

# HOUSE JOURNAL

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EIGHTY-FIRST LEGISLATURE, REGULAR SESSION

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## PROCEEDINGS

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SEVENTY-EIGHTH DAY — SUNDAY, MAY 24, 2009

The house met at 1:30 p.m. and was called to order by the speaker.

The roll of the house was called and a quorum was announced present (Record 1111).

Present — Mr. Speaker; Allen; Alonzo; Alvarado; Anchia; Anderson; Aycock; Berman; Bohac; Bolton; Bonnen; Branch; Brown, B.; Brown, F.; Burnam; Button; Callegari; Castro; Chavez; Chisum; Christian; Cohen; Coleman; Cook; Corte; Crabb; Craddick; Creighton; Crownover; Darby; Davis, J.; Davis, Y.; Deshotel; Driver; Dukes; Dunnam; Dutton; Edwards; Eiland; Eissler; Elkins; England; Farabee; Farias; Farrar; Fletcher; Flores; Flynn; Frost; Gallego; Gattis; Geren; Giddings; Gonzales; Gonzalez Toureilles; Guillen; Gutierrez; Hamilton; Hancock; Hardcastle; Harless; Harper-Brown; Hartnett; Heflin; Hernandez; Herrero; Hilderbran; Hochberg; Hodge; Homer; Hopson; Howard, C.; Howard, D.; Hughes; Hunter; Isett; Jackson; Jones; Keffer; Kent; King, P.; King, S.; King, T.; Kleinschmidt; Kolkhorst; Laubenberg; Legler; Leibowitz; Lewis; Lucio; Madden; Maldonado; Mallory Caraway; Marquez; Martinez; Martinez Fischer; McCall; McClendon; McReynolds; Menendez; Merritt; Miklos; Miller, D.; Miller, S.; Moody; Morrison; Naishtat; Oliveira; Olivo; Orr; Ortiz; Otto; Parker; Patrick; Paxton; Peña; Phillips; Pickett; Pierson; Pitts; Quintanilla; Raymond; Riddle; Rios Ybarra; Ritter; Rodriguez; Rose; Sheffield; Shelton; Smith, T.; Smith, W.; Smithee; Solomons; Strama; Swinford; Taylor; Thibaut; Thompson; Truitt; Turner, C.; Turner, S.; Vaught; Veasey; Villarreal; Vo; Walle; Weber; Woolley; Zerwas.

Absent, Excused — Kuempel.

The invocation was offered by Representative Berman, as follows:

Lord, make me an instrument of your peace. Where there is hatred, let me sow love; where there is injury, pardon; where there is doubt, faith; where there is despair, hope; where there is darkness, light; and where there is sadness, joy.

O Divine Master, grant that I may not so much seek to be consoled as to console; to be understood as to understand; to be loved as to love, for it is in giving that we receive; it is in pardoning that we are pardoned; and it is in dying that we are born to eternal life.

The speaker recognized Representative Berman who led the house in the pledges of allegiance to the United States and Texas flags.

**PARLIAMENTARY INQUIRY**

REPRESENTATIVE DUNNAM: I have two parliamentary inquiries in regard to the rules. One of them has to do with minutes—committee minutes—and the other has to do with the calendars process. In regard to the committee minutes process, under Rule 4, Section 18(c), when must a committee file all other minutes—substantive committees—other than Appropriations?

SPEAKER STRAUS: Mr. Dunnam, it's three days.

DUNNAM: My understanding is that if there is a Saturday, or a Sunday, or a holiday, on which the house is not in session, then those days effectively won't count. If the third day is on a Saturday, a Sunday, or a holiday, in which the house is not in session, the committee can file them on the following working day?

SPEAKER: The rule does say that the minutes can be filed on the following working day.

DUNNAM: Does that apply to all committee minutes—of substantive committees—other than Appropriations?

SPEAKER: I believe that's been the practice, but we can verify that.

DUNNAM: Okay, well I'm most concerned about the rule, as it's worded. Are there any exceptions to the statement that, "All other committee minutes must be filed with the committee coordinator within three days of the committee meeting for a substantive committee," other than Appropriations? Is there any exception to that rule?

SPEAKER: Not that I'm aware of. We'll check with the committee coordinator and check what the house practice has been.

DUNNAM: All committee minutes are time-stamped by the committee coordinator, so that we know when they were filed?

SPEAKER: They are time-stamped, yes.

DUNNAM: If committee minutes are not filed within the three-day time period, what is the remedy? How is that fixed, assuming there is not a suspension of the rules?

SPEAKER: You can file corrected minutes.

DUNNAM: Well, then—corrected minutes—they have to be filed within three days, as well. Is that correct?

SPEAKER: That's correct.

DUNNAM: Of the meeting wherein it was corrected?

SPEAKER: That's correct.

DUNNAM: My question then is, if that's not done—if they are not timely filed, and a bill comes to the house floor, and someone raises an objection, that it's sustained because the time-stamp is clearly outside the three days of the minutes, or the corrected minutes date, and the chair sustains that—what happens to the bill?

SPEAKER: The chair would have to determine—if that violation occurs.

DUNNAM: If the chair determines that the date is not within three days—

SPEAKER: Then the bills would be ineligible.

DUNNAM: Then it would go back to committee, or the standing committee, or the substantive committee?

SPEAKER: Yes, that's correct.

### REMARKS ORDERED PRINTED

Representative Dunnam moved to print remarks between Speaker Straus and Representative Dunnam.

The motion prevailed.

### HR 2439 - ADOPTED (by Hardcastle)

Representative Hardcastle moved to suspend all necessary rules to take up and consider at this time **HR 2439**.

The motion prevailed.

The following resolution was laid before the house:

**HR 2439**, Congratulating Bill Freeman on his retirement as Cooke County judge.

**HR 2439** was adopted.

### RESOLUTIONS ADOPTED

Representative Corte moved to suspend all necessary rules to take up and consider at this time **HR 2505 - HR 2523**.

The motion prevailed.

The following resolutions were laid before the house:

**HR 2505** (by S. King), In memory of U.S. Army Sergeant Reuben Marcus Fernandez III of Abilene.

**HR 2506** (by S. King), In memory of U.S. Army Staff Sergeant Gary W. Jeffries of Roscoe.

**HR 2507** (by S. King), In memory of Sergeant William Wayne Crow.

**HR 2508** (by Flynn), In memory of Staff Sergeant Jimmy Mac Malone of Wills Point.

**HR 2509** (by Hamilton), Honoring the life of U.S. Army Specialist Kamisha Block of Vidor.

**HR 2510** (by Kolkhorst), In memory of U.S. Marine Corps Lance Corporal Bobby Lee Twitty of Bedias.

**HR 2511** (by Aycock), In memory of U.S. Army Specialist Jeffrey F. Nichols of Burnet County.

**HR 2512** (by Aycock), In memory of U.S. Army Captain Michael Allen Norman.

**HR 2513** (by Otto), In memory of U.S. Marine Lance Corporal Jeremy W. Burris of Liberty.

**HR 2514** (by Deshotel), In memory of U.S. Army Colonel and Chaplain Sidney J. Marceaux, Jr., of Beaumont.

**HR 2515** (by Edwards), Honoring the life of U.S. Army Specialist Rodney Jerome Johnson of Houston.

**HR 2516** (by S. King), In memory of U.S. Army National Guard Sergeant Christopher David Loza of San Angelo.

**HR 2517** (by Otto), In memory of U.S. Army Specialist Rodney L. McCandless of Livingston.

**HR 2518** (by Taylor), In memory of U.S. Army Sergeant Gregory Daniel Unruh of Dickinson.

**HR 2519** (by Corte), In memory of Sergeant Danny Richard Soto of Houston.

**HR 2520** (by Corte), In memory of U.S. Marine Corps Staff Sergeant Edgar A. Heredia of Houston.

**HR 2521** (by Corte), In memory of U.S. Army Specialist Dustin Cody Jackson of Arlington.

**HR 2522** (by Corte), In memory of U.S. Army Private First Class Andrew Travis Engstrom of Slaton.

**HR 2523** (by Corte), In memory of U.S. Army Private First Class Christopher Michael McCloud of Athens.

The resolutions were unanimously adopted by a rising vote.

(Speaker pro tempore in the chair)

**HR 2457 - ADOPTED**

**(by Lewis)**

Representative Corte moved to suspend all necessary rules to take up and consider at this time **HR 2457**.

The motion prevailed.

The following resolution was laid before the house:

**HR 2457**, In memory of U.S. Army Sergeant Bacilio E. "Bozzy" Cuellar of Odessa.

**HR 2457** was unanimously adopted by a rising vote.

**BILLS AND RESOLUTIONS SIGNED BY THE SPEAKER**

Notice was given at this time that the speaker had signed bills and resolutions in the presence of the house (see the addendum to the daily journal, Signed by the Speaker, House List No. 38).

**LOCAL, CONSENT, AND RESOLUTIONS CALENDAR  
SECOND READING**

The following bills were laid before the house, read second time, and passed to third reading, and the following resolutions were laid before the house on committee report and adopted (members registering votes are shown following the caption):

**CSSB 1646** (Naishtat and J. Davis - House Sponsors), A bill to be entitled An Act relating to the creation of the Council on Children and Families.

**SB 1652** (Darby - House Sponsor), A bill to be entitled An Act relating to the transfer of certain state property from the Texas Department of Criminal Justice to Mitchell County.

**SB 1670** (Otto - House Sponsor), A bill to be entitled An Act relating to the transfer of certain state property from the Texas Department of Transportation to Polk County.

**SB 1676** (Gonzales - House Sponsor), A bill to be entitled An Act relating to fees charged by certain counties near international borders for issuing certain utility certificates. (Christian, Craddick, Flynn, Legler, Parker, Phillips recorded voting no.)

**CSSB 1693** (Cook - House Sponsor), A bill to be entitled An Act relating to the regulation of poultry facilities and poultry litter. (Flynn recorded voting no.)

**SB 1699** (Giddings - House Sponsor), A bill to be entitled An Act relating to consistency among certain secretary of state filings.

**SB 1701** (Giddings - House Sponsor), A bill to be entitled An Act relating to the franchise arrangements excluded from the Business Opportunity Act.

**SB 1712** (Weber - House Sponsor), A bill to be entitled An Act relating to the authority of the Matagorda County Hospital District of Matagorda County, Texas, to lease property.

**SB 1760** (Branch - House Sponsor), A bill to be entitled An Act relating to the administration of the Texas Save and Match Program to assist qualifying beneficiaries under the state's prepaid tuition plans and college savings plans and to the treatment of a beneficiary's assets under prepaid tuition plans and college savings plans in determining eligibility for student financial assistance and other assistance programs.

**Amendment No. 1**

Representative Branch offered the following amendment to **SB 1760**:

Amend **SB 1760** (house committee report) as follows:

(1) In SECTION 1 of the bill, in added Section 54.802, Education Code (page 1, line 23), between "PROGRAM." and "The board", insert "(a)".

(2) In SECTION 1 of the bill, at the end of added Section 54.802, Education Code (page 2, between lines 12 and 13), insert the following new subsection:

(b) Notwithstanding other law, for purposes of Subchapter I, Chapter 659, Government Code:

(1) the Texas Save and Match Program is considered an eligible charitable organization entitled to participate in a state employee charitable campaign under Subchapter I, Chapter 659, Government Code; and

(2) a state employee is entitled to authorize a payroll deduction for contributions to the Texas Save and Match Program as a charitable contribution under Section 659.132, Government Code.

(3) Add the following appropriately numbered SECTION to the bill and renumber subsequent SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. The Texas Save and Match Program is entitled to participate in the state employee charitable campaign conducted during the autumn of 2009 without regard to any limitation on the time during which an organization must apply to participate in the campaign.

Amendment No. 1 was adopted.

**SB 1771** (Eiland - House Sponsor), A bill to be entitled An Act relating to the availability and continuation of certain health benefit plan coverage.

**SB 1795** (Peña - House Sponsor), A bill to be entitled An Act relating to the filing by political committees of reports of political contributions and expenditures in connection with a runoff election.

**SB 1807** (Peña - House Sponsor), A bill to be entitled An Act relating to the method of delivery of notices relating to sworn complaints filed with the Texas Ethics Commission.

**SB 1826** (Bonnen - House Sponsor), A bill to be entitled An Act relating to the status of liquefied natural gas marine terminals.

**CSSB 1833** (Bohac - House Sponsor), A bill to be entitled An Act relating to county participation in the enterprise zone program.

**SB 1876** (Solomons - House Sponsor), A bill to be entitled An Act relating to the administration and powers of a coordinated county transportation authority.

