

BILL ANALYSIS

Senate Research Center
83R1023 NAJ-D

H.B. 2139
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Intergovernmental Relations
5/15/2013
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

According to interested parties, with federal and state sources for redevelopment generally less available, local governments have been compelled to find other ways to subsidize improvement projects in their localities without raising taxes. One of the tools many states use to take up the slack left by an absence of federal and state funding is tax increment financing, a public financing method used for redevelopment and community improvement projects for many decades.

Texas uses tax increment financing through the creation of tax increment reinvestment zones, in which the cost of improvements is repaid by the future tax revenues of each taxing unit that levies taxes against the property therein. H.B. 2139 seeks to allow the Near Northside Management District to designate all or any part of the district as a tax increment reinvestment zone.

H.B. 2139 amends the Special District Local Laws Code to authorize the Near Northside Management District to designate all or any part of the district as a tax increment reinvestment zone. The bill authorizes the district to use tax increment financing under the Tax Increment Financing Act in the manner provided for a municipality, except as modified by the bill's provisions, and specifies that the district has all powers provided under the Tax Increment Financing Act. The bill authorizes the district and an overlapping taxing unit to enter into an interlocal agreement for the payment of all or a portion of the tax increment of the unit to the district. The bill designates the district's board of directors as the board of directors of the reinvestment zone for the purpose of tax increment financing under the bill's provisions. The bill exempts the district from specified Tax Code provisions relating to the composition of the board of directors of a reinvestment zone under the Tax Increment Financing Act.

H.B. 2139 amends current law relating to the authority of the Near Northside Management District to undertake tax increment financing.

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 Subchapter D, Chapter 3905, Special District Local Laws Code, by adding Section 3905.155, as follows:

Sec. 3905.155. TAX INCREMENT FINANCING POWERS. (a) Authorizes the Near Northside Management District (district) to designate all or any part of the district as a tax increment reinvestment zone. Authorizes the district to use tax increment financing under Chapter 311 (Tax Increment Financing Act), Tax Code, in the manner provided by that chapter for a municipality, except as modified by this section.

(b) Provides that the district has all powers provided under Chapter 311, Tax Code.

(c) Authorizes the district and an overlapping taxing unit to enter into an interlocal agreement for the payment of all or a portion of the tax increment of the unit to the district.

(d) Provides that for the purpose of tax increment financing under this section, the board functions as the board of directors of the reinvestment zone. Provides that Section 311.009 (Composition of Board of Directors), Tax Code, does not apply to the district.

SECTION 2. Provides that all requirements of the constitution and the laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

SECTION 3. Effective date: upon passage or September 1, 2013.