

BILL ANALYSIS

Senate Research Center
82R20850 SMH-F

H.B. 3465
By: Sheffield (Fraser)
Economic Development
5/4/2011
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Certain tax increment financing reinvestment zones may be created for a 40-year term and may subsequently be extended for another 40 years by city ordinance. Participating taxing entities in the zone may pass ordinances or authorizations to continue to participate in the zone but others, such as local school districts, may leave the request pending while requesting clarification on whether the district's continued participation in the zone would affect the amount the amount of state aid the district receives. Interested parties assert that legislation is needed to provide clarity regarding the ability of a school district to deduct the value of the tax increment for purposes of determining the value of taxable property in the district. H.B. 3465 seeks to clarify the period for which a school district's participation in certain tax increment financing investment zones may be taken into account for that purpose.

H.B. 3465 amends current law relating to the period for which a school district's participation in certain tax increment financing reinvestment zones may be taken into account in determining the total taxable value of property in the school district.

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 403.302, Government Code, by adding Subsection (e-1), as follows:

(e-1) Provides that this subsection applies only to a reinvestment zone created by a municipality that has a population of 70,000 or less and is located in a county in which all or part of a military installation is located. Provides that, notwithstanding Subsection (e) (prohibiting the total dollar amount deducted in each year as required by Subsection (d)(4) in a reinvestment zone created after January 1, 1999, from exceeding the captured appraised value estimated for that year as required by Section 311.011(c)(8), Tax Code, in the reinvestment zone financing plan approved under Section 311.011(d), Tax Code, before September 1, 1999), if on or after January 1, 2017, the municipality adopts an ordinance designating a termination date for the zone that is later than the termination date designated in the ordinance creating the zone, the number of years for which the total dollar amount may be deducted under Subsection (d)(4) (defining "taxable value" as, subject to Subsection (e), the total dollar amount of any captured appraised value of certain property) the market value of all taxable property less is limited to the duration of the zone as determined under Section 311.017 (Termination of Reinvestment Zone), Tax Code.

SECTION 2. Effective date: September 1, 2011.