

## **BILL ANALYSIS**

C.S.H.B. 1626  
By: Johnson  
Investments & Financial Services  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Interested parties note that many Texans live in areas that are underserved by banks and credit unions and have little experience with mainstream financial institutions, which makes them financially vulnerable to payday lenders and check-cashing outlets that charge high fees. In addition, the parties contend that another state has successfully implemented programs that encourage banks and credit unions to open branches in areas where there is a demonstrated need for banking and credit union services. C.S.H.B. 1626 seeks to address this issue.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Finance Commission of Texas and the Credit Union Commission in SECTION 1 of this bill.

### **ANALYSIS**

C.S.H.B. 1626 amends the Finance Code to require the Finance Commission of Texas to administer and monitor a banking development district program to encourage the establishment of branches of a financial institution in geographic areas where there is a demonstrated need for banking services. The bill requires the finance commission to adopt rules to implement the banking development district program and certain related bill provisions and to adopt rules in consultation with the Texas Economic Development and Tourism Office (TEDTO) regarding the criteria for the designation of banking development districts. The bill requires the rules regarding the criteria to require the finance commission to consider the location, number, and proximity of sites where banking services are available in the proposed banking development district; consumer needs for banking services in the proposed district; the economic viability and local credit needs of the community in the proposed district; the existing commercial development in the proposed district; and the impact additional banking services would have on potential economic development in the proposed district. The bill requires the finance commission to adopt rules governing the designation of banking development districts not later than January 1, 2016.

C.S.H.B. 1626 requires the Credit Union Commission to administer and monitor a credit union development district program to encourage the establishment of branches of a credit union in geographic areas where there is a demonstrated need for services provided by a credit union. The bill requires the Credit Union Commission to adopt rules to implement the credit union development district program and certain related bill provisions with respect to credit unions in credit union development districts. The bill requires the Credit Union Commission, in consultation with TEDTO, to adopt rules regarding the criteria for the designation of credit union

development districts. The bill requires the rules regarding the criteria to require the Credit Union Commission to consider the location, number, and proximity of sites where credit union services are available in the proposed credit union development district; consumer needs for credit union services in the proposed district; the economic viability and local credit needs of the community in the proposed district; the existing commercial development in the proposed district; and the impact additional credit union services would have on potential economic development in the proposed district. The bill requires the Credit Union Commission to adopt rules governing the designation of credit union development districts not later than January 1, 2016.

C.S.H.B. 1626 authorizes a local government, in conjunction with a financial institution or a credit union, to submit an application to the finance commission or the Credit Union Commission, as applicable, for the designation of a banking development district or a credit union development district, as applicable. The bill authorizes a financial institution to apply to open a branch in the proposed banking development district at the time the local government submits an application in conjunction with the institution. The bill authorizes a credit union to apply to open a branch in the proposed credit union development district at the time the local government submits an application in conjunction with the credit union. The bill requires the finance commission or the Credit Union Commission, as applicable, to make a determination regarding whether to approve the application not later than the 120th day after the date an application for the designation of a banking development district or a credit union development district is submitted. The bill requires the finance commission or the Credit Union Commission, if it approves the application, to notify the local government, the financial institution or credit union, as appropriate, the comptroller of public accounts, TEDTO, the lieutenant governor, and the speaker of the house of representatives.

C.S.H.B. 1626 authorizes the governing body of a local government in which a banking development district or credit union development district has been designated to designate by resolution a financial institution or credit union located in the district as a banking district depository or a credit union district depository for the purposes of depositing public funds in a banking district depository or a credit union district depository. The bill requires a resolution designating a banking district or credit union district depository, as applicable, to specify a maximum amount that may be kept on deposit with the depository. The bill authorizes the governing body of a local government to consider the benefit to the state of stimulating economic development in calculating the yield for an authorized governmental entity investment under the Public Funds Investment Act of public funds deposited in a banking district or credit union district depository.

C.S.H.B. 1626 authorizes a local government to deposit public funds with a financial institution designated as a banking district depository or a credit union designated as a credit union district depository regardless of whether the financial institution or credit union is designated by the comptroller as a state depository. The bill establishes that public funds in the depository may earn a fixed interest rate that is at or below the financial institution's or credit union's posted two-year certificate of deposit rate, as appropriate, subject to an agreement between the governing body and the banking district depository or the credit union district depository. The bill requires the terms of such an agreement to be specified in the applicable resolution designating a financial institution as a banking district depository or a credit union as a credit union district depository.

