

BILL ANALYSIS

Senate Research Center
83R5324 TJB-D

H.B. 2636
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Finance
5/13/2013
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Tax increment funds (TIF) have been used across Texas for many reasons including economic development, public improvement, and revitalization. TIFs have been an important tool for many communities to improve their cities and towns.

In order to increase flexibility at the local level related to TIF projects, H.B. 2636 allows the transfer of funds from a TIF for a reinvestment zone to another adjacent TIF. In H.B. 2636, this transfer of funds is only allowed if all participating taxing units agree to the transfer and if the holders of any tax increment bonds or notes issued for the zone from which the money is to be transferred have agreed to the transfer.

H.B. 2636 amends current law relating to the transfer of money from the tax increment fund established for a tax increment financing reinvestment zone to the fund established for an adjacent zone.

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 311.014, Tax Code, by adding Subsection (f), as follows:

(f) Authorizes money in the tax increment fund for a reinvestment zone to be transferred to the tax increment fund for an adjacent zone if:

- (1) the taxing units that participate in the zone from which the money is to be transferred participate in the adjacent zone and vice versa;
- (2) each participating taxing unit has agreed to deposit the same portion of its tax increment in the fund for each zone;
- (3) each participating taxing unit has agreed to the transfer; and
- (4) the holders of any tax increment bonds or notes issued for the zone from which the money is to be transferred have agreed to the transfer.

SECTION 2. Effective date: September 1, 2013.