

## BILL ANALYSIS

Senate Research Center  
78R10881 ATP-F

H.B. 3075  
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Intergovernmental Relations  
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Engrossed

### DIGEST AND PURPOSE

H.B. 3075 allows city development corporations and certain local taxing units to enter into agreements for the purpose of undertaking projects and for the share of subsequent tax revenues where the project would not be located within the boundaries of the development corporation's city; provides the means of tax revenue sharing from projects created between taxing units, such as the city and county where a project is located, and the city and county where the Section 4A corporation will be located; and provides an opportunity to cities in close proximity to join together in providing incentives to attract large businesses to the area.

### 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 4A, Development Corporation Act of 1979 (Article 5190.6, V.T.C.S.), by adding Subsection (u), as follows:

- (u)(1) Defines "base taxable value," "corresponding taxing unit," and "taxing unit."
- (2) Requires the corporation undertaking the project, before entering into an agreement under this subsection, to designate a defined area that includes the territory where the project is to be located.
- (3) Authorizes a taxing unit to enter into an agreement with a corporation created under this section to invest in a project that is undertaken by the corporation and that is not located in the territory of the taxing unit. Authorizes a corporation to enter into an agreement under this subsection with more than one taxing unit.
- (4) Requires an agreement entered into under this subsection to state the base taxable value of the property in the defined area of the project.
- (5) Authorizes the agreement to provide that the taxing unit is entitled to receive from the corporation, in exchange for the investment, an amount equal to a specified percentage of the tax revenue from taxes imposed by the corresponding taxing unit that taxes property located in the defined area of the project on the taxable value of the property in the defined area that exceeds the base taxable value, for so long as the corresponding taxing unit imposes taxes on that property.
- (6) Requires the corporation, if a corporation enters into an agreement under this subsection, to enter into an agreement with a corresponding taxing unit that taxes property located in the defined area of the project to recover the amount paid by the corporation to a taxing unit as provided by Subdivision (5).
- (7) Provides that this subsection does not affect a taxing unit's authority to grant a tax abatement.

(8) Provides that this subsection does not affect a corporation's authority to invest in a project or recover its total investment by contract under Section 23(a) of this Act.

SECTION 2. Amends Section 23(a), Development Corporation Act of 1979 (Article 5190.6, V.T.C.S.), to require a corporation to have certain powers with respect to projects together with all powers incidental thereto or necessary for the performance of such projects.

SECTION 3. Effective date: upon passage or September 1, 2003.