

1 AN ACT
2 relating to the use of tax increment financing to pay certain costs
3 associated with certain transportation or transit projects.

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

5 SECTION 1. Chapter 311, Tax Code, is amended by adding
6 Section 311.01005 to read as follows:

7 Sec. 311.01005. COSTS ASSOCIATED WITH TRANSPORTATION OR
8 TRANSIT PROJECTS. (a) In this section:

9 (1) "Bus rapid transit project" means a mass
10 transportation facility designed to give preferential treatment to
11 buses on a roadway in order to reduce bus travel time, improve
12 service reliability, increase the convenience of users, and
13 increase bus ridership, including:

14 (A) a fixed guideway, high occupancy vehicle
15 lane, bus way, or bus lane;

16 (B) a transit center or station;

17 (C) a maintenance facility; and

18 (D) other real property associated with a bus
19 rapid transit operation.

20 (2) "Rail transportation project" means a passenger
21 rail facility, including:

22 (A) tracks;

23 (B) a rail line;

24 (C) a depot;

1 (D) a maintenance facility; and

2 (E) other real property associated with a
3 passenger rail operation.

4 (b) This section does not affect the power of the board of
5 directors of a reinvestment zone or the governing body of the
6 municipality that creates a reinvestment zone to enter into an
7 agreement under Section 311.010(b) to dedicate, pledge, or
8 otherwise provide for the use of revenue in the tax increment fund
9 to pay the costs of acquiring, constructing, operating, or
10 maintaining property located in the zone or to acquire or reimburse
11 acquisition costs of real property outside the zone for
12 right-of-way or easements necessary to construct public
13 rights-of-way or infrastructure that benefits the zone.

14 (c) An agreement under Section 311.010(b) may dedicate,
15 pledge, or otherwise provide for the use of revenue in the tax
16 increment fund to pay the costs of acquiring land, or the
17 development rights or a conservation easement in land, located
18 outside the reinvestment zone, if:

19 (1) the zone is or will be served by a rail
20 transportation project or bus rapid transit project;

21 (2) the land or the development rights or conservation
22 easement in the land is acquired for the purpose of preserving the
23 land in its natural or undeveloped condition; and

24 (3) the land is located in the county in which the zone
25 is located.

26 (d) The board of directors of a reinvestment zone, if all of
27 the members of the board are appointed by the municipality that

1 creates the zone, or the governing body of the municipality that
2 creates a reinvestment zone may enter into an agreement described
3 by Subsection (c) only if:

4 (1) the board or the governing body determines that
5 the acquisition of the land, or the development rights or
6 conservation easement in the land, located outside the zone
7 benefits or will benefit the zone by facilitating the preservation
8 of regional open space in order to balance the regional effects of
9 urban development promoted by the rail transportation project or
10 bus rapid transit project; and

11 (2) the municipality that creates the reinvestment
12 zone and the county in which the zone is located pay the same
13 portion of their tax increment into the tax increment fund for the
14 zone.

15 (e) Property acquired under Subsection (c) may not be
16 acquired through condemnation.

17 SECTION 2. This Act takes effect immediately if it receives
18 a vote of two-thirds of all the members elected to each house, as
19 provided by Section 39, Article III, Texas Constitution. If this
20 Act does not receive the vote necessary for immediate effect, this
21 Act takes effect September 1, 2005.

David Newkirk

President of the Senate

Jim Cradick

Speaker of the House

I certify that H.B. No. 2653 was passed by the House on April 19, 2005, by the following vote: Yeas 136, Nays 5, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 2653 on May 26, 2005, by the following vote: Yeas 142, Nays 0, 2 present, not voting.

Robert Honey

Chief Clerk of the House

I certify that H.B. No. 2653 was passed by the Senate, with amendments, on May 23, 2005, by the following vote: Yeas 31, Nays 0.

Daisy Saw

Secretary of the Senate

APPROVED: 18 JUNE '05

Date

Rick Perry

Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
12:20 PM CLOCK

Roger Williams
18 2005
Secretary of State