C.S.H.B. 1626 authorizes the comptroller to deposit public funds with a financial institution designated as a banking district depository or a credit union designated as a credit union district depository if the comptroller designates the financial institution or the credit union as a state depository and subjects the financial institution or credit union to collateral requirements for such purposes. The bill establishes that public funds deposited in the district depository may earn a fixed interest rate that is at or below the financial institution's or credit union's posted two-year certificate of deposit rate, as appropriate, subject to an agreement between the comptroller and the banking district or credit union district depository. The bill authorizes the comptroller to

consider the benefit to the state of stimulating economic development in calculating the yield for an authorized governmental entity investment under the Public Funds Investment Act of public funds deposited in a banking district or credit union district depository.

C.S.H.B. 1626 authorizes the governing body of a local government to enter into a tax abatement agreement, as provided by the Property Redevelopment and Tax Abatement Act, with a financial institution that owns property in a banking development district on which the institution proposes to open a branch of the institution or with a credit union that owns property in a credit union development district on which the credit union proposes to open a branch of the credit union.

C.S.H.B. 1626 amends the Tax Code to establish that the designation of an area as a banking development district or as a credit union development district constitutes designation of the area as a municipal reinvestment zone or a county reinvestment zone under the Property Redevelopment and Tax Abatement Act without further hearing or other procedural requirements other than those provided by the bill's provisions governing banking development and credit union development districts. The bill applies provisions under that act governing such reinvestment zones to the abatement of taxes on property located in a banking development or credit union development district, except as otherwise provided by the bill. The bill establishes that only the governing body of a municipality or county is eligible to enter into a tax abatement agreement, as applicable, with an owner of property located in a banking development district so long as the property is owned by a financial institution or located in a credit union development district so long as the property is owned by a credit union.

C.S.H.B. 1626 authorizes the governing body of a municipality or county to enter into an agreement with a financial institution that is located in a banking development district or with a credit union that is located in a credit union development district to abate taxes on property owned by the institution or credit union, as applicable, only on the condition that the institution or credit union open a branch on the property. The bill specifies that the designation of an area as a municipal or county reinvestment zone is only for the purposes of Property Redevelopment and Tax Abatement Act provisions governing such reinvestment zones and not for purposes of any other law, including the Tax Increment Financing Act and the Texas Economic Development Act.

**EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.

**COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 1626 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED	HOUSE COMMITTEE SUBSTITUTE
SECTION 1. Subtitle Z, Title 3, Finance Code, is amended by adding Chapter 279 to read as follows: <u>CHAPTER 279. BANKING DEVELOPMENT DISTRICTS</u>	SECTION 1. Subtitle Z, Title 3, Finance Code, is amended by adding Chapter 279 to read as follows: <u>CHAPTER 279. BANKING AND CREDIT UNION DEVELOPMENT DISTRICTS</u>
<u>SUBCHAPTER A. GENERAL PROVISIONS</u>	<u>SUBCHAPTER A. GENERAL PROVISIONS</u>

Sec. 279.001. DEFINITIONS. In this chapter:

(1) "Finance commission" means the Finance Commission of Texas.

(2) "Financial institution" means a state or national bank, a state or federal savings bank, or a state or federal savings and loan association.

(3) "Local government" means a municipality or county.

(4) "Proposed Texas financial institution" means:

(A) a proposed new bank for which an application for a state bank charter has been filed with the Texas Department of Banking; or

(B) a proposed new savings bank or savings and loan association for which an application to incorporate under the laws of this state has been filed with the Department of Savings and Mortgage Lending.

SUBCHAPTER B. POWERS AND DUTIES OF FINANCE COMMISSION

Sec. 279.051. ADMINISTRATION OF PROGRAM.

Sec. 279.052. RULES. (a) Subject to Subsection (b), the finance commission shall adopt rules to implement this chapter.

(b) The finance commission, in consultation with the Texas Economic Development and Tourism Office, shall adopt rules regarding the criteria for the designation of banking development districts under this chapter. The rules must require the finance commission to consider:

(1) the location, number, and proximity of sites where banking services are available in the proposed district;

(2) consumer needs for banking services in the proposed district;

(3) the economic viability and local credit needs of the community in the proposed district;

(4) the existing commercial development in the proposed district; and

Sec. 279.001. DEFINITIONS. In this chapter:

(1) "Credit union" means a state or federal credit union.

