

By: Bohac

H.B. No. 4046

A BILL TO BE ENTITLED

AN ACT

relating to the election of members of the boards of directors of certain tax increment reinvestment zones.

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

SECTION 1. Chapter 311, Tax Code, is amended by adding Section 311.0092 to read as follows:

Sec. 311.0092. COMPOSITION OF BOARD OF DIRECTORS OF REINVESTMENT ZONES IN CERTAIN POPULOUS MUNICIPALITIES. (a) This section applies to a reinvestment zone located wholly or partly in a municipality with a population of at least two million.

(b) For purposes of this section, an area adjacent to a reinvestment zone means any area in an election precinct any part of which is within two miles of the zone's boundaries in any direction.

(c) The board of directors of a reinvestment zone consists of at least 11 and not more than 15 members, unless more than 15 members are required to satisfy the requirements of this subsection. A majority of members of the board must be elected in a nonpartisan election. Each taxing unit that approves the payment of all or part of its tax increment into the tax increment fund is entitled to appoint a member, including the county or municipality that designated the zone. A taxing unit may waive its right to appoint a director. The member of the state senate in whose district the zone is located is a member of the board, and the member of the state house of representatives in whose district the

1 zone is located is a member of the board, except that either may
2 designate another individual to serve in the member's place at the
3 pleasure of the member. If the zone is located in more than one
4 senate or house district, this subsection applies only to the
5 senator or representative in whose district a larger portion of the
6 zone is located than any other senate or house district, as
7 applicable. The municipality shall hold an election to elect the
8 number of members to the board that results in at least 51 percent
9 of the members of the board being elected.

10 (d) An election required by this section must be held in an
11 even-numbered year on the uniform election date in November
12 authorized by Section 41.001, Election Code. A municipality may
13 contract with the county to hold the election.

14 (e) Members of the board are appointed or elected for terms
15 of two years unless longer terms are provided under Section 11,
16 Article XI, Texas Constitution. Terms of members may be staggered.

17 (f) Individuals residing in the zone or in an area adjacent
18 to the zone are eligible to vote in the election of members of the
19 board.

20 (g) A vacancy on the board is filled for the unexpired term
21 by appointment of the governing body of the taxing unit that
22 appointed the director who served in the vacant position or, if the
23 vacant position was an elected position, by election on the next
24 election date under Subsection (d) that provides sufficient time to
25 comply with other requirements of law.

26 (h) To be eligible for appointment or to be a candidate for
27 or be elected to the board, an individual must:

1 (1) be a qualified voter of the municipality and
2 reside in the zone or in an area adjacent to the zone; or

3 (2) be at least 18 years of age and own real property
4 in the zone or in an area adjacent to the zone or be an employee or
5 agent of a person that owns real property in the zone or in an area
6 adjacent to the zone.

7 (i) Each year the board of directors of a reinvestment zone
8 shall elect one of its members to serve as presiding officer for a
9 term of one year. The board of directors may elect an assistant
10 presiding officer to preside in the absence of the presiding
11 officer or when there is a vacancy in the office of presiding
12 officer. The board may elect other officers as it considers
13 appropriate.

14 (j) A member of the board of directors of a reinvestment
15 zone:

16 (1) is not a public official by virtue of that
17 position; and

18 (2) unless otherwise ineligible, may be appointed to
19 serve concurrently on the board of directors of a local government
20 corporation created under Subchapter D, Chapter 431,
21 Transportation Code.

22 (k) This section does not apply to a tax increment
23 reinvestment zone designated in accordance with a law other than
24 this chapter that provides that an entity identified in the other
25 law serves as the board of directors of the tax increment
26 reinvestment zone.

27 SECTION 2. Section 311.004(a), Tax Code, is amended to read

1 as follows:

2 (a) The ordinance or order designating an area as a
3 reinvestment zone must:

4 (1) describe the boundaries of the zone with
5 sufficient definiteness to identify with ordinary and reasonable
6 certainty the territory included in the zone;

7 (2) create a board of directors for the zone and
8 specify the number of directors of the board as provided by Section
9 311.009, ~~[or]~~ 311.0091, or 311.0092, as applicable;

10 (3) provide that the zone take effect immediately upon
11 passage of the ordinance or order;

12 (4) provide a date for termination of the zone;

13 (5) assign a name to the zone for identification, with
14 the first zone created by a municipality or county designated as
15 "Reinvestment Zone Number One, City (or Town, as applicable) of
16 (name of municipality)," or "Reinvestment Zone Number One, (name of
17 county) County," as applicable, and subsequently created zones
18 assigned names in the same form numbered consecutively in the order
19 of their creation;

20 (6) establish a tax increment fund for the zone; and

21 (7) contain findings that:

22 (A) improvements in the zone will significantly
23 enhance the value of all the taxable real property in the zone and
24 will be of general benefit to the municipality or county; and

25 (B) the area meets the requirements of Section
26 311.005.

27 SECTION 3. (a) This section of this Act applies to a tax

1 increment reinvestment zone to which Section 311.0092, Tax Code, as
2 added by this Act, applies.

3 (b) Not later than January 1, 2019, the composition and
4 number of members serving on the board of a tax increment
5 reinvestment zone must comply with the requirements of Section
6 311.0092, Tax Code, as added by this Act.

7 (c) Members required to be elected to the board of a tax
8 increment reinvestment zone shall be elected beginning with the
9 general election conducted in 2018. Members then elected take
10 office January 1, 2019.

11 (d) The change in the manner of selection of the board of
12 directors of a tax increment reinvestment zone does not affect the
13 selection of directors who serve on the board before January 1,
14 2019.

15 (e) The term of a member of the board of directors serving on
16 December 31, 2018, expires on January 1, 2019.

17 SECTION 4. This Act takes effect immediately if it receives
18 a vote of two-thirds of all the members elected to each house, as
19 provided by Section 39, Article III, Texas Constitution. If this
20 Act does not receive the vote necessary for immediate effect, this
21 Act takes effect September 1, 2017.