

BILL ANALYSIS

Senate Research Center
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S.B. 1465
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Natural Resources & Economic Development
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Tax increment financing (TIF) is a tool that local governments use to publicly finance needed structural improvements and enhance infrastructure within a defined area. These improvements usually are undertaken to promote the viability of existing business and to attract new commercial enterprises to the area. The zones created through this process are commonly referred to as either a TIF zone or a tax increment reinvestment zone (TIRZ). There are 230 TIRZ boards operating in the state. The state senator or state representative for the area in which the TIRZ is located are required by statute to serve on or to designate another individual to serve in their place on the board.

S.B. 1465 requires that the board of directors of a TIRZ send a certified letter to the state senator or state representative who is an ex-officio member of the TIRZ board of directors informing them of their membership on the board. The letter must be mailed prior to January 31 of each odd-numbered year.

Additionally, S.B. 1465 allows a state senator or state representative to opt out of serving on a TIRZ board and to not designate another individual to serve in their place. If the state senator or state representative desires to opt-out of serving they shall respond to the TIRZ board by certified mail and they will no longer be counted as a member of the board for voting or quorum purposes.

As proposed, S.B. 1465 amends current law relating to the authority of certain ex officio members of the board of directors of a tax increment financing reinvestment zone to elect not to serve on the board.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 311, Tax Code, by adding Section 311.0092, as follows:

Sec. 311.0092. NOTICE TO STATE SENATOR AND STATE REPRESENTATIVE; WAIVER OF SERVICE ON BOARD. (a) Requires the board of directors of a reinvestment zone (board), not later than January 31 of each odd-numbered year, to send to each member of the state senate and state house of representatives who is an ex officio member of the board under Section 311.009(b) (relating to a nine-member board of directors of a designated zone) or 311.0091(c) (relating to a board of directors and appointments to the board), as applicable, written notice by certified mail informing the state senator or state representative of the person's membership on the board.

(b) Authorizes a state senator or state representative, notwithstanding Section 311.009(b) or 311.0091(c), as applicable, to elect not to serve on the board or designate another individual to serve in the member's place. Requires the state senator or state representative, if the state senator or state representative elects not to serve on the board or designate another individual to serve in the member's

place, to notify the board in writing as soon as practicable after receipt of the notice under Subsection (a) by certified mail and prohibits the state senator or state representative from being counted as a member of the board for voting or quorum purposes.

SECTION 2. Effective date: September 1, 2017.