(2) "Finance commission" means the Finance Commission of Texas.

(3) "Financial institution" means a state or national bank, a state or federal savings bank, or a state or federal savings and loan association.

(4) "Local government" means a municipality or county.

SUBCHAPTER B. BANKING DEVELOPMENT DISTRICTS

Sec. 279.051. ADMINISTRATION OF PROGRAM.

Sec. 279.052. RULES. (a) Subject to Subsection (b), the finance commission shall adopt rules to implement this subchapter and Subchapters D and E with respect to financial institutions in banking development districts.

(b) The finance commission, in consultation with the Texas Economic Development and Tourism Office, shall adopt rules regarding the criteria for the designation of banking development districts under this subchapter. The rules must require the finance commission to consider:

(1) the location, number, and proximity of sites where banking services are available in the proposed banking development district;

(2) consumer needs for banking services in the proposed district;

(3) the economic viability and local credit needs of the community in the proposed district;

(4) the existing commercial development in the proposed district; and

(5) the impact additional banking services would have on potential economic development in the proposed district.

SUBCHAPTER C. DESIGNATION OF BANKING DEVELOPMENT DISTRICT

Sec. 279.101. APPLICATION FOR DESIGNATION OF BANKING DEVELOPMENT DISTRICT. A local government, in conjunction with a financial institution or the organizers or incorporators of a proposed Texas financial institution, may submit an application to the finance commission for the designation of a banking development district.

Sec. 279.102. APPLICATION BY FINANCIAL INSTITUTION TO OPEN BRANCH IN DISTRICT. A financial institution may apply to open a branch in the proposed banking development district at the time the local government submits an application in conjunction with the institution under Section 279.101.

Sec. 279.103. DETERMINATION BY FINANCE COMMISSION. (a) Not later than the 91st day after the date an application for the designation of a banking development district is submitted under Section 279.101, the finance commission shall make a determination regarding whether to approve the application.

(b) If the finance commission approves the application, the finance commission shall notify the:

- (1) local government;
- (2) financial institution or the organizers or incorporators of the proposed Texas financial institution, as appropriate;
- (3) comptroller;
- (4) Texas Economic Development and Tourism Office;
- (5) lieutenant governor; and
- (6) speaker of the house of representatives.

No equivalent provision.

No equivalent provision.

(5) the impact additional banking services would have on potential economic development in the proposed district.

No equivalent provision.

Sec. 279.053. APPLICATION FOR DESIGNATION OF BANKING DEVELOPMENT DISTRICT. A local government, in conjunction with a financial institution, may submit an application to the finance commission for the designation of a banking development district.

Sec. 279.054. APPLICATION BY FINANCIAL INSTITUTION TO OPEN BRANCH IN DISTRICT. A financial institution may apply to open a branch in the proposed banking development district at the time the local government submits an application in conjunction with the institution under Section 279.053.

Sec. 279.055. DETERMINATION BY FINANCE COMMISSION. (a) Not later than the 120th day after the date an application for the designation of a banking development district is submitted under Section 279.053, the finance commission shall make a determination regarding whether to approve the application.

(b) If the finance commission approves the application, the finance commission shall notify the:

- (1) local government;
- (2) financial institution;
- (3) comptroller;
- (4) Texas Economic Development and Tourism Office;
- (5) lieutenant governor; and
- (6) speaker of the house of representatives.

SUBCHAPTER C. CREDIT UNION DEVELOPMENT DISTRICTS

Sec. 279.101. ADMINISTRATION OF PROGRAM. The Credit Union Commission shall administer and monitor a credit union development district program under this chapter to encourage the

establishment of branches of a credit union in geographic areas where there is a demonstrated need for services provided by a credit union.

No equivalent provision.

Sec. 279.102. RULES. (a) Subject to Subsection (b), the Credit Union Commission shall adopt rules to implement this subchapter and Subchapters D and E with respect to credit unions in credit union development districts.

(b) The Credit Union Commission, in consultation with the Texas Economic Development and Tourism Office, shall adopt rules regarding the criteria for the designation of credit union development districts under this subchapter. The rules must require the Credit Union Commission to consider:

(1) the location, number, and proximity of sites where services provided by a credit union are available in the proposed credit union development district;

(2) consumer needs for services provided by a credit union in the proposed district;

(3) the economic viability and local credit needs of the community in the proposed district;

(4) the existing commercial development in the proposed district; and

(5) the impact additional services provided by a credit union would have on potential economic development in the proposed district.