**SB 1896** (Walle - House Sponsor), A bill to be entitled An Act relating to the grievance procedure for firefighters and police officers in certain municipalities.

#### **Amendment No. 1**

Representative Y. Davis offered the following amendment to **SB 1896**:

Amend **SB 1896** (house committee printing) by inserting the following appropriately numbered SECTIONS and renumbering existing SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. Section 147.002, Local Government Code, is amended to read as follows:

Sec. 147.002. DEFINITIONS. In this chapter:

(1) "Firefighter" means a firefighter employed by the municipality who is covered by the municipality's fire pension plan and is classified by the municipality as nonexempt [~~exempt~~]. The term does not include a firefighter with a rank that is above that of battalion chief or section chief.

(2) "Firefighter employee group" means an organization:

(A) in which, on or before September 1, 2007, firefighters of the municipality have participated and paid dues via automatic payroll deduction [~~for at least one year~~]; and

(B) that exists for the purpose, in whole or in part, of dealing with the municipality concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of employment affecting firefighters.

(3) "Police officer" means a sworn police officer employed by the municipality who is covered by the municipality's police pension plan and is classified by the municipality as nonexempt [~~exempt~~]. The term does not include a police officer with a rank above that of captain, a civilian, or a municipal marshal.

(4) "Police officer employee group" means an organization:

(A) in which, on or before September 1, 2007, at least three percent of the police officers of the municipality have participated and paid dues via automatic payroll deduction [~~for at least one year~~]; and

(B) that exists for the purpose, in whole or in part, of dealing with the municipality concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of employment affecting police officers.

Amendment No. 1 was adopted.

(Hopson in the chair)

**SB 1930** (F. Brown - House Sponsor), A bill to be entitled An Act relating to the use of a confidential identity for the plaintiff in a civil action involving sexual abuse of a minor.

**SB 1940** (Ortiz - House Sponsor), A bill to be entitled An Act relating to the fund for veterans' assistance.

(Speaker pro tempore in the chair)

**SB 1941** (Morrison - House Sponsor), A bill to be entitled An Act relating to the administration and operation of the state's programs for prepaying or saving toward the costs of attending an institution of higher education.

**SB 1945** (Deshotel - House Sponsor), A bill to be entitled An Act relating to the issuance of a citation to an owner of real property for a violation of a county or municipal rule or ordinance.

**Amendment No. 1 (Committee Amendment No. 1)**

On behalf of Representative Gattis, Representative Deshotel offered the following committee amendment to **SB 1945**:

Amend **SB 1945** as follows:

On page 1, line 12 strike second business and replace with fifth calendar.

Amendment No. 1 was adopted.

**SB 1982** was withdrawn. (The rules were suspended later today, and **SB 1982** was read second time and passed to third reading.)

**SB 1992** (W. Smith - House Sponsor), A bill to be entitled An Act relating to the regulation of automotive wrecking and salvage yards in certain counties; providing a civil penalty.

### **BILLS AND RESOLUTIONS SIGNED BY THE SPEAKER**

Notice was given at this time that the speaker had signed bills and resolutions in the presence of the house (see the addendum to the daily journal, Signed by the Speaker, House List No. 39).

(Speaker in the chair)

### **PARLIAMENTARY INQUIRY**

REPRESENTATIVE FLORES: Mr. Speaker, would you recognize me for a motion to suspend all necessary rules to take up and consider **SB 469**?

SPEAKER STRAUS: Not at this time, Mr. Flores.

FLORES: Why not at this time?

SPEAKER: Because we're on the local and consent calendar, and your bill is not. Your bill has several days to be considered, until midnight Tuesday.

FLORES: Yesterday, there was a list of 50 or so names on it, and that list was used as a, so to speak, as a blocker list. What purpose does that list serve today?

SPEAKER: There's no list that I see today, Mr. Flores.

FLORES: Mr. Speaker, I'm holding a list that has 5/24 on it, until midnight. Is that list no longer up there on the dais?

SPEAKER: I'm not aware of that, Mr. Flores.

FLORES: I will bring that list down to you before I relinquish the mic, and you can tell us what that list represents and what's the purpose.

SPEAKER: You can bring me that list.

FLORES: I will. Mr. Speaker, do you know what day tomorrow is?

SPEAKER: Tomorrow is Monday, Memorial Day Monday.

FLORES: Memorial Day Monday?

SPEAKER: Twenty-fifth of May. Yes, sir.

FLORES: Mr. Speaker, I bring this point up to get recognized so we could possibly bring this bill up, if not right now during the local calendar, but maybe after the local calendar—so I could give my notice and we could do this for the veterans during Memorial Day.

SPEAKER: Mr. Flores, we started the local calendar on Friday morning. There's been plenty of time to get through all those bills and to get to your bill.

FLORES: Can I ask you, Mr. Speaker, to join with me and help me to put everything aside that is before this house so we can honor our disabled veterans? Can I ask you to put everything aside and help me and help this body honor our disabled veterans?

SPEAKER: I'd be happy to help you with that.

FLORES: Mr. Speaker, are you a veteran?

SPEAKER: I am not, Mr. Flores.

FLORES: Are you aware that there are some disabled veterans who—some of them didn't return home, some of them lost their limbs, some of them lost their hands, some of them lost their eyesight in an effort to protect us?

SPEAKER: I am quite aware of that, Mr. Flores. I live in San Antonio and several hundreds of them have been taken very near to my home for them to be brought back to health.

FLORES: Mr. Speaker, am I understanding you that you do not want to recognize me to allow their voice and their plight to come before this house?

SPEAKER: That's not correct, Mr. Flores.

FLORES: Can you explain it to me?

SPEAKER: Yes, I tried to. Your bill is not on the local and consent calendar, which we started on several days ago and should have taken just a couple of hours to get through. Your bill is on the calendar we will get to as soon as this ends, and I would like to help you pass your bill.

FLORES: Is it not the tradition or the pattern for this house to suspend all necessary rules for whatever is necessary in order to allow us to move forward with what the business of the order of the day is?

SPEAKER: Mr. Flores, it is not the pattern or the record of this house to spend several days on a local and consent calendar.

FLORES: Mr. Speaker, if you chose to recognize me for that motion—is it within your authority to do that? Yes or no?

SPEAKER: Mr. Flores, I would welcome your help in getting through this local and consent calendar as quickly as possible so we can pass your bill.

FLORES: I don't know that you're aware, but I have not been involved in the process either way, to slow anything down or to put my name on a list. I have been trying to pass this bill since the day I got here, since we passed the constitutional amendment with 86 percent of Texans saying, "I want to do this. We want to do this." Mr. Speaker, are you choosing not to recognize me on the day before Memorial Day as we honor our veterans?

SPEAKER: Mr. Flores, I'm going to recognize you in the normal order of business, and every member of this house would like to help you pass your bill.

FLORES: Thank you, Mr. Speaker. I guess I can recognize that to mean I am not recognized?

SPEAKER: Not at this time, Mr. Flores.

### REMARKS ORDERED PRINTED

Representative Taylor moved to print remarks between Speaker Straus and Representative Flores.

The motion prevailed.

(Speaker pro tempore in the chair)

**SB 1997** (Martinez - House Sponsor), A bill to be entitled An Act relating to the designation of Farm-to-Market Road 1015 in Hidalgo County as the Bill Summers International Boulevard.

**SB 2048** (Riddle - House Sponsor), A bill to be entitled An Act relating to the establishment of a centralized sex offender registration authority in certain counties in this state.

**SB 2058** (W. Smith - House Sponsor), A bill to be entitled An Act relating to the Harris County Road Law.

**SB 2072** (Berman - House Sponsor), A bill to be entitled An Act relating to contracting with the secretary of state for the filing of personal financial statements by officers and employees of certain counties.

**SB 2093** (Chisum - House Sponsor), A bill to be entitled An Act relating to the North Wheeler County Hospital District.

(Hochberg in the chair)

**SB 2182** (Naishtat - House Sponsor), A bill to be entitled An Act relating to an environmental service fee at public institutions of higher education. (Christian, Craddick, Flynn, Legler, Parker, Phillips, and Weber recorded voting no.)

**CSSB 2197** (Harless - House Sponsor), A bill to be entitled An Act relating to fees paid to a constable for serving civil process.

**SB 2217** (Woolley and Thompson - House Sponsors), A bill to be entitled An Act relating to the designation of a judicial district in Harris County as the district court for domestic violence cases in that county.

**SB 2312** (D. Miller - House Sponsor), A bill to be entitled An Act relating to eligibility for funds from the water infrastructure fund from the Texas Water Development Board.

**CSSB 2314** (Callegari - House Sponsor), A bill to be entitled An Act relating to the adoption of rules by the Texas Water Development Board regarding supplemental funding resulting from federal economic recovery legislation.

**SB 2329** (Callegari - House Sponsor), A bill to be entitled An Act relating to abolition of the Edwards Aquifer Legislative Oversight Committee.

**SB 2412** (B. Brown - House Sponsor), A bill to be entitled An Act relating to the authority of Las Lomas Municipal Utility Districts Nos. 3 and 4 of Kaufman County to undertake road projects. (Miklos recorded voting present, not voting.)

**SB 2438** (Moody, Gallego, Fletcher, Riddle, and Christian - House Sponsors), A bill to be entitled An Act relating to imposing a duty on a sheriff to report certain warrant or capias information to a national database.

**SB 2445** (T. King - House Sponsor), A bill to be entitled An Act relating to the disposal of sewage by certain boats.

(Speaker pro tempore in the chair)

**CSSB 2453** (Otto - House Sponsor), A bill to be entitled An Act relating to the East Montgomery County Improvement District.

**SB 2462** (Driver - House Sponsor), A bill to be entitled An Act relating to the powers and duties of the Falcon's Lair Utility and Reclamation District relating to the issuance of bonds. (Miklos recorded voting present, not voting.)

**SB 2465** (Lewis - House Sponsor), A bill to be entitled An Act relating to the payment of certain costs associated with educational programs of the John Ben Shepperd Public Leadership Institute of The University of Texas of the Permian Basin.

**SB 2519** (Parker - House Sponsor), A bill to be entitled An Act relating to the Clear Creek Watershed Authority.

**SB 2534** (Corte - House Sponsor), A bill to be entitled An Act relating to the creation of an interagency task force on economic growth and endangered species; providing information and direction regarding endangered species issues in certain areas of the state.

**SCR 5** (Pitts - House Sponsor), Designating the Texas Medal of Honor Memorial on the campus of Hill College in Hillsboro as the official State Memorial to Texas-Born Medal of Honor Recipients.

**SCR 5** was adopted by (Record 1112): 145 Yeas, 0 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Aycock; Berman; Bohac; Bolton; Bonnen; Branch; Brown, B.; Burnam; Button; Callegari; Castro; Chavez; Chisum; Christian; Cohen; Coleman; Cook; Corte; Crabb; Craddick; Creighton; Darby; Davis, J.; Davis, Y.; Deshotel; Driver; Dukes; Dunnam; Dutton; Edwards; Eiland(C); Eissler; Elkins; England; Farabee; Farias; Farrar; Fletcher; Flores; Flynn; Frost; Gallego; Gattis; Geren; Giddings; Gonzales; Gonzalez Toureilles; Guillen; Gutierrez; Hamilton; Hancock; Hardcastle; Harless; Harper-Brown; Hartnett; Heflin; Hernandez; Herrero; Hilderbran; Hochberg; Hodge; Homer; Hopson; Howard, C.; Howard, D.; Hughes; Hunter; Isett; Jackson; Jones; Keffer; Kent; King, P.; King, S.; King, T.; Kleinschmidt; Kolkhorst; Laubenberg; Legler; Leibowitz; Lewis; Lucio; Madden; Maldonado; Mallory Caraway; Marquez; Martinez; Martinez Fischer; McCall; McClendon;

McReynolds; Menendez; Merritt; Miklos; Miller, D.; Miller, S.; Moody; Morrison; Naishtat; Oliveira; Olivo; Orr; Ortiz; Otto; Parker; Patrick; Paxton; Peña; Phillips; Pickett; Pierson; Pitts; Quintanilla; Raymond; Riddle; Rios Ybarra; Ritter; Rodriguez; Rose; Sheffield; Shelton; Smith, T.; Smith, W.; Smithee; Solomons; Strama; Swinford; Taylor; Thibaut; Thompson; Truitt; Turner, C.; Turner, S.; Vaught; Veasey; Vo; Walle; Weber; Woolley; Zerwas.

Present, not voting — Mr. Speaker; Brown, F.

Absent, Excused — Kuempel.

Absent — Crownover; Villarreal.

