

1-1 By: Williams S.B. No. 971  
 1-2 (In the Senate - Filed September 28, 2012; March 12, 2013,  
 1-3 read first time and referred to Committee on Transportation;  
 1-4 April 8, 2013, reported adversely, with favorable Committee  
 1-5 Substitute by the following vote: Yeas 9, Nays 0; April 8, 2013,  
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 971 By: Uresti

1-19 A BILL TO BE ENTITLED  
 1-20 AN ACT

1-21 relating to the purposes, designation, and funding of a  
 1-22 transportation reinvestment zone for port projects; providing  
 1-23 authority to issue bonds; authorizing an assessment.

1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-25 SECTION 1. Chapter 55, Transportation Code, is amended by  
 1-26 adding Section 55.010 to read as follows:

1-27 Sec. 55.010. PORT AUTHORITY TRANSPORTATION REINVESTMENT  
 1-28 ZONE. (a) In this section:

1-29 (1) "Port authority" means a port authority or  
 1-30 navigation district created or operating under Section 52, Article  
 1-31 III, or Section 59, Article XVI, Texas Constitution.

1-32 (2) "Port commission" means the governing body of a  
 1-33 port authority or navigation district.

1-34 (3) "Port project" means a project that is necessary  
 1-35 or convenient for the proper operation of a maritime port or  
 1-36 waterway and that will improve the security, movement, and  
 1-37 intermodal transportation of cargo or passengers in commerce and  
 1-38 trade, including dredging, disposal, and other projects.

1-39 (b) In this section:

1-40 (1) the amount of a port authority's tax increment for  
 1-41 a year is the amount of ad valorem taxes levied and collected by the  
 1-42 port authority for that year on the captured appraised value of real  
 1-43 property taxable by the port authority and located in a  
 1-44 transportation reinvestment zone under this section;

1-45 (2) the captured appraised value of real property  
 1-46 taxable by a port authority for a year is the total appraised value  
 1-47 of all real property taxable by the port authority and located in a  
 1-48 transportation reinvestment zone for that year less the tax  
 1-49 increment base of the port authority; and

1-50 (3) the tax increment base of a port authority is the  
 1-51 total appraised value of all real property taxable by the port  
 1-52 authority and located in a transportation reinvestment zone for the  
 1-53 year in which the zone was designated under this section.

1-54 (c) The port commission of the port authority, after  
 1-55 determining that an area is unproductive or underdeveloped and that  
 1-56 action under this section would improve the security, movement, and  
 1-57 intermodal transportation of cargo or passengers in commerce and  
 1-58 trade, by order or resolution may designate a contiguous geographic  
 1-59 area in the jurisdiction of the port authority to be a  
 1-60 transportation reinvestment zone to promote a port project and for

2-1 the purpose of abating ad valorem taxes or granting other relief  
 2-2 from taxes imposed by the county on real property located in the  
 2-3 zone.

2-4 (d) The port commission must comply with all applicable laws  
 2-5 in the application of this chapter.

2-6 (e) Not later than the 30th day before the date the port  
 2-7 commission proposes to designate an area as a transportation  
 2-8 reinvestment zone under this section, the port commission must hold  
 2-9 a public hearing on the creation of the zone, its benefits to the  
 2-10 port authority and to property in the proposed zone, and the  
 2-11 abatement of ad valorem taxes or the grant of other relief from ad  
 2-12 valorem taxes imposed by the port authority on real property  
 2-13 located in the zone. At the hearing an interested person may speak  
 2-14 for or against the designation of the zone, its boundaries, or the  
 2-15 abatement of or other relief from port authority taxes on real  
 2-16 property in the zone. Not later than the seventh day before the  
 2-17 date of the hearing, notice of the hearing and the intent to create  
 2-18 a zone must be published in a newspaper having general circulation  
 2-19 in the county in which the zone is proposed to be located.

2-20 (f) The order or resolution designating an area as a  
 2-21 transportation reinvestment zone must:

2-22 (1) describe the boundaries of the zone with  
 2-23 sufficient definiteness to identify with ordinary and reasonable  
 2-24 certainly the territory included in the zone;

2-25 (2) provide that the zone takes effect immediately on  
 2-26 adoption of the order or resolution and that the base year shall be  
 2-27 the year of passage of the order or resolution or some year in the  
 2-28 future;

2-29 (3) assign a name to the zone for identification, with  
 2-30 the first zone designated by a county designated as "Transportation  
 2-31 Reinvestment Zone Number One, (name of port authority)," and  
 2-32 subsequently designated zones assigned names in the same form  
 2-33 numbered consecutively in the order of their designation;

2-34 (4) designate the base year for purposes of  
 2-35 establishing the tax increment base of the port authority;

2-36 (5) establish an ad valorem tax increment account for  
 2-37 the zone; and

2-38 (6) contain findings that promotion of a port project  
 2-39 will improve the security, movement, and intermodal transportation  
 2-40 of cargo or passengers in commerce and trade.

2-41 (g) Compliance with the requirements of this section  
 2-42 constitutes designation of an area as a transportation reinvestment  
 2-43 zone without further hearings or other procedural requirements.