No equivalent provision.

Sec. 279.103. APPLICATION FOR DESIGNATION OF CREDIT UNION DEVELOPMENT DISTRICT. A local government, in conjunction with a credit union, may submit an application to the Credit Union Commission for the designation of a credit union development district.

No equivalent provision.

Sec. 279.104. APPLICATION BY CREDIT UNION TO OPEN BRANCH IN DISTRICT. A credit union may apply to open a branch in the proposed credit union development district at the time the local government submits an application in conjunction with the credit union under Section 279.103.

No equivalent provision.

Sec. 279.105. DETERMINATION BY CREDIT UNION COMMISSION. (a) Not

later than the 120th day after the date an application for the designation of a credit union development district is submitted under Section 279.103, the Credit Union Commission shall make a determination regarding whether to approve the application.

(b) If the Credit Union Commission approves the application, the Credit Union Commission shall notify the:

- (1) local government;
- (2) credit union;
- (3) comptroller;
- (4) Texas Economic Development and Tourism Office;
- (5) lieutenant governor; and
- (6) speaker of the house of representatives.

SUBCHAPTER D. DEPOSIT OF PUBLIC FUNDS IN BANKING DISTRICT DEPOSITORY

Sec. 279.151. DESIGNATION OF BANKING DISTRICT DEPOSITORY. (a) The governing body of a local government in which a banking development district has been designated under Subchapter C may by resolution designate a financial institution located in the district as a banking district depository for purposes of this subchapter.

No equivalent provision.

(b) A resolution adopted under Subsection (a) must specify the maximum amount that may be kept on deposit with the banking district depository.

(c) In calculating the yield under Section 2256.006, Government Code, of public funds deposited in a banking district depository, the governing body of a local government may consider the benefit to this state of stimulating economic development.

Sec. 279.152. DEPOSIT OF PUBLIC FUNDS BY LOCAL GOVERNMENT. (a)

SUBCHAPTER D. DEPOSIT OF PUBLIC FUNDS IN DISTRICT DEPOSITORY

Sec. 279.151. DESIGNATION OF DISTRICT DEPOSITORY. (a) The governing body of a local government in which a banking development district has been designated under Subchapter B may by resolution designate a financial institution located in the district as a banking district depository for purposes of this subchapter.

(b) The governing body of a local government in which a credit union development district has been designated under Subchapter C may by resolution designate a credit union located in the district as a credit union district depository for purposes of this subchapter.

(c) A resolution adopted under Subsection (a) or (b) must specify the maximum amount that may be kept on deposit with the banking district or credit union district depository, as appropriate.

(d) In calculating the yield under Section 2256.006, Government Code, of public funds deposited in a banking district or credit union district depository, the governing body of a local government may consider the benefit to this state of stimulating economic development.

Sec. 279.152. DEPOSIT OF PUBLIC FUNDS BY LOCAL GOVERNMENT. (a)

A local government may deposit public funds with a financial institution designated as a banking district depository under Section 279.151 regardless of whether the financial institution is designated by the comptroller as a state depository under Subchapter C, Chapter 404, Government Code.

(b) Subject to an agreement between the governing body and the banking district depository, public funds deposited in the banking district depository may earn a fixed interest rate that is at or below the financial institution's posted two-year certificate of deposit rate. The terms of the agreement must be specified in the resolution adopted under Section 279.151.

Sec. 279.153. DEPOSIT OF PUBLIC FUNDS BY STATE. (a) If the comptroller designates the financial institution as a state depository under Subchapter C, Chapter 404, Government Code, the comptroller may deposit public funds with a financial institution designated as a banking district depository under Section 279.151.

No equivalent provision.

(b) For purposes of Subsection (a), a financial institution is subject to the collateral requirements of Section 404.031, Government Code.

(c) Subject to an agreement between the comptroller and the banking district depository, public funds deposited in the banking district depository may earn a fixed interest rate that is at or below the financial institution's posted two-year certificate of deposit rate.

(d) In calculating the yield under Section 2256.006, Government Code, of public funds deposited in a banking district

A local government may deposit public funds with a financial institution designated as a banking district depository or a credit union designated as a credit union district depository under Section 279.151 regardless of whether the financial institution or credit union is designated by the comptroller as a state depository under Subchapter C, Chapter 404, Government Code.