**SCR 10** (Gonzales - House Sponsor), Urging Congress to provide emergency funding and resources to begin immediately addressing increasing delays at United States ports of entry on the Texas-Mexico border.

**SCR 10** was adopted by (Record 1113): 145 Yeas, 0 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Aycock; Berman; Bohac; Bolton; Bonnen; Branch; Brown, B.; Brown, F.; Burnam; Button; Callegari; Castro; Chavez; Chisum; Christian; Cohen; Coleman; Cook; Corte; Crabb; Craddick; Creighton; Crownover; Darby; Davis, J.; Davis, Y.; Deshotel; Driver; Dukes; Dunnam; Dutton; Edwards; Eissler; Elkins; England; Farabee; Farias; Farrar; Flores; Flynn; Frost; Gallego; Gattis; Geren; Giddings; Gonzales; Gonzalez Toureilles; Guillen; Gutierrez; Hamilton; Hancock; Hardcastle; Harless; Harper-Brown; Hartnett; Heflin; Hernandez; Herrero; Hilderbran; Hochberg; Hodge; Homer; Hopson; Howard, C.; Howard, D.; Hughes; Hunter; Isett; Jackson; Jones; Keffer; Kent; King, P.; King, S.; King, T.; Kleinschmidt; Kolkhorst; Laubenberg; Legler; Leibowitz; Lewis; Lucio; Madden; Maldonado; Mallory Caraway; Marquez; Martinez; Martinez Fischer; McCall; McClendon; McReynolds; Menendez; Merritt; Miklos; Miller, D.; Miller, S.; Moody; Morrison; Naishtat; Oliveira; Olivo; Orr; Ortiz; Otto; Parker; Patrick; Paxton; Peña; Phillips; Pickett; Pierson; Pitts; Quintanilla; Raymond; Rios Ybarra; Ritter; Rodriguez; Rose; Sheffield; Shelton; Smith, T.; Smith, W.; Smithee; Solomons; Strama; Swinford; Taylor; Thibaut; Thompson; Truitt; Turner, C.; Turner, S.; Vaught; Veasey; Villarreal; Vo; Walle; Weber; Woolley; Zerwas.

Present, not voting — Mr. Speaker; Eiland(C).

Absent, Excused — Kuempel.

Absent — Fletcher; Riddle.

#### STATEMENTS OF VOTE

When Record No. 1113 was taken, I was temporarily out of the house chamber. I would have voted yes.

Fletcher

When Record No. 1113 was taken, I was temporarily out of the house chamber. I would have voted yes.

Riddle

**SCR 11** (P. King - House Sponsor), Designating Bridgeport as the official Stagecoach Capital of Texas.

**SCR 11** was adopted by (Record 1114): 147 Yeas, 0 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Aycock; Berman; Bohac; Bolton; Bonnen; Branch; Brown, B.; Brown, F.; Burnam; Button; Callegari; Castro; Chavez; Chisum; Christian; Cohen; Coleman; Cook; Corte; Crabb; Craddick; Creighton; Crownover; Darby; Davis, J.; Davis, Y.; Deshotel; Driver; Dukes; Dunnam; Dutton; Edwards; Eiland(C); Eissler; Elkins; England; Farabee; Farias; Farrar; Fletcher; Flores; Flynn; Frost; Gallego; Gattis; Geren; Giddings; Gonzales; Gonzalez Toureilles; Guillen; Gutierrez; Hamilton; Hancock; Hardcastle; Harless; Harper-Brown; Hartnett; Heflin; Hernandez; Herrero; Hilderbran; Hochberg; Hodge; Homer; Hopson; Howard, C.; Howard, D.; Hughes; Hunter; Isett; Jackson; Jones; Keffer; Kent; King, P.; King, S.; King, T.; Kleinschmidt; Kolkhorst; Laubenberg; Legler; Leibowitz; Lewis; Lucio; Madden; Maldonado; Mallory Caraway; Marquez; Martinez; Martinez Fischer; McCall; McClendon; McReynolds; Menendez; Merritt; Miklos; Miller, D.; Miller, S.; Moody; Morrison; Naishtat; Oliveira; Olivo; Orr; Ortiz; Otto; Parker; Patrick; Paxton; Peña; Phillips; Pickett; Pierson; Pitts; Quintanilla; Raymond; Riddle; Rios Ybarra; Ritter; Rodriguez; Rose; Sheffield; Shelton; Smith, T.; Smith, W.; Smithee; Solomons; Strama; Swinford; Taylor; Thibaut; Thompson; Truitt; Turner, C.; Turner, S.; Vaught; Veasey; Vo; Walle; Weber; Woolley; Zerwas.

Present, not voting — Mr. Speaker.

Absent, Excused — Kuempel.

Absent — Villarreal.

**SCR 22** (Pickett, Peña, and Chavez - House Sponsors), Urging Congress to reopen consideration of the case to posthumously award the Medal of Honor to World War I hero Marcelino Serna.

**SCR 22** was adopted by (Record 1115): 147 Yeas, 0 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Aycock; Berman; Bohac; Bolton; Bonnen; Branch; Brown, B.; Brown, F.; Burnam; Button; Callegari; Castro; Chavez; Chisum; Christian; Cohen; Coleman; Cook; Corte; Crabb; Craddick; Creighton; Crownover; Darby; Davis, J.; Davis, Y.; Deshotel; Driver; Dukes; Dunnam; Edwards; Eiland(C); Eissler; Elkins; England; Farabee; Farias; Farrar; Fletcher; Flores; Flynn; Frost; Gallego; Gattis; Geren; Giddings; Gonzales; Gonzalez Toureilles; Guillen; Gutierrez; Hamilton; Hancock; Hardcastle; Harless; Harper-Brown; Hartnett; Heflin; Hernandez; Herrero; Hilderbran; Hochberg; Hodge; Homer; Hopson; Howard, C.; Howard, D.;

Hughes; Hunter; Isett; Jackson; Jones; Keffer; Kent; King, P.; King, S.; King, T.; Kleinschmidt; Kolkhorst; Laubenberg; Legler; Leibowitz; Lewis; Lucio; Madden; Maldonado; Mallory Caraway; Marquez; Martinez; Martinez Fischer; McCall; McClendon; McReynolds; Menendez; Merritt; Miklos; Miller, D.; Miller, S.; Moody; Morrison; Naishtat; Oliveira; Olivo; Orr; Ortiz; Otto; Parker; Patrick; Paxton; Peña; Phillips; Pickett; Pierson; Pitts; Quintanilla; Raymond; Riddle; Rios Ybarra; Ritter; Rodriguez; Rose; Sheffield; Shelton; Smith, T.; Smith, W.; Smithee; Solomons; Strama; Swinford; Taylor; Thibaut; Thompson; Truitt; Turner, C.; Turner, S.; Vaught; Veasey; Villarreal; Vo; Walle; Weber; Woolley; Zerwas.

Present, not voting — Mr. Speaker.

Absent, Excused — Kuempel.

Absent — Dutton.

**SCR 40** (Truitt - House Sponsor), Recognizing the City of Grapevine as the Christmas Capital of Texas.

Representative Truitt moved to postpone consideration of **SCR 40** until 8:30 p.m. today.

The motion prevailed.

**SCR 64** (Ritter - House Sponsor), Commemorating the 170th anniversary of the founding of the Sabine Pass community.

**SCR 64** was adopted by (Record 1116): 148 Yeas, 0 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Aycock; Berman; Bohac; Bolton; Bonnen; Branch; Brown, B.; Brown, F.; Burnam; Button; Callegari; Castro; Chavez; Chisum; Christian; Cohen; Coleman; Cook; Corte; Crabb; Craddick; Creighton; Crownover; Darby; Davis, J.; Davis, Y.; Deshotel; Driver; Dukes; Dunnam; Dutton; Edwards; Eiland(C); Eissler; Elkins; England; Farabee; Farias; Farrar; Fletcher; Flores; Flynn; Frost; Gallego; Gattis; Geren; Giddings; Gonzales; Gonzalez Toureilles; Guillen; Gutierrez; Hamilton; Hancock; Hardcastle; Harless; Harper-Brown; Hartnett; Heflin; Hernandez; Herrero; Hilderbran; Hochberg; Hodge; Homer; Hopson; Howard, C.; Howard, D.; Hughes; Hunter; Isett; Jackson; Jones; Keffer; Kent; King, P.; King, S.; King, T.; Kleinschmidt; Kolkhorst; Laubenberg; Legler; Leibowitz; Lewis; Lucio; Madden; Maldonado; Mallory Caraway; Marquez; Martinez; Martinez Fischer; McCall; McClendon; McReynolds; Menendez; Merritt; Miklos; Miller, D.; Miller, S.; Moody; Morrison; Naishtat; Oliveira; Olivo; Orr; Ortiz; Otto; Parker; Patrick; Paxton; Peña; Phillips; Pickett; Pierson; Pitts; Quintanilla; Raymond; Riddle; Rios Ybarra; Ritter; Rodriguez; Rose; Sheffield; Shelton; Smith, T.; Smith, W.; Smithee; Solomons; Strama; Swinford; Taylor; Thibaut; Thompson; Truitt; Turner, C.; Turner, S.; Vaught; Veasey; Villarreal; Vo; Walle; Weber; Woolley; Zerwas.

Present, not voting — Mr. Speaker.

Absent, Excused — Kuempel.

**HCR 181** (by S. Miller), Designating the section of the Brazos River Basin and its contributing watershed in Somervell County as the Scenic Riverway of Somervell County.

**HCR 181** was adopted by (Record 1117): 148 Yeas, 0 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Aycock; Berman; Bohac; Bolton; Bonnen; Branch; Brown, B.; Brown, F.; Burnam; Button; Callegari; Castro; Chavez; Chisum; Christian; Cohen; Coleman; Cook; Corte; Crabb; Craddick; Creighton; Crownover; Darby; Davis, J.; Davis, Y.; Deshotel; Driver; Dukes; Dunnam; Dutton; Edwards; Eiland(C); Eissler; Elkins; England; Farabee; Farias; Farrar; Fletcher; Flores; Flynn; Frost; Gallego; Gattis; Geren; Giddings; Gonzales; Gonzalez Toureilles; Guillen; Gutierrez; Hamilton; Hancock; Hardcastle; Harless; Harper-Brown; Hartnett; Heflin; Hernandez; Herrero; Hilderbran; Hochberg; Hodge; Homer; Hopson; Howard, C.; Howard, D.; Hughes; Hunter; Isett; Jackson; Jones; Keffer; Kent; King, P.; King, S.; King, T.; Kleinschmidt; Kolkhorst; Laubenberg; Legler; Leibowitz; Lewis; Lucio; Madden; Maldonado; Mallory Caraway; Marquez; Martinez; Martinez Fischer; McCall; McClendon; McReynolds; Menendez; Merritt; Miklos; Miller, D.; Miller, S.; Moody; Morrison; Naishtat; Oliveira; Olivo; Orr; Ortiz; Otto; Parker; Patrick; Paxton; Peña; Phillips; Pickett; Pierson; Pitts; Quintanilla; Raymond; Riddle; Rios Ybarra; Ritter; Rodriguez; Rose; Sheffield; Shelton; Smith, T.; Smith, W.; Smithee; Solomons; Strama; Swinford; Taylor; Thibaut; Thompson; Truitt; Turner, C.; Turner, S.; Vaught; Veasey; Villarreal; Vo; Walle; Weber; Woolley; Zerwas.

Present, not voting — Mr. Speaker.

Absent, Excused — Kuempel.

**HCR 188** (by Parker), Designating Roanoke as the Unique Dining Capital of Texas.

**HCR 188** was adopted by (Record 1118): 141 Yeas, 3 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Aycock; Berman; Bohac; Bolton; Bonnen; Branch; Brown, B.; Brown, F.; Burnam; Button; Callegari; Castro; Chavez; Chisum; Christian; Cohen; Coleman; Cook; Corte; Crabb; Craddick; Creighton; Crownover; Darby; Davis, J.; Davis, Y.; Deshotel; Driver; Dukes; Dunnam; Dutton; Eiland(C); Eissler; Elkins; England; Farabee; Farias; Farrar; Fletcher; Flores; Flynn; Frost; Gallego; Gattis; Geren; Giddings; Gonzales; Gonzalez Toureilles; Guillen; Gutierrez; Hamilton; Hancock; Hardcastle; Harless; Harper-Brown; Heflin; Hernandez; Herrero; Hochberg; Hodge; Homer; Hopson; Howard, C.; Howard, D.; Hughes; Hunter; Isett; Jackson; Jones; Keffer; Kent; King, P.; King, T.; Kleinschmidt; Kolkhorst; Laubenberg; Legler; Leibowitz; Lewis; Lucio; Madden; Maldonado; Mallory

Caraway; Marquez; Martinez; Martinez Fischer; McCall; McClendon; Menendez; Merritt; Miklos; Miller, D.; Miller, S.; Moody; Morrison; Naishtat; Oliveira; Olivo; Orr; Ortiz; Otto; Parker; Patrick; Paxton; Peña; Phillips; Pickett; Pitts; Quintanilla; Raymond; Riddle; Rios Ybarra; Ritter; Rodriguez; Rose; Shelton; Smith, T.; Smith, W.; Smithee; Solomons; Strama; Swinford; Taylor; Thibaut; Thompson; Truitt; Turner, C.; Turner, S.; Vaught; Veasey; Villarreal; Vo; Walle; Weber; Woolley; Zerwas.

Nays — Hartnett; Hilderbran; McReynolds.

Present, not voting — Mr. Speaker; Sheffield.

Absent, Excused — Kuempel.

Absent — Edwards; King, S.; Pierson.

### STATEMENT OF VOTE

I was shown voting no on Record No. 1118. I intended to vote yes.

Hilderbran

**HCR 252** (by Thompson, Hilderbran, England, Guillen, and Hunter), Requesting the governor to appoint a Governor's Task Force on Horse and Greyhound Racing.

**HCR 252** was adopted by (Record 1119): 118 Yeas, 17 Nays, 4 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Bohac; Bolton; Bonnen; Branch; Burnam; Callegari; Castro; Chavez; Christian; Cohen; Coleman; Cook; Corte; Craddick; Creighton; Crownover; Davis, Y.; Deshotel; Driver; Dukes; Dunnam; Dutton; Edwards; Eiland(C); England; Farabee; Farias; Farrar; Flores; Frost; Gallego; Gattis; Geren; Giddings; Gonzales; Gonzalez Tourelles; Guillen; Gutierrez; Hamilton; Hardcastle; Harper-Brown; Heflin; Hernandez; Herrero; Hilderbran; Hochberg; Hodge; Homer; Hopson; Howard, C.; Howard, D.; Hughes; Hunter; Jackson; Keffer; Kent; King, S.; King, T.; Kolkhorst; Legler; Leibowitz; Lewis; Lucio; Madden; Maldonado; Mallory Caraway; Marquez; Martinez; Martinez Fischer; McCall; McClendon; Menendez; Merritt; Miklos; Miller, D.; Miller, S.; Moody; Naishtat; Oliveira; Olivo; Orr; Ortiz; Otto; Parker; Patrick; Peña; Phillips; Pickett; Pitts; Quintanilla; Raymond; Riddle; Rios Ybarra; Ritter; Rodriguez; Rose; Sheffield; Smith, T.; Smith, W.; Smithee; Strama; Swinford; Thibaut; Thompson; Truitt; Turner, C.; Turner, S.; Vaught; Veasey; Villarreal; Vo; Walle; Woolley; Zerwas.

Nays — Anderson; Aycock; Berman; Brown, B.; Button; Chisum; Crabb; Darby; Davis, J.; Eissler; Elkins; Fletcher; Flynn; Hancock; Harless; Shelton; Weber.

Present, not voting — Mr. Speaker; Hartnett; McReynolds; Solomons.

Absent, Excused — Kuempel.

Absent — Brown, F.; Isett; Jones; King, P.; Kleinschmidt; Laubenberg; Morrison; Paxton; Pierson; Taylor.

**STATEMENTS OF VOTE**

I was shown voting no on Record No. 1119. I intended to vote yes.

Darby

When Record No. 1119 was taken, I was in the house but away from my desk. I would have voted yes.

Taylor

**HR 2011** (by S. Miller), Recognizing the Mills County Goat and BBQ Cook-off as an official Texas State Goat Barbecue Championship.

**HR 2011** was adopted by (Record 1120): 144 Yeas, 0 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Aycock; Berman; Bohac; Bolton; Bonnen; Branch; Brown, B.; Burnam; Button; Callegari; Castro; Chavez; Chisum; Christian; Cohen; Coleman; Cook; Corte; Crabb; Craddick; Creighton; Crownover; Darby; Davis, J.; Davis, Y.; Deshotel; Driver; Dukes; Dunnam; Dutton; Edwards; Eiland(C); Eissler; Elkins; England; Farabee; Farias; Farrar; Fletcher; Flores; Flynn; Frost; Gallego; Gattis; Geren; Giddings; Gonzales; Gonzalez Toureilles; Guillen; Gutierrez; Hamilton; Hancock; Hardcastle; Harless; Harper-Brown; Hartnett; Heflin; Hernandez; Herrero; Hilderbran; Hochberg; Hodge; Homer; Hopson; Howard, C.; Howard, D.; Hughes; Hunter; Isett; Jackson; Jones; Keffer; Kent; King, P.; King, S.; King, T.; Kleinschmidt; Kolkhorst; Laubenberg; Legler; Leibowitz; Lewis; Lucio; Madden; Maldonado; Mallory Caraway; Marquez; Martinez; Martinez Fischer; McCall; McClendon; McReynolds; Menendez; Merritt; Miklos; Miller, D.; Miller, S.; Moody; Morrison; Naishtat; Oliveira; Olivo; Ortiz; Otto; Parker; Patrick; Paxton; Peña; Phillips; Pickett; Pitts; Quintanilla; Raymond; Riddle; Rios Ybarra; Ritter; Rodriguez; Rose; Sheffield; Shelton; Smith, T.; Smith, W.; Smithee; Solomons; Strama; Swinford; Taylor; Thibaut; Thompson; Truitt; Turner, C.; Turner, S.; Vaught; Veasey; Vo; Walle; Weber; Woolley; Zerwas.

Present, not voting — Mr. Speaker.

Absent, Excused — Kuempel.

Absent — Brown, F.; Orr; Pierson; Villarreal.

**COMMITTEE GRANTED PERMISSION TO MEET**

Representative McCall requested permission for the Committee on Calendars to meet while the house is in session, at 8:30 p.m. today, in 3W.9, to consider the calendar.

Permission to meet was granted.

**COMMITTEE MEETING ANNOUNCEMENT**

The following committee meeting was announced:

Calendars, 8:30 p.m. today, 3W.9, for a formal meeting, to consider the calendar.

**CSSB 42** (Miklos - House Sponsor), A bill to be entitled An Act relating to the eligibility of certain employees, postdoctoral fellows, and graduate students to participate in health benefit programs at public institutions of higher education.

(Merritt in the chair)

**SB 252** (Hardcastle - House Sponsor), A bill to be entitled An Act relating to the authority of a municipality with a population of less than 10,000 to enter into an agreement with an owner of real property in or adjacent to an area in the municipality that has been approved for funding under certain revitalization or redevelopment programs to prohibit ad valorem tax increases on the owner's property for a limited period.

(Speaker pro tempore in the chair)

**SB 281** (Truitt - House Sponsor), A bill to be entitled An Act relating to the confidentiality of the home address information of the spouses of certain federal judges and certain state judges.

**SB 291** (McReynolds - House Sponsor), A bill to be entitled An Act relating to hepatitis B vaccination for students enrolled in certain health-related courses of study at an institution of higher education.

**SB 313** (Kuempel, Oliveira, Villarreal, and Hartnett - House Sponsors), A bill to be entitled An Act relating to the term of a reinvestment zone and to the assessment and payment of tax increments under the Tax Increment Financing Act.

**Amendment No. 1 (Committee Amendment No. 1)**

Representative Otto offered the following committee amendment to **SB 313**:

Amend **SB 313** by striking all below the enacting clause and substituting the following:

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

(1) "Project costs" means the expenditures made or estimated to be made and monetary obligations incurred or estimated to be incurred by the municipality or county designating [~~establishing~~] a reinvestment zone that are listed in the project plan as costs of public works, [~~or~~] public improvements, programs, or other projects benefiting [~~it~~] the zone, plus other costs incidental to those expenditures and obligations. "Project costs" include:

(A) capital costs, including the actual costs of the acquisition and construction of public works, public improvements, new buildings, structures, and fixtures; the actual costs of the acquisition, demolition, alteration, remodeling, repair, or reconstruction of existing buildings, structures, and fixtures; the actual costs of the remediation of conditions that contaminate public or private land or buildings; the actual costs of the preservation of the facade of a public or private building; the actual costs of the demolition of public or private buildings; and the actual costs of the acquisition of land and equipment and the clearing and grading of land;

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

(C) real property assembly costs;

(D) professional service costs, including those incurred for architectural, planning, engineering, and legal advice and services;

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

(F) relocation costs;

(G) organizational costs, including the costs of conducting environmental impact studies or other studies, the cost of publicizing the creation of the zone, and the cost of implementing the project plan for the zone;

(H) interest before and during construction and for one year after completion of construction, whether or not capitalized;

(I) the cost of operating the reinvestment zone and project facilities;

(J) the amount of any contributions made by the municipality or county from general revenue for the implementation of the project plan; ~~and~~

(K) the costs of a program described by Section 311.010(h);

(L) the costs of school buildings, other educational buildings, other educational facilities, or other buildings owned by or on behalf of a school district, community college district, or other political subdivision of this state;

(M) the costs of providing affordable housing or areas of public assembly in or outside of the zone; and

(N) payments made at the discretion of the governing body of the municipality or county that the governing body finds necessary or convenient to the creation of the zone or to the implementation of the project plans for the zone.

SECTION 2. Sections 311.003(a) and (b), Tax Code, are amended to read as follows:

(a) The governing body of a county by order may designate a geographic area in the county or the governing body of a municipality by ordinance ~~[or the governing body of a county by order]~~ may designate a [contiguous] geographic area that is in the corporate limits of the municipality, in the extraterritorial jurisdiction of the municipality, or in both [in the jurisdiction of the municipality or county] to be a reinvestment zone to promote development or redevelopment of the area if the governing body determines that development or redevelopment would not occur solely through private investment in the reasonably foreseeable future. The area need not be contiguous if the governing body determines that the tracts included in the area are substantially related. The designation of an area that is wholly or partly located in the extraterritorial jurisdiction of a municipality is not affected by a subsequent annexation of real property in the reinvestment zone by the municipality. The tax increment base of a municipality that annexes an

area in a zone after the area is included in the zone is computed as if the area were located in the corporate limits of the municipality at the time the area was included in the zone.

(b) Before adopting an ordinance or order designating [~~providing for~~] a reinvestment zone, the governing body of the municipality or county must prepare a preliminary reinvestment zone financing plan. [~~As soon as the plan is completed, a copy of the plan must be sent to the governing body of each taxing unit that levies taxes on real property in the proposed zone.~~]

SECTION 3. Chapter 311, Tax Code, is amended by adding Section 311.0035 to read as follows:

Sec. 311.0035. PROCEDURE FOR DESIGNATING JOINT REINVESTMENT ZONE. (a) The governing bodies of two or more municipalities by ordinance adopted by each municipality may designate a contiguous area in the jurisdiction of each of the municipalities to be a joint reinvestment zone. Except as otherwise provided by this section, each of the municipalities must follow the procedures provided by Section 311.003 to designate an area as a joint reinvestment zone. The ordinances adopted by all of the municipalities designating an area as a joint reinvestment zone must contain the same terms and 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) create a board of directors for the zone and specify:

(A) the number of directors;

(B) the qualifications of directors;

(C) the manner in which directors are appointed;

(D) the terms of directors;

(E) the manner in which vacancies on the board are filled; and

(F) the manner by which officers of the board are selected;

(3) provide that the zone takes effect immediately on adoption of the ordinance by the last of the municipalities in the jurisdiction of which the area contained in the zone is located;

(4) provide a termination date for the zone;

(5) assign a name to the zone, which may include the name of one or more of the designating municipalities and may contain a number;

(6) establish a tax increment fund for the zone; and

(7) contain findings that:

(A) improvements in the zone will significantly enhance the value of all taxable real property in the zone and will be of general benefit to the municipalities; and

(B) the area meets the requirements of Sections 311.005(a)(1) and (2) and (a-1).

(b) For purposes of complying with Subsection (a)(7)(A), the ordinances are not required to identify the specific parcels of real property to be enhanced in value.

(c) The boundaries of a joint reinvestment zone may be enlarged or reduced by ordinance of the governing bodies of the municipalities that designated the zone, subject to the restrictions contained in this section.

(d) The municipalities designating a joint reinvestment zone may exercise any power necessary and convenient to carry out this section and the other provisions of this chapter, including the powers listed in Section 311.008.

