

1-1 By: Anchia, Gervin-Hawkins, Jones of Dallas H.B. No. 4433
 1-2 (Senate Sponsor - Parker)
 1-3 (In the Senate - Received from the House May 15, 2023;
 1-4 May 15, 2023, read first time and referred to Committee on Natural
 1-5 Resources & Economic Development; May 22, 2023, reported
 1-6 adversely, with favorable Committee Substitute by the following
 1-7 vote: Yeas 5, Nays 0, 1 present not voting; May 22, 2023, sent to
 1-8 printer.)

1-9 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-10				
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15			X	
1-16			X	
1-17			X	
1-18	X			
1-19				X

1-20 COMMITTEE SUBSTITUTE FOR H.B. No. 4433 By: Zaffirini

1-21 A BILL TO BE ENTITLED
 1-22 AN ACT

1-23 relating to the authority of the board of directors of a tax
 1-24 increment financing reinvestment zone to use money in the tax
 1-25 increment fund established for the zone to compensate certain
 1-26 homeowners for the increase in taxes associated with the zone.

1-27 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-28 SECTION 1. Section 311.002(1), Tax Code, is amended to read
 1-29 as follows:

1-30 (1) "Project costs" means the expenditures made or
 1-31 estimated to be made and monetary obligations incurred or estimated
 1-32 to be incurred by the municipality or county designating a
 1-33 reinvestment zone that are listed in the project plan as costs of
 1-34 public works, public improvements, programs, or other projects
 1-35 benefiting the zone, plus other costs incidental to those
 1-36 expenditures and obligations. "Project costs" include:

1-37 (A) capital costs, including the actual costs of
 1-38 the acquisition and construction of public works, public
 1-39 improvements, new buildings, structures, and fixtures; the actual
 1-40 costs of the acquisition, demolition, alteration, remodeling,
 1-41 repair, or reconstruction of existing buildings, structures, and
 1-42 fixtures; the actual costs of the remediation of conditions that
 1-43 contaminate public or private land or buildings; the actual costs
 1-44 of the preservation of the facade of a public or private building;
 1-45 the actual costs of the demolition of public or private buildings;
 1-46 and the actual costs of the acquisition of land and equipment and
 1-47 the clearing and grading of land;

1-48 (B) financing costs, including all interest paid
 1-49 to holders of evidences of indebtedness or other obligations issued
 1-50 to pay for project costs and any premium paid over the principal
 1-51 amount of the obligations because of the redemption of the
 1-52 obligations before maturity;

1-53 (C) real property assembly costs;

1-54 (D) professional service costs, including those
 1-55 incurred for architectural, planning, engineering, and legal
 1-56 advice and services;

1-57 (E) imputed administrative costs, including
 1-58 reasonable charges for the time spent by employees of the
 1-59 municipality or county in connection with the implementation of a
 1-60 project plan;

2-1 (F) relocation costs;
2-2 (G) organizational costs, including the costs of
2-3 conducting environmental impact studies or other studies, the cost
2-4 of publicizing the creation of the zone, and the cost of
2-5 implementing the project plan for the zone;
2-6 (H) interest before and during construction and
2-7 for one year after completion of construction, whether or not
2-8 capitalized;
2-9 (I) the cost of operating the reinvestment zone
2-10 and project facilities;
2-11 (J) the amount of any contributions made by the
2-12 municipality or county from general revenue for the implementation
2-13 of the project plan;
2-14 (K) the costs of school buildings, other
2-15 educational buildings, other educational facilities, or other
2-16 buildings owned by or on behalf of a school district, community
2-17 college district, or other political subdivision of this state;
2-18 [and]
2-19 (L) payments made at the discretion of the
2-20 governing body of the municipality or county that the governing
2-21 body finds necessary or convenient to the creation of the zone or to
2-22 the implementation of the project plans for the zone; and
2-23 (M) payments made as part of a reinvestment zone
2-24 stability program established under Section 311.0111.
2-25 SECTION 2. Chapter 311, Tax Code, is amended by adding
2-26 Section 311.0111 to read as follows:
2-27 Sec. 311.0111. REINVESTMENT ZONE STABILITY PROGRAM. (a)
2-28 In this section:
2-29 (1) "Legacy homeowner" means the owner of a residence
2-30 homestead located in a reinvestment zone who has continuously
2-31 resided in and received an exemption under Section 11.13 for the
2-32 homestead for at least seven years preceding the date the governing
2-33 body of the county or municipality designated the zone in which the
2-34 homestead is located.
2-35 (2) "Program" means a reinvestment zone stability
2-36 program established under this section.
2-37 (3) "Residence homestead" has the meaning assigned by
2-38 Section 11.13.
2-39 (b) The project plan prepared and adopted by the board of
2-40 directors of a reinvestment zone under Section 311.011 may
2-41 authorize the board of directors to establish a reinvestment zone
2-42 stability program, the purpose of which is to ensure that all
2-43 residents of the zone benefit from its designation. The governing
2-44 body of the county or municipality that designated the zone and any
2-45 affiliated community organizations may participate in the
2-46 development of the program. As part of a program established under
2-47 this section, the board may dedicate, pledge, or otherwise provide
2-48 for the use of money in the tax increment fund established for the
2-49 zone to prevent homeowner displacement by providing annual payments
2-50 on behalf of legacy homeowners to offset the increase in ad valorem
2-51 taxes imposed on the residence homesteads of those homeowners that
2-52 is attributable to the increase in property values associated with
2-53 the development or redevelopment of property in the zone.
2-54 (c) If the project plan for a reinvestment zone authorizes
2-55 annual payments on behalf of legacy homeowners, the plan must
2-56 provide that:
2-57 (1) the amount of an annual payment made under the
2-58 program to a legacy homeowner may not exceed the amount determined
2-59 for that homeowner under Subsection (d);
2-60 (2) the period of time for which annual payments may be
2-61 made on behalf of a legacy homeowner may not exceed 10 years; and
2-62 (3) a notice must be provided each year to each legacy
2-63 homeowner on whose behalf an annual payment is made under the
2-64 program regarding the terms of the program and the period of time
2-65 for which payments may continue to be made on behalf of the legacy
2-66 homeowner under the program.
2-67 (d) The maximum amount of an annual payment that may be made
2-68 on behalf of a legacy homeowner for a tax year is equal to the
2-69 positive difference, if any, between the following amounts:

