

BILL ANALYSIS

H.B. 990
By: Rodriguez, Eddie
Urban Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Recent legislation provided for the creation of a homestead preservation district in East Austin. H.B. 990 modifies the provisions of law governing such a district to specify how the City of Austin and Travis County shall participate in a tax increment financing system related to affordable housing in the district.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 990 amends the Local Government Code to remove from a provision relating to the effective date of a homestead preservation reinvestment zone designated by a municipal ordinance the requirement that the final order adopted by the county agreeing to the zone's creation specify an amount of tax increment to be deposited by the county into the tax increment fund that is equal to the amount of the tax increment specified by the municipality.

H.B. 990 changes the amount a county is required to pay into the tax increment fund for a homestead preservation reinvestment zone from an amount equal to the tax increment paid by the municipality as specified in the final order to the same percentage of the tax increment produced by the county that the municipality pays into the fund.

H.B. 990 establishes that the board of directors of a homestead preservation reinvestment zone consists of at least 6 and not more than 16 members, unless more than 16 members are required to satisfy the requirements of the bill's provisions. The bill authorizes the municipality and county approving the payment of all or part of the tax increment into the tax increment fund each to appoint an equal number of members to the board. The bill establishes that members of the board are appointed for terms of two years unless longer terms are provided by the Texas Constitution and authorizes those terms to be staggered. The bill establishes that a vacancy on the board is filled for the unexpired term by appointment of the governing body of the taxing unit that appointed the director who served in the vacant position.

H.B. 990 requires an individual, to be eligible for appointment to the board, to be a qualified voter of the county or to be at least 18 years of age and own real property in the reinvestment zone or be an employee or agent of a person that owns real property in the zone. The bill requires the board of directors of a reinvestment zone each year to elect one of its members to serve as presiding officer for a term of one year. The bill authorizes the board of directors to elect an assistant presiding officer to preside in the absence of the presiding officer or when there is a vacancy in the office of presiding officer. The bill authorizes the board to elect other officers as it considers appropriate. The bill establishes that a member of the board of directors of a homestead preservation reinvestment zone is not a public official by virtue of that position and, unless otherwise ineligible, may be appointed to serve concurrently on the board of directors of a

local government corporation created under the Transportation Code. The bill establishes that the board of directors of a homestead preservation reinvestment zone has the powers and duties prescribed for a board of directors of a reinvestment zone under the Tax Increment Financing Act.

EFFECTIVE DATE

September 1, 2011.