

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. Subchapter E, Chapter 222, Transportation Code, is amended by adding Section 222.1075 to read as follows:

Sec. 222.1075. 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 or by the commissioners court on behalf of the port authority for that year on the captured appraised value of real

1 property taxable by the port authority and located in a
2 transportation reinvestment zone under this section;

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

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

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

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

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

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

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

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

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

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

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

27 (5) establish an ad valorem tax increment account for

1 the zone; and

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

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

8 (h) The port commission may:

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

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

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

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

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

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

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

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

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

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

27 (m) A transportation reinvestment zone terminates on

1 December 31 of the 10th year after the year the zone was designated,
2 if before that date the port authority has not used the zone for the
3 purpose for which it was designated.

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

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

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

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

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

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 971 passed the Senate on April 11, 2013, by the following vote: Yeas 31, Nays 0; May 17, 2013, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 21, 2013, House granted request of the Senate; May 25, 2013, Senate adopted Conference Committee Report by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 971 passed the House, with amendments, on May 2, 2013, by the following vote: Yeas 101, Nays 44, two present not voting; May 21, 2013, House granted request of the Senate for appointment of Conference Committee; May 23, 2013, House adopted Conference Committee Report by the following vote: Yeas 144, Nays 1, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor