

## **BILL ANALYSIS**

Senate Research Center

S.J.R. 44  
By: Deuell  
Intergovernmental Relations  
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### **AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

Tax Increment Refinancing Zones (TIRZ) were established under Chapter 311, Texas Tax Code. TIRZ's provide a way for local governments to finance needed infrastructure enhancements to promote economic development in an area. A TIRZ is unique in that future tax revenues, which increase due to the improvements made in the area, repay the costs of the improvements. The additional tax revenue attributable to the enhanced property value is known as the "increment." As opposed to simply granting a long-term abatement, a TIRZ provides the option of repayment for the improvements.

Currently, only municipalities may create a TIRZ. Urban counties experiencing rapid growth are requesting this same ability to provide infrastructure improvements for economic development under a mechanism that repays the costs. S.J.R. 44 proposes a constitutional amendment to permit the legislature to provide counties the authority to create a TIRZ.

### **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 Section 1-g(b), Article VIII, Texas Constitution, to authorize the legislature by general law to authorize an incorporated city or town or a county to issue bonds or notes to finance the development or redevelopment of an unproductive, underdeveloped, or blighted area within the city, town, or county and to pledge for repayment of those bonds or notes increases in ad valorem tax revenues imposed on property in the area by the city, town, county, or other political subdivisions. Makes nonsubstantive changes.

SECTION 2. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held November 8, 2005. Sets forth the required language for the ballot.