(b) Subject to an agreement between the governing body and the banking district or credit union district depository, public funds deposited in the district depository may earn a fixed interest rate that is at or below the financial institution's or credit union's posted two-year certificate of deposit rate, as appropriate. The terms of the agreement must be specified in the applicable resolution adopted under Section 279.151.

Sec. 279.153. DEPOSIT OF PUBLIC FUNDS BY STATE. (a) If the comptroller designates the financial institution as a state depository under Subchapter C, Chapter 404, Government Code, the comptroller may deposit public funds with a financial institution designated as a banking district depository under Section 279.151(a).

(b) If the comptroller designates the credit union as a state depository under Subchapter C, Chapter 404, Government Code, the comptroller may deposit public funds with a credit union designated as a credit union district depository under Section 279.151(b).

(c) For purposes of Subsections (a) and (b), a financial institution or credit union is subject to the collateral requirements of Section 404.031, Government Code.

(d) Subject to an agreement between the comptroller and the banking district or credit union district depository, public funds deposited in the district depository may earn a fixed interest rate that is at or below the financial institution's or credit union's posted two-year certificate of deposit rate, as appropriate.

(e) In calculating the yield under Section 2256.006, Government Code, of public funds deposited in a banking district or



depository, the comptroller may consider the benefit to this state of stimulating economic development.

SUBCHAPTER E. BANKING DISTRICT BENEFITS

Sec. 279.201. TAX ABATEMENT. The governing body of a local government may enter into a tax abatement agreement as provided by Chapter 312, Tax Code, with:

(1) a financial institution that owns property in a banking development district on which the institution proposes to open a branch of the institution; or

(2) the organizers or incorporators of a proposed Texas financial institution that owns property in a banking development district on which the organizers propose to establish and operate a branch of the institution.

SECTION 2. Subchapter B, Chapter 312, Tax Code, is amended by adding Section 312.2012 to read as follows:

Sec. 312.2012. BANKING DEVELOPMENT DISTRICT. (a) In this section, "financial institution" and "proposed Texas financial institution" have the meanings assigned by Section 279.001, Finance Code.

(b) The designation of an area as a banking development district under Chapter 279, Finance Code, constitutes designation of the area as a reinvestment zone under this subchapter without further hearing or other procedural requirements other than those provided by Chapter 279, Finance Code. Except as otherwise provided by this section, the provisions of this subchapter apply to the abatement of taxes on property located in a banking development district.

(c) Only the governing body of a municipality or county is eligible to enter into a tax abatement agreement with an owner of property located in a banking development district so long as the property is owned by a financial institution or the organizers or incorporators of a proposed Texas financial institution.

credit union district depository, the comptroller may consider the benefit to this state of stimulating economic development.

SUBCHAPTER E. BANKING OR CREDIT UNION DISTRICT BENEFITS

Sec. 279.201. TAX ABATEMENT. The governing body of a local government may enter into a tax abatement agreement as provided by Chapter 312, Tax Code, with:

(1) a financial institution that owns property in a banking development district on which the institution proposes to open a branch of the institution; or

(2) a credit union that owns property in a credit union development district on which the credit union proposes to open a branch of the credit union.

SECTION 2. Subchapter B, Chapter 312, Tax Code, is amended by adding Section 312.2012 to read as follows:

Sec. 312.2012. BANKING OR CREDIT UNION DEVELOPMENT DISTRICT. (a) In this section, "financial institution" and "credit union" have the meanings assigned by Section 279.001, Finance Code.

(b) The designation of an area as a banking development district or credit union development district under Chapter 279, Finance Code, constitutes designation of the area as a reinvestment zone under this subchapter without further hearing or other procedural requirements other than those provided by Chapter 279, Finance Code. Except as otherwise provided by this section, the provisions of this subchapter apply to the abatement of taxes on property located in a banking or credit union development district.

(c) Only the governing body of a municipality or county is eligible to enter into a tax abatement agreement with an owner of property located:

(1) in a banking development district so long as the property is owned by a financial institution; or

(2) in a credit union development district so long as the property is owned by a credit

(d) The governing body of a municipality or county may enter into an agreement with a financial institution to abate taxes on property owned by the institution only on the condition that the institution open a branch on the property.

