 (g) Compliance with the requirements of this section
5 constitutes designation of an area as a transportation reinvestment
6 zone without further hearings or other procedural requirements.

7 (h) The port commission may:

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

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

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

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

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

27 (i) All abatements or other relief granted by the port

1 commission in a transportation reinvestment zone must be equal in
2 rate. In any ad valorem tax year, the total amount of the taxes
3 abated or the total amount of other relief granted under this
4 section may not exceed the amount calculated under Subsection
5 (b)(1) for that year, less any amounts allocated under previous
6 agreements, including agreements under Chapter 312, Tax Code.

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

1 if the entity that received the pledge or assignment has itself
2 pledged or assigned that amount to secure bonds or other
3 obligations issued to obtain funding for the port project, the port
4 commission of the port authority may not rescind its pledge or
5 assignment until the bonds or other obligations secured by the
6 pledge or assignment have been paid or discharged. Any amount
7 received from installment payments of the assessments not pledged
8 or assigned in connection with the port project may be used for
9 other purposes associated with the port project or in the zone.

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

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

26 (m) A transportation reinvestment zone terminates on
27 December 31 of the 10th year after the year the zone was designated,

1 if before that date the port authority has not used the zone for the
2 purpose for which it was designated.

3 (n) Notwithstanding any other law, the authority granted by
4 this section may be exercised only by a port commission and may not
5 be exercised by another governmental entity, political
6 subdivision, or special district that has the powers of a port
7 authority or a navigation district. This subsection does not limit
8 the authority of a municipality under Section 222.106 or a county
9 under Section 222.107 to fund a transportation project described by
10 Section 222.108(d)(2).

11 SECTION 2. Subsection (d), Section 222.108, Transportation
12 Code, is amended to read as follows:

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

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

16 (2) port security, transportation, or facility
17 projects described by Section 55.001(5).

18 SECTION 3. This Act takes effect September 1, 2013.