(e) Except as otherwise provided by this section, the board of directors of a joint reinvestment zone has the same powers and duties and is subject to the same limitations as the board of directors of a reinvestment zone designated by a single municipality. Sections 311.011, 311.012, 311.0123, 311.013, 311.014, 311.015, 311.016, 311.0163, and 311.018 apply to the municipalities designating a joint reinvestment zone, except that a reference in those sections to a municipality means all of the municipalities designating a joint reinvestment zone and an action required of a municipality under those sections is considered to be required of all of the municipalities designating a joint reinvestment zone.

(f) Expenditures from tax increment financing funds or bonds secured by tax increment financing may be made without regard to the location from which the funds were derived or the location within the joint reinvestment zone at which the funds are spent, but only if those expenditures are authorized as required by this chapter.

SECTION 4. Section 311.005(a), Tax Code, is amended to read as follows:

(a) To be designated as a reinvestment zone, an area must:

(1) substantially arrest or impair the sound growth of the municipality or county designating ~~creating~~ the zone, retard the provision of housing accommodations, or constitute an economic or social liability and be a menace to the public health, safety, morals, or welfare in its present condition and use because of the presence of:

(A) a substantial number of substandard, slum, deteriorated, or deteriorating structures;

(B) the predominance of defective or inadequate sidewalk or street layout;

(C) faulty lot layout in relation to size, adequacy, accessibility, or usefulness;

(D) unsanitary or unsafe conditions;

(E) the deterioration of site or other improvements;

(F) tax or special assessment delinquency exceeding the fair value of the land;

(G) defective or unusual conditions of title;

(H) conditions that endanger life or property by fire or other cause;

or

(I) structures, other than single-family residential structures, less than 10 percent of the square footage of which has been used for commercial, industrial, or residential purposes during the preceding 12 years, if the municipality has a population of 100,000 or more;

(2) be predominantly open, undeveloped, or underdeveloped and, because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impair or arrest the sound growth of the municipality or county;

(3) be in a federally assisted new community located in the municipality or county or in an area immediately adjacent to a federally assisted new community; or

(4) be an area described in a petition requesting that the area be designated as a reinvestment zone, if the petition is submitted to the governing body of the municipality or county by the owners of property constituting at least 50 percent of the appraised value of the property in the area according to the most recent certified appraisal roll for the county in which the area is located.

SECTION 5. Section 311.007, Tax Code, is amended to read as follows:

Sec. 311.007. CHANGING BOUNDARIES OR TERM OF EXISTING ZONE. (a) ~~The [Subject to the limitations provided by Section 311.006, if applicable, the]~~ boundaries of an existing reinvestment zone may be reduced or enlarged by ordinance or resolution of the governing body of the municipality or by order or resolution of the governing body of the county that designated ~~[created]~~ the zone.

(b) The governing body of the municipality or county that designated a reinvestment zone by ordinance or resolution or by order or resolution, respectively, may extend the term of all or a portion of the zone after notice and hearing in the manner provided for the designation of the zone. A taxing unit other than the municipality or county that designated the zone is not required to participate in the zone or portion of the zone for the extended term unless the taxing unit enters into a written agreement to do so ~~[may enlarge an existing reinvestment zone to include an area described in a petition requesting that the area be included in the zone if the petition is submitted to the governing body of the municipality or county by the owners of property constituting at least 50 percent of the appraised value of the property in the area according to the most recent certified appraisal roll for the county in which the area is located. The composition of the board of directors of the zone continues to be governed by Section 311.009(a) or (b), whichever applied to the zone immediately before the enlargement of the zone, except that the membership of the board must conform to the requirements of the applicable subsection of Section 311.009 as applied to the zone after its enlargement. The provision of Section 311.006(b) relating to the amount of property used for residential purposes that may be included in the zone does not apply to the enlargement of a zone under this subsection].~~

SECTION 6. Section 311.008, Tax Code, is amended by amending Subsection (b) and adding Subsections (f) and (g) to read as follows:

(b) A municipality or county may exercise any power necessary and convenient to carry out this chapter, including the power to:

(1) cause project plans to be prepared, approve and implement the plans, and otherwise achieve the purposes of the plan;

(2) acquire real property by purchase, condemnation, or other means ~~[to implement project plans]~~ and sell real ~~[that]~~ property, on the terms and conditions and in the manner it considers advisable, to implement project plans;

(3) enter into agreements, including agreements with bondholders, determined by the governing body of the municipality or county to be necessary or convenient to implement project plans and achieve their purposes, which agreements may include conditions, restrictions, or covenants that run with the land or that by other means regulate or restrict the use of land; and

(4) consistent with the project plan for the zone:

(A) acquire blighted, deteriorated, deteriorating, undeveloped, or inappropriately developed real property or other property in a blighted area or in a federally assisted new community in the zone for the preservation or restoration of historic sites, beautification or conservation, the provision of public works or public facilities, or other public purposes;

(B) acquire, construct, reconstruct, or install public works, facilities, or sites or other public improvements, including utilities, streets, street lights, water and sewer facilities, pedestrian malls and walkways, parks, flood and drainage facilities, or parking facilities, but not including educational facilities; or

(C) in a reinvestment zone created on or before September 1, 1999, acquire, construct, or reconstruct educational facilities in the municipality.

(f) The governing body of a municipality or county may impose a fee:

(1) on property owners who submit a petition under Section 311.005(a)(4) for processing the petition; or

(2) for reviewing a project designated or proposed to be designated under this chapter.

(g) A fee under Subsection (f) must be reasonably related to the estimated cost to the municipality or county of processing the petition or reviewing the project, respectively.

SECTION 7. Section 311.0085(a), Tax Code, is amended to read as follows:

(a) This section applies only to a municipality with a population of less than 130,000 as shown by the 2000 federal decennial census that has[-

~~(1) territory in three counties; and~~

~~(2) a population of less than 120,000].~~

SECTION 8. Sections 311.009(a), (b), and (e), Tax Code, are amended to read as follows:

(a) Except as provided by Subsection (b), the board of directors of a reinvestment zone consists of at least five and not more than 15 members, unless more than 15 members are required to satisfy the requirements of this subsection. Each taxing unit other than the municipality or county that designated ~~[created]~~ the zone that levies taxes on real property in the zone may appoint one member of the board if the taxing unit has approved the payment of all or part of the tax increment produced by the unit into the tax increment fund for the zone. A unit may waive its right to appoint a director. The governing body of the municipality or county that designated ~~[created]~~ the zone may appoint not more than 10

directors to the board; except that if there are fewer than five directors appointed by taxing units other than the municipality or county, the governing body of the municipality or county may appoint more than 10 members as long as the total membership of the board does not exceed 15.

(b) If the zone was designated under Section 311.005(a)(4), the governing body of the municipality or county that designated the zone may provide that the board of directors of the zone consists of nine members appointed as provided by this subsection, unless more than nine members are required to comply with this subsection. Each taxing unit ~~[school district, county, or municipality]~~, other than the municipality or county that designated ~~[created]~~ the zone, that levies taxes on real property in the zone may appoint one member of the board if the taxing unit ~~[school district, county, or municipality]~~ has approved the payment of all or part of the tax increment produced by the unit into the tax increment fund for the zone. The member of the state senate in whose district the zone is located is a member of the board, and the member of the state house of representatives in whose district the zone is located is a member of the board, except that either may designate another individual to serve in the member's place at the pleasure of the member. If the zone is located in more than one senate or house district, this subsection applies only to the senator or representative in whose district a larger portion of the zone is located than any other senate or house district, as applicable. If fewer than seven taxing units, other than the municipality or county that designated the zone, are eligible to appoint members of the board of directors of the zone, the municipality or county may appoint a number of members of the board such that the board comprises nine members. If at least seven taxing units, other than the municipality or county that designated the zone, are eligible to appoint members of the board of directors of the zone, the municipality or county may appoint one member. [The remaining members of the board are appointed by the governing body of the municipality or county that created the zone.]

(e) To be eligible for appointment to the board by the governing body of the municipality or county that designated ~~[created]~~ the zone, an individual must:

(1) if the board is covered by Subsection (a):

(A) be a resident of this state and a citizen of the United States ~~[qualified voter of the municipality or county, as applicable]; and [or]~~

(B) be at least 18 years of age ~~[and own real property in the zone, whether or not the individual resides in the municipality or county]; or~~

(2) if the board is covered by Subsection (b):

(A) be at least 18 years of age; and

(B) own real property in the zone or be an employee, tenant, or agent of a person that owns real property in the zone.

SECTION 9. Section 311.0091, Tax Code, is amended by amending Subsection (f) and adding Subsection (i) to read as follows:

(f) Except as provided by Subsection (i), to [To] be eligible for appointment to the board, an individual must:

(1) be a qualified voter of the municipality; or

(2) be at least 18 years of age and own real property in the zone or be an employee or agent of a person that owns real property in the zone.

(i) The eligibility criteria for appointment to the board specified by Subsection (f) do not apply to an individual appointed by a conservation and reclamation district:

(1) created under Section 59, Article XVI, Texas Constitution; and

(2) the jurisdiction of which covers four counties.

SECTION 10. Sections 311.010(b), (g), and (h), Tax Code, are amended to read as follows:

(b) The board of directors of a reinvestment zone and the governing body of the municipality or county that designates ~~creates~~ a reinvestment zone may each enter into agreements as the board or the governing body considers necessary or convenient to implement the project plan and reinvestment zone financing plan and achieve their purposes. An agreement may provide for the regulation or restriction of the use of land by imposing conditions, restrictions, or covenants that run with the land. An agreement may during the term of the agreement dedicate, pledge, or otherwise provide for the use of revenue in the tax increment fund to pay any project costs that benefit the reinvestment zone, including project costs relating to the cost of buildings, schools, or other educational facilities owned by or on behalf of a school district, community college district, or other political subdivision of this state, railroad or transit facilities, affordable housing, the remediation of conditions that contaminate public or private land or buildings, the preservation of the facade of a private or public building, ~~or~~ the demolition of public or private buildings, or the construction of a road, sidewalk, or other public infrastructure in or out of the zone, including the cost of acquiring the real property necessary for the construction of the road, sidewalk, or other public infrastructure. An agreement may dedicate revenue from the tax increment fund to pay the costs of providing affordable housing or areas of public assembly in or out of the zone. ~~[An agreement may dedicate revenue from the tax increment fund to pay a neighborhood enterprise association for providing services or carrying out projects authorized under Subchapters E and G, Chapter 2303, Government Code, in the zone. The term of an agreement with a neighborhood enterprise association may not exceed 10 years.]~~

(g) Chapter 252, Local Government Code, does not apply to a dedication, pledge, or other use of revenue in the tax increment fund for a reinvestment zone ~~[by the board of directors of the zone in carrying out its powers]~~ under Subsection (b).

(h) Subject to the approval of the governing body of the municipality or county that designated ~~created~~ the zone, the board of directors of a reinvestment zone, as necessary or convenient to implement the project plan and reinvestment zone financing plan and achieve their purposes, may establish and provide for the administration of one or more programs for the public purposes of developing and diversifying the economy of the zone, eliminating unemployment and underemployment in the zone, and developing or expanding transportation, business, and commercial activity in the zone, including programs to make grants and loans ~~[from the tax increment fund of the zone in an aggregate amount not to exceed the amount of the tax increment produced by the municipality and paid into the tax increment fund for the zone]~~ for activities that benefit the zone and

stimulate business and commercial activity in the zone. For purposes of this subsection, on approval of the municipality or county, the board of directors of the zone has all the powers of a municipality under Chapter 380, Local Government Code. The approval required by this subsection may be granted in an ordinance, in the case of a zone designated by a municipality, or in an order, in the case of a zone designated by a county, approving a project plan or reinvestment zone financing plan or approving an amendment to a project plan or reinvestment zone financing plan.

SECTION 11. Section 311.01005, Tax Code, is amended by adding Subsection (f) to read as follows:

(f) This section does not limit the power of the board of directors of a reinvestment zone or the governing body of the municipality that designates a reinvestment zone to dedicate, pledge, or otherwise provide for the use of revenue in the tax increment fund for the zone to finance the costs of a project involving real property located outside the zone.

SECTION 12. Section 311.011, Tax Code, is amended by amending Subsections (a), (b), (c), (d), and (g) and adding Subsection (h) to read as follows:

(a) The board of directors of a reinvestment zone shall prepare and adopt a project plan and a reinvestment zone financing plan for the zone and submit the plans to the governing body of the municipality or county that designated ~~[created]~~ the zone. ~~[The plans must be as consistent as possible with the preliminary plans developed for the zone before the creation of the board.]~~

(b) The project plan must include:

(1) a description of ~~[map showing]~~ existing uses and conditions of real property in the zone and ~~[a map showing]~~ proposed ~~[improvements to and proposed]~~ uses of that property;

(2) proposed changes of zoning ordinances, ~~[the master plan of the municipality,]~~ building codes, other municipal ordinances, and subdivision rules and regulations, if any, of the county, if applicable; and

(3) ~~[a list of estimated nonproject costs; and~~  
~~(4)]~~ a statement of a method of relocating persons to be displaced, if any, as a result of implementing the plan.

(c) The reinvestment zone financing plan must include:

(1) a detailed list describing the estimated project costs of the zone, including administrative expenses;

(2) a statement listing the proposed kind, number, and location of all ~~[proposed]~~ public works or public improvements to be financed by ~~[it]~~ the zone;

(3) a finding that the plan is economically feasible ~~[an economic feasibility study];~~

(4) the estimated amount of bonded indebtedness to be incurred;

(5) the estimated time when related costs or monetary obligations are to be incurred;

(6) a description of the methods of financing all estimated project costs and the expected sources of revenue to finance or pay project costs, including the percentage of tax increment to be derived from the property taxes of each taxing unit anticipated to contribute tax increment to the zone that levies taxes on real property in the zone;

(7) the current total appraised value of taxable real property in the zone;

(8) the estimated captured appraised value of the zone during each year of its existence; and

(9) the duration of the zone.

(d) The governing body of the municipality or county that designated ~~[created]~~ the zone must approve a project plan or reinvestment zone financing plan after its adoption by the board. The approval must be by ordinance, in the case of a municipality, or by order, in the case of a county, that finds that the plan is feasible ~~[and conforms to the master plan, if any, of the municipality or to subdivision rules and regulations, if any, of the county].~~

(g) A [An amendment to the project plan or the reinvestment zone financing plan for a zone does not apply to a] school district that participates in a [the] zone is not required to increase the percentage or amount of the tax increment to be contributed by the school district because of an amendment to the project plan or reinvestment zone financing plan for the zone unless the governing body of the school district by official action approves the amendment~~[, if the amendment:~~

[(1) has the effect of directly or indirectly increasing the percentage or amount of the tax increment to be contributed by the school district; or

[(2) requires or authorizes the municipality or county creating the zone to issue additional tax increment bonds or notes].

(h) Unless specifically provided otherwise in the plan, all amounts contained in the project plan or reinvestment zone financing plan, including amounts of expenditures relating to project costs and amounts relating to participation by taxing units, are considered estimates and do not act as a limitation on the described items.

SECTION 13. Sections 311.012(a) and (c), Tax Code, are amended to read as follows:

(a) The amount of a taxing unit's tax increment for a year is the amount of property taxes levied and assessed by the unit for that year on the captured appraised value of real property taxable by the unit and located in a reinvestment zone or the amount of property taxes levied and collected by the unit for that year on the captured appraised value of real property taxable by the unit and located in a reinvestment zone. The governing body of a taxing unit shall determine which of the methods specified by this subsection is used to calculate the amount of the unit's tax increment.

(c) The tax increment base of a taxing unit is the total taxable [appraised] value of all real property taxable by the unit and located in a reinvestment zone for the year in which the zone was designated under this chapter. If the boundaries of a zone are enlarged, the tax increment base is increased by the taxable value of the real property added to the zone for the year in which the property was added. If the boundaries of a zone are reduced, the tax increment

base is reduced by the taxable value of the real property removed from the zone for the year in which the property was originally included in the zone's boundaries. If the municipality that designates a zone does not levy an ad valorem tax in the year in which the zone is designated, the tax increment base is determined by the appraisal district in which the zone is located using assumptions regarding exemptions and other relevant information provided to the appraisal district by the municipality.

SECTION 14. Sections 311.013(f), (g), (l), and (n), Tax Code, are amended to read as follows:

(f) A taxing unit is not required to pay into the tax increment fund any of its tax increment produced from property located in a reinvestment zone designated under Section 311.005(a) or in an area added to a reinvestment zone under Section 311.007 unless the taxing unit enters into an agreement to do so with the governing body of the municipality or county that ~~designated~~ ~~[created]~~ the zone. A taxing unit may enter into an agreement under this subsection at any time before or after the zone is ~~designated~~ ~~[created]~~ or enlarged. The agreement may include conditions for payment of that tax increment into the fund and must specify the portion of the tax increment to be paid into the fund and the years for which that tax increment is to be paid into the fund. In addition to any other terms to which the parties may agree, the agreement may specify the projects to which a participating taxing unit's tax increment will be dedicated and that the taxing unit's participation may be computed with respect to a base year later than the original base year of the zone. The agreement and the conditions in the agreement are binding on the taxing unit, the municipality or county, and the board of directors of the zone.

(g) Subject to the provisions of Section 311.0125, in lieu of permitting a portion of its tax increment to be paid into the tax increment fund, and notwithstanding the provisions of Section 312.203, a taxing unit, ~~including [other than]~~ ~~a municipality~~ ~~[city]~~, may elect to offer the owners of taxable real property in a reinvestment zone ~~designated~~ ~~[created]~~ under this chapter an exemption from taxation of all or part of the value of the property. To be effective, an [Any] agreement under this subsection to exempt real property [concerning an exemption] from ad valorem taxes must be approved by:

(1) the board of directors of the reinvestment zone; and  
 (2) the governing body of each taxing unit that imposes taxes on real property in the reinvestment zone and deposits or agrees to deposit any of its tax increment into the tax increment fund for the zone [shall be executed in the manner and subject to the limitations of Chapter 312; provided, however, the property covered by the agreement need not be in a zone created pursuant to Chapter 312. A taxing unit may not offer a tax abatement agreement to property owners in the zone after it has entered into an agreement that its tax increments would be paid into the tax increment fund pursuant to Subsection (f)].

(l) The governing body of a municipality or county that designates an area as a reinvestment zone may determine, in the designating ordinance or order adopted under Section 311.003 or in the ordinance or order adopted under Section 311.011 approving the reinvestment zone financing plan for the zone, the

portion of the tax increment produced by the municipality or county that the municipality or county is required to pay into the tax increment fund for the zone. If a municipality or county does not determine the portion of the tax increment produced by the municipality or county that the municipality or county is required to pay into the tax increment fund for a reinvestment zone, the municipality or county is required to pay into the fund for the zone the entire tax increment produced by the municipality or county, except as provided by Subsection (b)(1).

(n) This subsection applies only to a school district whose taxable value computed under Section 403.302(d), Government Code, is reduced in accordance with Subdivision (4) [~~(5)~~] of that subsection. In addition to the amount otherwise required to be paid into the tax increment fund, the district shall pay into the fund an amount equal to the amount by which the amount of taxes the district would have been required to pay into the fund in the current year if the district levied taxes at the rate the district levied in 2005 exceeds the amount the district is otherwise required to pay into the fund in the year of the reduction [~~not to exceed the amount the school district realizes from the reduction in the school district's taxable value under Section 403.302(d)(5), Government Code~~].

SECTION 15. Section 311.014(b), Tax Code, is amended to read as follows:

(b) Tax increment and other funds deposited in the tax increment fund of the zone shall be administered by the governing body of the municipality or county that designated the zone or, if delegated by the governing body, by the board of directors of the zone, to implement the project plan and reinvestment zone financing plan for the zone during the term of the zone, as it may be extended, and for any period in which the zone remains in existence for collection and disbursement pursuant to Section 311.017(d). Money may be disbursed from the fund only to satisfy claims of holders of tax increment bonds or notes issued for the zone, to pay project costs for the zone, to make payments pursuant to an agreement made under Section 311.010(b) or a program under Section 311.010(h) dedicating revenue from the tax increment fund, or to repay other obligations incurred for the zone.

SECTION 16. Sections 311.015(a) and (l), Tax Code, are amended to read as follows:

(a) A municipality or county designating [creating] a reinvestment zone may issue tax increment bonds or notes, the proceeds of which may be used to make payments pursuant to agreements made under Section 311.010(b), to make payments pursuant to programs under Section 311.010(h), to pay project costs for the reinvestment zone on behalf of which the bonds or notes were issued, or to satisfy claims of holders of the bonds or notes. The municipality or county may issue refunding bonds or notes for the payment or retirement of tax increment bonds or notes previously issued by it. In lieu of issuing bonds or notes under this subsection, a municipality may issue certificates of obligation under Subchapter C, Chapter 271, Local Government Code, to pay the project costs for a zone and may use tax increment from the zone to pay debt service on the certificates.

(l) A tax increment bond or note must mature on or before the date by which the final payments of tax increment into the tax increment fund are due ~~[within 20 years of the date of issue]~~.

SECTION 17. Section 311.016(a), Tax Code, is amended to read as follows:

(a) On or before the 150th ~~[90th]~~ day following the end of the fiscal year of the municipality or county, the governing body of a municipality or county shall submit to the chief executive officer of each taxing unit that levies property taxes on real property in a reinvestment zone created by the municipality or county a report on the status of the zone. The report must include:

(1) the amount and source of revenue in the tax increment fund established for the zone;

(2) the amount and purpose of expenditures from the fund;

(3) the amount of principal and interest due on outstanding bonded indebtedness;

(4) the tax increment base and current captured appraised value retained by the zone; and

(5) the captured appraised value shared by the municipality or county and other taxing units, the total amount of tax increments received, and any additional information necessary to demonstrate compliance with the tax increment financing plan adopted by the governing body of the municipality or county.

SECTION 18. Section 311.016(b), Tax Code, as amended by Chapters 977 (**HB 1820**) and 1094 (**HB 2120**), Acts of the 79th Legislature, Regular Session, 2005, is reenacted to read as follows:

(b) The municipality or county shall send a copy of a report made under this section to:

(1) the attorney general; and

(2) the comptroller.

SECTION 19. Section 311.017, Tax Code, is amended by amending Subsection (a) and adding Subsections (a-1), (c), (d), and (e) to read as follows:

(a) A reinvestment zone terminates on the earlier of:

(1) the termination date designated in the ordinance or order, as applicable, designating [creating] the zone or an earlier or later termination date designated by an ordinance or order adopted under Section 311.007(b) [subsequent to the ordinance or order creating the zone]; or

(2) the date on which all project costs, tax increment bonds and interest on those bonds, and other obligations have been paid in full.

(a-1) Notwithstanding the designation of a later termination date under Section 311.007(b), a taxing unit that taxes real property located in the zone, other than the municipality or county that created the zone, is not required to pay any of its tax increment into the tax increment fund for the zone for any tax year after the termination date designated in the ordinance or order designating the zone unless the governing body of the taxing unit enters into an agreement to do so with the governing body of the municipality or county that designated the zone.

(c) A zone designated under other law as described by Section 311.0031 terminates for purposes of this chapter on the date specified in the ordinance or order designating the zone as a reinvestment zone under this chapter, regardless of whether the zone has terminated under the other law under which the zone was originally designated.

(d) Subject to Subsection (a-1), if tax increment bonds or other obligations issued or incurred for the zone are outstanding when the zone terminates, the zone remains in existence solely for the purpose of collecting and disbursing tax increment with respect to tax years during the designated term of the zone, as it may have been extended. Those funds shall be used to pay the tax increment bonds or other obligations issued or incurred for the zone. Notwithstanding the other provisions of this subsection or the extension of the term of a zone under Section 311.007, the termination date of a zone for purposes of any contract entered into by the board, or by the municipality or county that designated the zone, remains the termination date designated by ordinance or order in effect on the date the contract was executed unless a subsequent amendment to the contract expressly provides otherwise.

(e) After termination of the zone, the governing body of the municipality or county that designated the zone may continue the zone for an additional period for the purpose of continuing the implementation of the reinvestment zone project plan and financing plan. In that event, although tax increment shall cease to be deposited with respect to tax years following termination of the zone, the zone shall retain all remaining funds, property, and assets of the zone to be used to implement the plans as authorized by the governing body.

SECTION 20. Chapter 311, Tax Code, is amended by adding Section 311.021 to read as follows:

Sec. 311.021. ACT OR PROCEEDING PRESUMED VALID. (a) A governmental act or proceeding of a municipality or county, the board of directors of a reinvestment zone, or an entity acting under Section 311.010(f) relating to the designation, operation, or administration of a reinvestment zone or the implementation of a project plan or reinvestment zone financing plan under this chapter is conclusively presumed, as of the date it occurred, valid and to have occurred in accordance with all applicable statutes and rules if:

(1) the second anniversary of the effective date of the act or proceeding has expired; and

(2) a lawsuit to annul or invalidate the act or proceeding has not been filed on or before the later of that second anniversary or August 1, 2009.

