

BILL ANALYSIS

Senate Research Center
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S.B. 1574
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Economic Development
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 1574 authorizes the use of tax increment financing in certain counties to fund social services and other programs that will enhance redevelopment within a reinvestment zone.

As proposed, S.B. 1574 amends current law relating to the use of money in a tax increment fund to pay costs related to public improvements used for social services programs that promote the development or redevelopment of a reinvestment zone.

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 311.008(b), Tax Code, as follows:

(b) Authorizes a municipality or county to exercise any power necessary and convenient to carry out this chapter, including the power to:

(1) cause project plans to be prepared, approve and implement the plans, and otherwise achieve the purposes of the plan;

(2) acquire real property by purchase, condemnation, or other means to implement project plans and sell that property on the terms and conditions and in the manner it considers advisable;

(3) enter into agreements, including agreements with bondholders, determined by the governing body of the municipality or county to be necessary or convenient to implement project plans and achieve their purposes, which agreements may include conditions, restrictions, or covenants that run with the land or that by other means regulate or restrict the use of land; and

(4) consistent with the project plan for the zone:

(A) acquire blighted, deteriorated, deteriorating, undeveloped, or inappropriately developed real property or other property in a blighted area or in a federally assisted new community in the zone for the preservation or restoration of historic sites, beautification or conservation, the provision of public works or public facilities, or other public purposes;

(B) acquire, construct, reconstruct, or install public works, facilities, or sites or other public improvements, including utilities, streets, street lights, water and sewer facilities, pedestrian malls and walkways, parks, flood and drainage facilities, or parking facilities, but not including educational facilities;

(C) in a reinvestment zone created on or before September 1, 1999, acquire, construct, or reconstruct educational facilities in the municipality; or

(D) in a reinvestment zone created in a county that has a population of less than 1.5 million but in which a municipality is primarily located that has a population of at least 775,000, acquire, construct, reconstruct, or install public improvements used for social services programs that promote the development or redevelopment of the zone, including improvements related to programs designed to:

(i) provide a social safety net through the provision of basic necessities such as food, clothing, shelter, health care, and mental health care and the protection of constitutionally guaranteed legal rights;

(ii) help disadvantaged people make the transition out of poverty by ensuring the availability of educational, employment, and other opportunities for furthering self-reliance;

(iii) prevent problematic conditions at the individual and community level through education, preventive physical and mental health programs, crime prevention programs, and other preventive programs;

(iv) provide family and societal support services, including education, child care, counseling and assistance for the aging, youth, the homeless, and the unemployed, rehabilitation services, and other support services; and

(v) encourage personal development and community enrichment through cultural and educational programs.

SECTION 2. Amends Section 311.010, Tax Code, by adding Subsections (b-1) and (b-2), as follows:

(b-1) Authorizes an agreement under Subsection (b) relating to a reinvestment zone described by Section 311.008(b)(4)(D) to:

(1) during the term of the agreement dedicate, pledge, or otherwise provide for the use of revenue in the tax increment fund to pay project costs relating to the cost of public improvements described by that paragraph; or

(2) dedicate revenue from the tax increment fund to pay the costs of operating or administering programs described by that paragraph.

(b-2) Prohibits a municipality or county from using revenue from a tax increment fund dedicated, pledged, or otherwise provided for a purpose described by Subsection (b-1) to replace revenue the municipality or county would otherwise have spent from other sources for that purpose.

SECTION 3. Effective date: upon passage or September 1, 2011.