CHAPTER 1182

S.B. No. 971

AN ACT
relating to the purposes, designation, and funding of a transportation reinvestment zone for port projects; providing authority to issue bonds; authorizing an assessment.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Subchapter E, Chapter 222, Transportation Code, is amended by adding Section 222.1075 to read as follows:

Sec. 222.1075. PORT AUTHORITY TRANSPORTATION REINVESTMENT ZONE.
(a) In this section:
(1) “Port authority” means a port authority or navigation district created or operating under Section 52, Article III, or Section 59, Article XVI, Texas Constitution.
(2) “Port commission” means the governing body of a port authority or navigation district.
(3) “Port project” means a project that is necessary or convenient for the proper operation of a maritime port or waterway and that will improve the security, movement, and intermodal transportation of cargo or passengers in commerce and trade, including dredging, disposal, and other projects.
(b) In this section:
(1) the amount of a port authority’s tax increment for a year is the amount of ad valorem taxes levied and collected by the port authority or by the commissioners court on behalf of the port authority for that year on the captured appraised value of real property taxable by the port authority and located in a transportation reinvestment zone under this section;
(2) the captured appraised value of real property taxable by a port authority for a year is the total appraised value of all real property taxable by the port authority and located in a transportation reinvestment zone for that year less the tax increment base of the port authority; and
(3) the tax increment base of a port authority is the total appraised value of all real property taxable by the port authority and located in a transportation reinvestment zone for the year in which the zone was designated under this section.
(c) The port commission of the port authority, after determining that an area is unproductive or underdeveloped and that action under this section would improve the security, movement, and intermodal transportation of cargo or passengers in commerce and trade, by order or resolution may designate a contiguous geographic area in the jurisdiction of the port authority to be a transportation reinvestment zone to promote a port project and for the purpose of abating ad valorem taxes or granting other relief from taxes imposed by the county on real property located in the zone.
(d) The port commission must comply with all applicable laws in the application of this chapter.
(e) Not later than the 30th day before the date the port commission proposes to designate an area as a transportation reinvestment zone under this section, the port commission must hold a public hearing on the creation of the zone, its benefits to the port authority and to property in the proposed zone, and the abatement of ad valorem taxes or the grant of other relief from ad valorem taxes imposed by the port authority on real property located in the zone. At the hearing an interested person may speak for or against the designation of the zone, its boundaries, or the abatement of or other relief from port authority taxes on real property in the zone. Not later than the seventh day before the date of the hearing, notice of
the hearing and the intent to create a zone must be published in a newspaper having general
circulation in the county in which the zone is proposed to be located.

(f) The order or resolution designating an area as a transportation reinvestment zone
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) provide that the zone takes effect immediately on adoption of the order or resolution
and that the base year shall be the year of passage of the order or resolution or some year
in the future;

(3) assign a name to the zone for identification, with the first zone designated by a
county designated as “Transportation Reinvestment Zone Number One, (name of port
authority),” and subsequently designated zones assigned names in the same form num-
bered consecutively in the order of their designation;

(4) designate the base year for purposes of establishing the tax increment base of the
port authority;

(5) establish an ad valorem tax increment account for the zone; and

(6) contain findings that promotion of a port project will improve the security,
movement, and intermodal transportation of cargo or passengers in commerce and trade.

(g) Compliance with the requirements of this section constitutes designation of an area as
a transportation reinvestment zone without further hearings or other procedural require-
ments.

(h) The port commission may:

(1) from taxes collected on property in a zone, including maintenance and operation
taxes, pay into a tax increment account for the zone an amount equal to the tax increment
produced by the port authority less any amounts allocated under previous agreements,
including agreements under Chapter 312, Tax Code;

(2) from a tax increment account for the zone, repay any loan or other debt incurred to
finance a port project under this section;

(3) by order or resolution enter into an agreement with the owner of any real property
located in the transportation reinvestment zone to abate all or a portion of the ad valorem
taxes or to grant other relief from the taxes imposed by the port authority on the owner's
property in an amount not to exceed the amount calculated under Subsection (b)(1) for
that year;

(4) by order or resolution elect to abate all or a portion of the ad valorem taxes imposed
by the port authority on all real property in a zone; or

(5) grant other relief from ad valorem taxes on property in a zone.