(b) This section does not apply to:

(1) an act or proceeding that was void at the time it occurred;

(2) an act or proceeding that, under a statute of this state or the United States, was a misdemeanor or felony at the time the act or proceeding occurred;

(3) a rule that, at the time it was passed, was preempted by a statute of this state or the United States, including Section 1.06 or 109.57, Alcoholic Beverage Code; or

(4) a matter that on the effective date of the Act enacting this section:

(A) is involved in litigation if the litigation ultimately results in the matter being held invalid by a final judgment of a court; or

(B) has been held invalid by a final judgment of a court.

SECTION 21. Section 42.2516(b), Education Code, is amended to read as follows:

(b) Subject to Subsections (b-1), (b-2), (f-1), (g), and (h), but notwithstanding any other provision of this title, a school district is entitled to state revenue necessary to provide the district with the sum of:

(1) the amount of state revenue necessary to maintain state and local revenue per student in weighted average daily attendance in the amount equal to the greater of:

(A) the amount of state and local revenue per student in weighted average daily attendance for the maintenance and operations of the district available to the district for the 2005-2006 school year;

(B) the amount of state and local revenue per student in weighted average daily attendance for the maintenance and operations of the district to which the district would have been entitled for the 2006-2007 school year under this chapter, as it existed on January 1, 2006, or, if the district would have been subject to Chapter 41, as that chapter existed on January 1, 2006, the amount to which the district would have been entitled under that chapter, based on the funding elements in effect for the 2005-2006 school year, if the district imposed a maintenance and operations tax at the rate adopted by the district for the 2005 tax year; or

(C) the amount of state and local revenue per student in weighted average daily attendance for the maintenance and operations of the district to which the district would have been entitled for the 2006-2007 school year under this chapter, as it existed on January 1, 2006, or, if the district would have been subject to Chapter 41, as that chapter existed on January 1, 2006, the amount to which the district would have been entitled under that chapter, based on the funding elements in effect for the 2005-2006 school year, if the district imposed a maintenance and operations tax at the rate equal to the rate described by Section 26.08(i) or (k)(1), Tax Code, as applicable, for the 2006 tax year;

(2) an amount equal to the product of \$2,500 multiplied by the number of classroom teachers, full-time librarians, full-time counselors certified under Subchapter B, Chapter 21, and full-time school nurses employed by the district and entitled to a minimum salary under Section 21.402; ~~and~~

(3) an amount equal to the product of \$275 multiplied by the number of students in average daily attendance in grades nine through 12 in the district; and

(4) an amount equal to the amount the district is required to pay into the tax increment fund for a reinvestment zone under Section 311.013(n), Tax Code, in the current tax year.

SECTION 22. Section 42.253, Education Code, is amended by adding Subsection (c-1) to read as follows:

(c-1) The amounts to be paid under Section 42.2516(b)(4) shall be paid at the same time as other state revenue is paid to the district. Payments shall be based on amounts paid under Section 42.2516(b)(4) for the preceding year. Any

deficiency shall be paid to the district at the same time the final amount to be paid to the district is determined, and any overpayment shall be deducted from the payments the district would otherwise receive in the following year.

SECTION 23. Sections 403.302(d) and (i), Government Code, are amended to read as follows:

(d) For the purposes of this section, "taxable value" means the market value of all taxable property less:

(1) the total dollar amount of any residence homestead exemptions lawfully granted under Section 11.13(b) or (c), Tax Code, in the year that is the subject of the study for each school district;

(2) one-half of the total dollar amount of any residence homestead exemptions granted under Section 11.13(n), Tax Code, in the year that is the subject of the study for each school district;

(3) the total dollar amount of any exemptions granted before May 31, 1993, within a reinvestment zone under agreements authorized by Chapter 312, Tax Code;

(4) subject to Subsection (e), the total dollar amount of any captured appraised value of property that:

(A) is within a reinvestment zone created on or before May 31, 1999, or is proposed to be included within the boundaries of a reinvestment zone as the boundaries of the zone and the proposed portion of tax increment paid into the tax increment fund by a school district are described in a written notification provided by the municipality or the board of directors of the zone to the governing bodies of the other taxing units in the manner provided by Section 311.003(e), Tax Code, before May 31, 1999, and within the boundaries of the zone as those boundaries existed on September 1, 1999, including subsequent improvements to the property regardless of when made;

(B) generates taxes paid into a tax increment fund created under Chapter 311, Tax Code, under a reinvestment zone financing plan approved under Section 311.011(d), Tax Code, on or before September 1, 1999; and

(C) is eligible for tax increment financing under Chapter 311, Tax Code;

(5) ~~[for a school district for which a deduction from taxable value is made under Subdivision (4), an amount equal to the taxable value required to generate revenue when taxed at the school district's current tax rate in an amount that, when added to the taxes of the district paid into a tax increment fund as described by Subdivision (4)(B), is equal to the total amount of taxes the district would have paid into the tax increment fund if the district levied taxes at the rate the district levied in 2005;~~

~~[(6)]~~ the total dollar amount of any captured appraised value of property that:

(A) is within a reinvestment zone:

(i) created on or before December 31, 2008, by a municipality with a population of less than 18,000; and

(ii) the project plan for which includes the alteration, remodeling, repair, or reconstruction of a structure that is included on the National Register of Historic Places and requires that a portion of the tax increment of the zone be used for the improvement or construction of related facilities or for affordable housing;

(B) generates school district taxes that are paid into a tax increment fund created under Chapter 311, Tax Code; and

(C) is eligible for tax increment financing under Chapter 311, Tax Code;

(6) [~~(7)~~] the total dollar amount of any exemptions granted under Section 11.251 or 11.253, Tax Code;

(7) [~~(8)~~] the difference between the comptroller's estimate of the market value and the productivity value of land that qualifies for appraisal on the basis of its productive capacity, except that the productivity value estimated by the comptroller may not exceed the fair market value of the land;

(8) [~~(9)~~] the portion of the appraised value of residence homesteads of individuals who receive a tax limitation under Section 11.26, Tax Code, on which school district taxes are not imposed in the year that is the subject of the study, calculated as if the residence homesteads were appraised at the full value required by law;

(9) [~~(10)~~] a portion of the market value of property not otherwise fully taxable by the district at market value because of:

(A) action required by statute or the constitution of this state that, if the tax rate adopted by the district is applied to it, produces an amount equal to the difference between the tax that the district would have imposed on the property if the property were fully taxable at market value and the tax that the district is actually authorized to impose on the property, if this subsection does not otherwise require that portion to be deducted; or

(B) action taken by the district under Subchapter B or C, Chapter 313, Tax Code;

(10) [~~(11)~~] the market value of all tangible personal property, other than manufactured homes, owned by a family or individual and not held or used for the production of income;

(11) [~~(12)~~] the appraised value of property the collection of delinquent taxes on which is deferred under Section 33.06, Tax Code;

(12) [~~(13)~~] the portion of the appraised value of property the collection of delinquent taxes on which is deferred under Section 33.065, Tax Code; and

(13) [~~(14)~~] the amount by which the market value of a residence homestead to which Section 23.23, Tax Code, applies exceeds the appraised value of that property as calculated under that section.

(i) If the comptroller determines in the annual study that the market value of property in a school district as determined by the appraisal district that appraises property for the school district, less the total of the amounts and values listed in Subsection (d) as determined by that appraisal district, is valid, the comptroller, in determining the taxable value of property in the school district under Subsection (d), shall for purposes of Subsection (d)(13) [~~(d)(14)~~] subtract from the market

value as determined by the appraisal district of residence homesteads to which Section 23.23, Tax Code, applies the amount by which that amount exceeds the appraised value of those properties as calculated by the appraisal district under Section 23.23, Tax Code.

If the comptroller determines in the annual study that the market value of property in a school district as determined by the appraisal district that appraises property for the school district, less the total of the amounts and values listed in Subsection (d) as determined by that appraisal district, is not valid, the comptroller, in determining the taxable value of property in the school district under Subsection (d), shall for purposes of Subsection (d)(13) [~~(d)(14)~~] subtract from the market value as estimated by the comptroller of residence homesteads to which Section 23.23, Tax Code, applies the amount by which that amount exceeds the appraised value of those properties as calculated by the appraisal district under Section 23.23, Tax Code.

SECTION 24. Section 373A.151(b), Local Government Code, is amended to read as follows:

(b) In addition to other provisions of this subchapter that modify or supersede the application of Chapter 311, Tax Code, to a zone established under this subchapter, Section [~~Sections~~] 311.005 [~~and 311.006~~], Tax Code, does [~~do~~] not apply to a zone established under this subchapter.

SECTION 25. Sections 311.003(e), (f), and (g), 311.006, and 311.013(d) and (e), Tax Code, are repealed.

SECTION 26. (a) The legislature validates and confirms all governmental acts and proceedings of a municipality or county, the board of directors of a reinvestment zone, or an entity acting under Section 311.010(f), Tax Code, that were taken before the effective date of this Act and relate to or are associated with the designation, operation, or administration of a reinvestment zone or the implementation of a project plan or reinvestment zone financing plan under Chapter 311, Tax Code, including the extension of the term of a reinvestment zone, as of the dates on which they occurred. The acts and proceedings may not be held invalid because they were not in accordance with Chapter 311, Tax Code, or other law.

(b) Subsection (a) of this section does not apply to any matter that on the 30th day after the effective date of this Act:

(1) is involved in litigation if the litigation ultimately results in the matter being held invalid by a final judgment of a court; or

(2) has been held invalid by a final judgment of a court.

SECTION 27. (a) Section 311.002(1), Tax Code, as amended by this Act, applies to all costs described by that subdivision regardless of when they were incurred.

(b) Section 311.0091, Tax Code, as amended by this Act, applies only to an individual appointed by a conservation and reclamation district to the board of directors of a reinvestment zone on or after the effective date of this Act. An individual appointed by a conservation and reclamation district to the board of a

reinvestment zone before the effective date of this Act is governed by Section 311.0091, Tax Code, as that section existed immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

(c) Section 311.012(c), Tax Code, as amended by this Act, applies only to the determination of the tax increment base of a taxing unit for a tax year beginning on or after the effective date of this Act, except that if the tax increment base of a taxing unit for a tax year beginning before the effective date was determined in the manner provided by Section 311.012(c), Tax Code, as amended by this Act, the determination is validated as if the amendment were in accordance with Section 311.012(c), Tax Code, as that section existed immediately before the effective date of this Act.

SECTION 28. Section 42.2516, Education Code, as amended by this Act, applies as if Subsection (b)(4) of that section were in effect in the state fiscal year beginning September 1, 2006, and any amounts due a school district under Subsection (b)(4) of that section for the state fiscal years beginning September 1, 2006, September 1, 2007, and September 1, 2008, shall be paid to the district in the state fiscal year beginning September 1, 2009, at the time payments are made to the district under Section 42.259(f), Education Code.

SECTION 29. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2009.

Amendment No. 1 was adopted.

**CSSB 361** (Callegari - House Sponsor), A bill to be entitled An Act relating to the requirement that certain water service providers ensure emergency operations during an extended power outage.

**Amendment No. 1**

On behalf of Representative W. Smith, Representative Callegari offered the following amendment to **CSSB 361**:

Amend **CSSB 361** at the end of Section 2 of the bill by adding the following:

(e) An affected utility may file with the Texas Commission on Environmental Quality a written request for an extension, not to exceed 90 days, of the date by which the affected utility is required under Subsection (c) of this section to submit the affected utility's emergency preparedness plan or of the date by which the affected utility is required under Subsection (d) of this section to implement the affected utility's emergency preparedness plan. The Texas Commission on Environmental Quality shall approve the requested extension for good cause shown.

Amendment No. 1 was adopted.

**SB 413** (Kent, Christian, Miklos, Riddle, and Gallego - House Sponsors), A bill to be entitled An Act relating to the prosecution of a Class C misdemeanor offense for which the defendant does not appear.

**SB 414** (Kent, Christian, Moody, Riddle, Gallego, et al. - House Sponsors), A bill to be entitled An Act relating to conducting by electronic means a hearing to determine a defendant's ability to discharge certain fines and court costs.

### **POSTPONED BUSINESS**

The following bills were laid before the house as postponed business:

**SCR 40** (Truitt - House Sponsor), Recognizing the City of Grapevine as the Christmas Capital of Texas.

**SCR 40** was read second time earlier today and was postponed until this time.

**SCR 40** was withdrawn.

### **LOCAL, CONSENT, AND RESOLUTIONS CALENDAR (consideration continued)**

**SB 415** (Kent, Riddle, Pierson, Christian, and Gallego - House Sponsors), A bill to be entitled An Act relating to the court in which certain persons charged with misdemeanors punishable by fine only may be arraigned.

