

BILL ANALYSIS

Senate Research Center

H.B. 2682
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Intergovernmental Relations
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Engrossed

DIGEST AND PURPOSE

A tax increment reinvestment zone is a special district created by a local governmental entity to revitalize an area by using the tax increment generated by economic development within the zone to finance debt service on bonds used to revitalize the zone. In 1999, school districts were prohibited from entering new agreements to participate in these tax increment financing districts, but they retained the authorization to fulfill existing agreements. If a school district is unable to locate services or resources contracted under an existing agreement within the reinvestment zone of the municipality, then the school district may be unable to complete needed projects. H.B. 2682 authorizes certain school districts to enter into an agreement for a municipality with a reinvestment zone to dedicate revenue from the tax increment fund to the school district for certain projects.

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 Chapter 311, Tax Code, by adding Section 311.0085, as follows:

Sec. 311.0085. POWER OF CERTAIN MUNICIPALITIES. Provides that this section applies only certain municipalities. Defines "educational facility." Authorizes a municipality, in addition to exercising the powers described by Section 311.008, to enter into a new agreement, or amend an existing agreement, with a school district that is located in whole or in part in a reinvestment zone created by the municipality to dedicate revenue from the tax increment fund to the school district for acquiring, constructing, or reconstructing an educational facility located in or outside of the zone.

SECTION 2. Effective date: upon passage or September 1, 2001.