2-44 (h) The port commission may:

2-45 (1) from taxes collected on property in a zone,  
 2-46 including maintenance and operation taxes, pay into a tax increment  
 2-47 account for the zone an amount equal to the tax increment produced  
 2-48 by the port authority less any amounts allocated under previous  
 2-49 agreements, including agreements under Chapter 312, Tax Code;

2-50 (2) from a tax increment account for the zone, repay  
 2-51 any loan or other debt incurred to finance a port project under this  
 2-52 section;

2-53 (3) by order or resolution enter into an agreement  
 2-54 with the owner of any real property located in the transportation  
 2-55 reinvestment zone to abate all or a portion of the ad valorem taxes  
 2-56 or to grant other relief from the taxes imposed by the port  
 2-57 authority on the owner's property in an amount not to exceed the  
 2-58 amount calculated under Subsection (b)(1) for that year;

2-59 (4) by order or resolution elect to abate all or a  
 2-60 portion of the ad valorem taxes imposed by the port authority on all  
 2-61 real property in a zone; or

2-62 (5) grant other relief from ad valorem taxes on  
 2-63 property in a zone.

2-64 (i) All abatements or other relief granted by the port  
 2-65 commission in a transportation reinvestment zone must be equal in  
 2-66 rate. In any ad valorem tax year, the total amount of the taxes  
 2-67 abated or the total amount of other relief granted under this  
 2-68 section may not exceed the amount calculated under Subsection  
 2-69 (b)(1) for that year, less any amounts allocated under previous

3-1 agreements, including agreements under Chapter 312, Tax Code.

3-2 (j) To further the development of the port project for which  
 3-3 the transportation reinvestment zone was designated, a port  
 3-4 authority may assess all or part of the cost of the port project  
 3-5 against property within the zone. The assessment against each  
 3-6 property in the zone may be levied and payable in installments in  
 3-7 the same manner as provided for municipal and county public  
 3-8 improvement districts under Sections 372.016-372.018, Local  
 3-9 Government Code, provided that the installments do not exceed the  
 3-10 total amount of the tax abatement or other relief granted under  
 3-11 Subsection (h). The port authority has the powers provided to  
 3-12 municipalities and counties under Sections 372.015-372.020 and  
 3-13 372.023, Local Government Code, for the assessment of costs and  
 3-14 Sections 372.024-372.030, Local Government Code, for the issuance  
 3-15 of bonds by the port authority to pay the cost of a port project.  
 3-16 The port commission of the port authority may contract with a public  
 3-17 or private entity to develop, redevelop, or improve a port project  
 3-18 in the transportation reinvestment zone, including aesthetic  
 3-19 improvements, and may pledge and assign to that entity all or a  
 3-20 specified amount of the revenue the port authority receives from  
 3-21 installment payments of the assessments for the payment of the  
 3-22 costs of that port project. After a pledge or assignment is made,  
 3-23 if the entity that received the pledge or assignment has itself  
 3-24 pledged or assigned that amount to secure bonds or other  
 3-25 obligations issued to obtain funding for the port project, the port  
 3-26 commission of the port authority may not rescind its pledge or  
 3-27 assignment until the bonds or other obligations secured by the  
 3-28 pledge or assignment have been paid or discharged. Any amount  
 3-29 received from installment payments of the assessments not pledged  
 3-30 or assigned in connection with the port project may be used for  
 3-31 other purposes associated with the port project or in the zone.

3-32 (k) To accommodate changes in the limits of the project for  
 3-33 which a reinvestment zone was designated, the boundaries of a zone  
 3-34 may be amended at any time, except that property may not be removed  
 3-35 or excluded from a designated zone if any part of the assessment has  
 3-36 been assigned or pledged directly by the port authority or through  
 3-37 another entity to secure bonds or other obligations issued to  
 3-38 obtain funding of the project, and property may not be added to a  
 3-39 designated zone unless the port commission of the port authority  
 3-40 complies with Subsections (e) and (f).

3-41 (l) Except as provided by Subsection (m), a tax abatement  
 3-42 agreement entered into under Subsection (h), or an order or  
 3-43 resolution on the abatement of taxes or the grant of other relief  
 3-44 from taxes under that subsection, terminates on December 31 of the  
 3-45 year in which the port authority completes any contractual  
 3-46 requirement that included the pledge or assignment of assessments  
 3-47 collected under this section.

3-48 (m) A transportation reinvestment zone terminates on  
 3-49 December 31 of the 10th year after the year the zone was designated,  
 3-50 if before that date the port authority has not used the zone for the  
 3-51 purpose for which it was designated.

3-52 (n) Notwithstanding any other law, the authority granted by  
 3-53 this section may be exercised only by a port commission and may not  
 3-54 be exercised by another governmental entity, political  
 3-55 subdivision, or special district that has the powers of a port  
 3-56 authority or a navigation district. This subsection does not limit  
 3-57 the authority of a municipality under Section 222.106 or a county  
 3-58 under Section 222.107 to fund a transportation project described by  
 3-59 Section 222.108(d)(2).

3-60 SECTION 2. Subsection (d), Section 222.108, Transportation  
 3-61 Code, is amended to read as follows:

3-62 (d) In this section, "transportation project" includes:

3-63 (1) transportation projects described ~~[has the~~  
 3-64 ~~meaning assigned]~~ by Section 370.003; and

3-65 (2) port security, transportation, or facility  
 3-66 projects described by Section 55.001(5).

3-67 SECTION 3. This Act takes effect September 1, 2013.

3-68

\* \* \* \* \*