

SUBJECT: Transportation reinvestment zones for municipal rail projects

COMMITTEE: Transportation — favorable, without amendment

VOTE: 8 ayes — Pickett, Phillips, Callegari, Dunnam, Guillen, Harper-Brown, Merritt, W. Smith

0 nays

3 absent — Y. Davis, McClendon, T. Smith

SENATE VOTE: On final passage, April 9 — 31-0, on Local and Uncontested Calendar

WITNESSES: For — (*Registered, but did not testify:* Monty Wynn, Texas Municipal League)

Against — None

On — Phil Russell, Texas Department of Transportation

BACKGROUND: Transportation Code, sec. 222.106 allows municipalities to establish transportation reinvestment zones, which allow a local government to capture a portion of any increased property tax revenue that results from a new road project, then use the revenues to finance the project.

DIGEST: SB 898 would allow a municipality to designate a transportation reinvestment zone for the purpose of acquiring, instructing, improving, or operating a freight or passenger rail facility or system, including commuter rail, intercity rail, high-speed rail, or tri-track.

A municipal ordinance that designated an area as a transportation reinvestment zone for the purpose of funding a freight or passenger rail facility or system would have to contain findings that a rail project would cultivate development or redevelopment within the reinvestment zone and provide a date for the zone's termination, though the zone could terminate on the date that the incurred costs, tax increment bonds, interest, or other obligations were paid in full if that date was earlier than the date set in the original or any subsequent ordinance.

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The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2009.