By: Hancock H.B. No. 3222

A BILL TO BE ENTITLED

AN ACT

relating to the authority of two or more municipalities to designate a joint tax increment financing reinvestment zone.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 311, Tax Code, is amended by adding Section 311.0035 to read as follows:

Sec. 311.0035. PROCEDURE FOR DESIGNATING JOINT REINVESTMENT ZONE. (a) The governing bodies of two or more municipalities by ordinance adopted by each municipality may designate a contiguous area in the jurisdiction of each of the municipalities to be a joint reinvestment zone. Except as otherwise provided by this section, each of the municipalities must follow the procedures provided by Section 311.003 to designate an area as a joint reinvestment zone. The ordinances adopted by all of the municipalities designating an area as a joint reinvestment zone must contain the same terms and must:

(1) describe the boundaries of the zone with sufficient definiteness to identify with ordinary and reasonable certainty the territory included in the zone;

(2) create a board of directors for the zone and specify:

(A) the number of directors;

(B) the qualifications of directors;

(C) the manner in which directors are appointed;

(D) the terms of directors;

(E) the manner in which vacancies on the board are filled; and

(F) the manner by which officers of the board are selected;

(3) provide that the zone takes effect immediately on adoption of the ordinance by the last of the municipalities in the jurisdiction of which the area contained in the zone is located;

(4) provide a termination date for the zone;

(5) assign a name to the zone for identification purposes, which may include the name of one or more of the designating municipalities and may contain a number;

(6) establish a tax increment fund for the zone; and

(7) contain findings that:

(A) improvements in the zone will significantly enhance the value of all taxable real property in the zone and will be of general benefit to the municipalities; and

(B) the area meets the requirements of Sections 311.005(a)(1) and (2) and (a-1).

(b) For purposes of complying with Subsection (a)(7)(A), the ordinances are not required to identify the specific parcels of real property to be enhanced in value.

(c) The restrictions applicable to other reinvestment zones under Section 311.006 apply to a joint reinvestment zone designated under this section.

(d) The boundaries of a joint reinvestment zone may be enlarged or reduced by ordinance of the governing bodies of the

municipalities that designated the zone, subject to the restrictions contained in this section.

(e) The municipalities designating a joint reinvestment zone may exercise any power necessary and convenient to carry out this section and the other provisions of this chapter, including the powers listed in Section 311.008.

(f) Except as otherwise provided by this section, the board of directors of a joint reinvestment zone has the same powers and duties and is subject to the same limitations as the board of directors of a reinvestment zone designated by a single municipality. Sections 311.011, 311.012, 311.0123, 311.013, 311.014, 311.015, 311.016, 311.0163, and 311.018 apply to the municipalities designating a joint reinvestment zone, except that a reference in those sections to a municipality means all of the municipalities designating a joint reinvestment zone and an action required of a municipality under those sections is considered to be required of all of the municipalities designating a joint reinvestment zone.

(g) Expenditures from tax increment financing funds or bonds secured by tax increment financing may be made without regard to the location from which the funds were derived or the location within the joint reinvestment zone at which the funds are spent, but only if those expenditures are authorized as required by this chapter.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this

Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2009.