(i) All abatements or other relief granted by the port commission in a transportation
reinvestment zone must be equal in rate. In any ad valorem tax year, the total amount of
the taxes abated or the total amount of other relief granted under this section may not exceed
the amount calculated under Subsection (b)(1) for that year, less any amounts allocated
under previous agreements, including agreements under Chapter 312, Tax Code.

(j) To further the development of the port project for which the transportation reinvest-
ment zone was designated, a port authority may assess all or part of the cost of the port
project against property within the zone. The assessment against each property in the zone
may be levied and payable in installments in the same manner as provided for municipal
and county public improvement districts under Sections 372.016-372.018, Local Government
Code, provided that the installments do not exceed the total amount of the tax abatement or
other relief granted under Subsection (h). The port authority has the powers provided to
municipalities and counties under Sections 372.015-372.020 and 372.023, Local Government
Code, for the assessment of costs and Sections 372.024-372.030, Local Government Code, for
the issuance of bonds by the port authority to pay the cost of a port project. The port
commission of the port authority may contract with a public or private entity to develop,
redevelop, or improve a port project in the transportation reinvestment zone, including
aesthetic improvements, and may pledge and assign to that entity all or a specified amount
of the revenue the port authority receives from installment payments of the assessments for the payment of the costs of that port project. After a pledge or assignment is made, if the entity that received the pledge or assignment has itself pledged or assigned that amount to secure bonds or other obligations issued to obtain funding for the port project, the port commission of the port authority may not rescind its pledge or assignment until the bonds or other obligations secured by the pledge or assignment have been paid or discharged. Any amount received from installment payments of the assessments not pledged or assigned in connection with the port project may be used for other purposes associated with the port project or in the zone.

(k) To accommodate changes in the limits of the project for which a reinvestment zone was designated, the boundaries of a zone may be amended at any time, except that property may not be removed or excluded from a designated zone if any part of the assessment has been assigned or pledged directly by the port authority or through another entity to secure bonds or other obligations issued to obtain funding of the project, and property may not be added to a designated zone unless the port commission of the port authority complies with Subsections (e) and (f).

(l) Except as provided by Subsection (m), a tax abatement agreement entered into under Subsection (h), or an order or resolution on the abatement of taxes or the grant of other relief from taxes under that subsection, terminates on December 31 of the year in which the port authority completes any contractual requirement that included the pledge or assignment of assessments collected under this section.

(m) A transportation reinvestment zone terminates on December 31 of the 10th year after the year the zone was designated, if before that date the port authority has not used the zone for the purpose for which it was designated.

SECTION 2. Subsection (d), Section 222.108, Transportation Code, is amended to read as follows:

(d) In this section, “transportation project” includes:

(1) transportation projects described [has the meaning assigned] by Section 370.003;

and

(2) port security, transportation, or facility projects described by Section 55.001(5).

SECTION 3. This Act takes effect September 1, 2013.

Passed the Senate on April 11, 2013: Yeas 31, Nays 0; May 17, 2013, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 21, 2013, House granted request of the Senate; May 25, 2013, Senate adopted Conference Committee Report by the following vote: Yeas 30, Nays 0; passed the House, with amendments, on May 2, 2013: Yeas 101, Nays 44, two present not voting; May 21, 2013, House granted request of the Senate for appointment of Conference Committee; May 23, 2013, House adopted Conference Committee Report by the following vote: Yeas 144, Nays 1, two present not voting.

Approved June 14, 2013.
Effective September 1, 2013.

CHAPTER 1183

S.B. No. 993

AN ACT
relating to the creation of the Texas Nonprofit Council to assist with faith-based and community-based initiatives.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Section 535.055, Government Code, is amended to read as follows:

Sec. 535.055. TEXAS NONPROFIT COUNCIL [TASK FORCE ON IMPROVING RELATIONS WITH NONPROFITS]. (a) The Texas Nonprofit Council [interagency-coord-