(e) The governing body of a municipality or county may enter into an agreement with the organizers or incorporators of a proposed Texas financial institution to abate taxes on property owned by the organizers or incorporators only on the condition that the proposed financial institution:

(1) is granted a state bank charter or issued a certificate of incorporation, as appropriate, to engage in business in this state; and

(2) establish and operate a branch on the property.

(f) The designation of an area as a reinvestment zone under this section is for purposes of this subchapter only and not for purposes of any other law, including Chapters 311 and 313.

SECTION 3. Subchapter C, Chapter 312, Tax Code, is amended by adding Section 312.4012 to read as follows:

Sec. 312.4012. BANKING DEVELOPMENT DISTRICT. (a) In this section, "financial institution" and "proposed Texas financial institution" have the meanings assigned by Section 279.001, Finance Code.

(b) The designation of an area as a banking development district under Chapter 279, Finance Code, constitutes designation of the area as a reinvestment zone under this subchapter without further hearing or other procedural requirements other than those provided by Chapter 279, Finance Code. Except as otherwise provided by this section, the provisions of this subchapter apply to the abatement of taxes on property

union.

(d) The governing body of a municipality or county may enter into an agreement with:

(1) a financial institution to abate taxes on property owned by the institution that is located in a banking development district only on the condition that the institution open a branch on the property; or

(2) a credit union to abate taxes on property owned by the credit union that is located in a credit union development district only on the condition that the credit union open a branch on the property.

No equivalent provision.

(e) The designation of an area as a reinvestment zone under this section is for purposes of this subchapter only and not for purposes of any other law, including Chapters 311 and 313.

SECTION 3. Subchapter C, Chapter 312, Tax Code, is amended by adding Section 312.4012 to read as follows:

Sec. 312.4012. BANKING OR CREDIT UNION DEVELOPMENT DISTRICT. (a) In this section, "financial institution" and "credit union" have the meanings assigned by Section 279.001, Finance Code.

(b) The designation of an area as a banking or credit union development district under Chapter 279, Finance Code, constitutes designation of the area as a reinvestment zone under this subchapter without further hearing or other procedural requirements other than those provided by Chapter 279, Finance Code. Except as otherwise provided by this section, the provisions of this subchapter apply to the abatement of taxes

located in a banking development district.

(c) Only the governing body of a county is eligible to enter into a tax abatement agreement with an owner of property located in a banking development district so long as the property is owned by a financial institution or the organizers or incorporators of a proposed Texas financial institution.

(d) The governing body of a county may enter into an agreement with a financial institution to abate taxes on property owned by the institution only on the condition that the institution open a branch on the property.

(e) The governing body of a county may enter into an agreement with the organizers or incorporators of a proposed Texas financial institution to abate taxes on property owned by the organizers or incorporators only on the condition that the proposed financial institution:

- (1) is granted a state bank charter or issued a certificate of incorporation, as appropriate, to engage in business in this state; and
- (2) establish and operate a branch on the property.

(f) The designation of an area as a reinvestment zone under this section is for purposes of this subchapter only and not for purposes of any other law, including Chapters 311 and 313.

SECTION 4. Not later than January 1, 2016, the Finance Commission of Texas shall adopt rules governing the designation of banking development districts, as required by Chapter 279, Finance Code, as added by this Act.

on property located in a banking or credit union development district.

(c) Only the governing body of a county is eligible to enter into a tax abatement agreement with an owner of property located:

- (1) in a banking development district so long as the property is owned by a financial institution; or
- (2) in a credit union development district so long as the property is owned by a credit union.

(d) The governing body of a county may enter into an agreement with:

- (1) a financial institution to abate taxes on property owned by the institution that is located in a banking development district only on the condition that the institution open a branch on the property; or
- (2) a credit union to abate taxes on property owned by the credit union that is located in a credit union development district only on the condition that the credit union open a branch on the property.

No equivalent provision.

(e) The designation of an area as a reinvestment zone under this section is for purposes of this subchapter only and not for purposes of any other law, including Chapters 311 and 313.

SECTION 4. Not later than January 1, 2016, the Finance Commission of Texas shall adopt rules governing the designation of banking development districts, as required by Subchapter B, Chapter 279, Finance Code, as added by this Act.

No equivalent provision.

SECTION 5. Not later than January 1, 2016, the Credit Union Commission shall adopt rules governing the designation of credit union development districts, as required by Subchapter C, Chapter 279, Finance Code, as added by this Act.

SECTION 5. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2015.

SECTION 6. Same as introduced version.