**SB 576** (T. Smith - House Sponsor), A bill to be entitled An Act relating to the implementation of a project plan or financing plan for a reinvestment zone under the Tax Increment Financing Act and the granting of exemptions from ad valorem taxes imposed on real property in a reinvestment zone under that Act.

**SB 654** (Guillen - House Sponsor), A bill to be entitled An Act relating to continued health coverage for employees of certain political subdivisions.

#### **Amendment No. 1**

On behalf of Representative Cook, Representative Guillen offered the following amendment to **SB 654**:

Amend **SB 654** (house committee report) as follows:

(1) After SECTION 4 of the bill (page 5, between lines 11 and 12), insert the following:

SECTION 5. Section 172.003(3) is amended to read as follows:

(3) "Political Subdivision" means a county, municipality, special district, school district, junior college district, housing authority, or other political subdivision of this [the] state or any other state.

(2) Renumber SECTIONS of the bill appropriately.

Amendment No. 1 was adopted.

#### **Amendment No. 2**

Representative Guillen offered the following amendment to **SB 654**:

Amend **SB 654** as follows:

(1) Add the following appropriately numbered SECTION to the bill (page 1, between lines 22 and 23):

SECTION \_\_\_\_\_. Chapter 175, Local Government Code, is amended by adding Section 175.0015 to read as follows:

Sec. 175.0015. DEFINITION. In this chapter, "early retiree" means a person who retires from county or municipal employment before the person is eligible for federal Medicare benefits.

(2) In SECTION 3 of the bill, in the recital for that section (page 1, lines 23 and 24), strike "Subsections (a) and (b), Section 175.002, Local Government Code, are amended" and substitute "Section 175.002, Local Government Code, is amended by amending Subsections (a) and (b) and adding Subsections (a-1) and (a-2)".

(3) In SECTION 3 of the bill, in amended Section 175.002(a), Local Government Code (page 2, line 5), strike "The" and substitute "Except as provided by Subsections (a-1) and (a-2), the [The]".

(4) In SECTION 3 of the bill, in amended Section 175.002, Local Government Code (page 2, between lines 8 and 9), insert the following:

(a-1) In addition to providing health benefits coverage for early retirees under a group health insurance plan or group health coverage plan offered to active employees, a county or municipality may provide coverage for early retirees under:

(1) a fully insured health benefits plan or a self-insured health benefits plan that is separate from the plans offered to its active employees; or

(2) a group health insurance plan or group health coverage plan offered by a pool established under Chapter 172 or a health benefits plan issuer authorized to do business in this state and designated by the municipality or county as exclusively for early retirees.

(a-2) Participation by an early retiree in the health benefits coverage provided under Subsection (a-1) is at the early retiree's discretion. An early retiree may not be forced to change coverage from a group health insurance plan or group health coverage plan offered to active employees. An early retiree may elect to return to participation in the active employee group health insurance plans during open enrollment.

(5) In SECTION 4 of the bill, in amended Section 175.003(b), Local Government Code (page 2, line 27, through page 3, line 2), strike "is the same level of coverage provided to current employees of the political subdivision [county or municipality] at that time." and substitute the following:

is:

(1) for persons other than early retirees who do not choose to use the early retiree health benefits coverage provided under Section 175.002(a-1), the same level of coverage provided to current employees of the political subdivision [county or municipality] at that time; and

(2) for early retirees, a level of coverage that is comparable to the level of coverage provided to active employees of the political subdivision, as determined by the governing body of the political subdivision for each enrollment period.

(b-1) For purposes of Subsection (b)(2), "comparable" means the health benefits defined in the contract and summary plan description do not limit the choices of the person or the person's health care provider in any way that is not also limited for active employees.

(6) In SECTION 5 of the bill, immediately after Subsection (b) of that section (page 5, between lines 24 and 25), insert the following:

(c) Sections 175.002 and 175.003, Local Government Code, as amended by this Act, apply to a person who retires from county or municipal employment regardless of the date on which the person retires.

Amendment No. 2 was adopted. (Fletcher recorded voting no.)

**SB 679** (Y. Davis - House Sponsor), A bill to be entitled An Act relating to the administration of certain housing funds by the Texas Department of Housing and Community Affairs.

**Amendment No. 1**

Representative Olivo offered the following amendment to **SB 679**:

Amend **SB 679** by adding the following appropriately numbered SECTIONS to read as follows and renumbering subsequent SECTIONS accordingly:

SECTION \_\_\_\_\_. Section 2306.6704(b-1), Government Code, is amended to read as follows:

(b-1) The preapplication process must require the applicant to provide the department with evidence that the applicant has notified the following entities with respect to the filing of the application:

(1) each [any] neighborhood organization [organizations] on record with the state or county in which the development is to be located and that has [whose] boundaries containing [contain] the proposed development site or has a boundary located not more than 1,000 feet from any boundary of the proposed development site;

(2) the superintendent and the presiding officer of the board of trustees of the school district containing the development;

(3) the presiding officer of the governing body of any municipality containing the development and all elected members of that body;

(4) the presiding officer of the governing body of the county containing the development and all elected members of that body; and

(5) the state senator and state representative of the district containing the development.

SECTION \_\_\_\_\_. Section 2306.6705, Government Code, is amended to read as follows:

Sec. 2306.6705. GENERAL APPLICATION REQUIREMENTS. An application must contain at a minimum the following written, detailed information in a form prescribed by the board:

(1) a description of:

(A) the financing plan for the development, including any nontraditional financing arrangements;

(B) the use of funds with respect to the development;

(C) the funding sources for the development, including:

(i) construction, permanent, and bridge loans; and

(ii) rents, operating subsidies, and replacement reserves; and

(D) the commitment status of the funding sources for the development;

(2) if syndication costs are included in the eligible basis, a justification of the syndication costs for each cost category by an attorney or accountant specializing in tax matters;

(3) from a syndicator or a financial consultant of the applicant, an estimate of the amount of equity dollars expected to be raised for the development in conjunction with the amount of housing tax credits requested for allocation to the applicant, including:

(A) pay-in schedules; and

(B) syndicator consulting fees and other syndication costs;

(4) if rental assistance, an operating subsidy, or an annuity is proposed for the development, any related contract or other agreement securing those funds and an identification of:

(A) the source and annual amount of the funds;

(B) the number of units receiving the funds; and

(C) the term and expiration date of the contract or other agreement;

(5) if the development is located within the boundaries of a political subdivision with a zoning ordinance, evidence in the form of a letter from the chief executive officer of the political subdivision or from another local official with jurisdiction over zoning matters that states that:

(A) the development is permitted under the provisions of the ordinance that apply to the location of the development; or

(B) the applicant is in the process of seeking the appropriate zoning and has signed and provided to the political subdivision a release agreeing to hold the political subdivision and all other parties harmless in the event that the appropriate zoning is denied;

(6) if an occupied development is proposed for rehabilitation:

(A) an explanation of the process used to notify and consult with the tenants in preparing the application;

(B) a relocation plan outlining:

(i) relocation requirements; and

(ii) a budget with an identified funding source; and

(C) if applicable, evidence that the relocation plan has been submitted to the appropriate local agency;

(7) a certification of the applicant's compliance with appropriate state and federal laws, as required by other state law or by the board;

(8) any other information required by the board in the qualified allocation plan; and

(9) evidence that the applicant has notified the following entities with respect to the filing of the application:

(A) each [any] neighborhood organization [organizations] on record with the state or county in which the development is to be located and that has [whose] boundaries containing [contain] the proposed development site or has a boundary located not more than 1,000 feet from any boundary of the proposed development site;

(B) the superintendent and the presiding officer of the board of trustees of the school district containing the development;

(C) the presiding officer of the governing body of any municipality containing the development and all elected members of that body;

(D) the presiding officer of the governing body of the county containing the development and all elected members of that body; and

(E) the state senator and state representative of the district containing the development.

SECTION \_\_\_\_\_. Section 2306.6710(b), Government Code, is amended to read as follows:

(b) If an application satisfies the threshold criteria, the department shall score and rank the application using a point system that:

(1) prioritizes in descending order criteria regarding:

(A) financial feasibility of the development based on the supporting financial data required in the application that will include a project underwriting pro forma from the permanent or construction lender;

(B) quantifiable community participation with respect to the development, evaluated on the basis of written statements from each [any] neighborhood organization [organizations] on record with the state or county in which the development is to be located and that has [whose] boundaries containing [contain] the proposed development site or has a boundary located not more than 1,000 feet from any boundary of the proposed development site;

(C) the income levels of tenants of the development;

(D) the size and quality of the units;

(E) the commitment of development funding by local political subdivisions;

(F) the level of community support for the application, evaluated on the basis of written statements from the state representative or the state senator that represents the district containing the proposed development site;

(G) the rent levels of the units;

(H) the cost of the development by square foot;

(I) the services to be provided to tenants of the development; and

(J) whether, at the time the complete application is submitted or at any time within the two-year period preceding the date of submission, the proposed development site is located in an area declared to be a disaster under Section 418.014;

(2) uses criteria imposing penalties on applicants or affiliates who have requested extensions of department deadlines relating to developments supported by housing tax credit allocations made in the application round preceding the current round or a developer or principal of the applicant that has been removed by the lender, equity provider, or limited partners for its failure to perform its obligations under the loan documents or limited partnership agreement; and

(3) encourages applicants to provide free notary public service to the residents of the developments for which the allocation of housing tax credits is requested.

SECTION \_\_\_\_\_. The changes in law made by this Act to Sections 2306.6704(b-1), 2306.6705, and 2306.6710(b), Government Code, as amended by this Act, apply only to an application for a low income housing tax credit submitted to the Texas Department of Housing and Community Affairs during an application cycle that begins on or after the effective date of this Act. An application submitted during an application cycle that began before the effective date of this Act is governed by the law in effect on the date the application cycle began, and the former law is continued in effect for that purpose.

Amendment No. 1 was adopted.

**SB 724** (Creighton - House Sponsor), A bill to be entitled An Act relating to the qualification of supervisors of a fresh water supply district.

Representative Creighton moved to postpone consideration of **SB 724** until 10 p.m. today.

The motion prevailed.

**SB 798** (Jackson - House Sponsor), A bill to be entitled An Act relating to refunds of overpayments or erroneous payments of ad valorem taxes.

**SB 801** (Homer - House Sponsor), A bill to be entitled An Act relating to the appraisal for ad valorem tax purposes of land used for wildlife management.

(Hopson in the chair)

**CSSB 882** (Geren - House Sponsor), A bill to be entitled An Act relating to the powers and duties of a regional tollway authority.

Representative Geren moved to postpone consideration of **CSSB 882** until 10 p.m. today.

The motion prevailed.

**SB 927** (T. Smith - House Sponsor), A bill to be entitled An Act relating to tampering with a direct recording electronic voting machine.

**SB 940** (Chisum - House Sponsor), A bill to be entitled An Act relating to the regulation of the public practice of geoscience.

**SB 958** (Heflin - House Sponsor), A bill to be entitled An Act relating to an exemption from the sales and use tax for machinery and equipment used in an agricultural aircraft operation.

#### **Amendment No. 1**

On behalf of Representative Gonzalez Toureilles, Representative Heflin offered the following amendment to **SB 958**:

Amend **SB 958** (House Committee Printing) by adding the following appropriately numbered SECTION and renumbering subsequent SECTIONS accordingly:

SECTION \_\_\_\_\_. Section 151.328, Tax Code, is amended by amending Subsections (a) and (b) and adding Subsection (h) to read as follows:

(a) Aircraft are exempted from the taxes imposed by this chapter if:

(1) sold to a person using the aircraft as a certificated or licensed carrier of persons or property;

(2) sold to a person who:

(A) has a sales tax permit issued under this chapter; and

(B) uses the aircraft for the purpose of providing flight instruction

that is:

(i) recognized by the Federal Aviation Administration;

(ii) under the direct or general supervision of a flight instructor certified by the Federal Aviation Administration; and

(iii) designed to lead to a pilot certificate or rating issued by the Federal Aviation Administration or otherwise required by a rule or regulation of the Federal Aviation Administration;

(3) sold to a foreign government; ~~(4)~~

(4) sold in this state to a person for use and registration in another state or nation before any use in this state other than flight training in the aircraft and the transportation of the aircraft out of this state; or

(5) sold in this state to a person for use exclusively in connection with an agricultural use, as defined by Section 23.51, and used for:

(A) predator control;

(B) wildlife or livestock capture;

(C) wildlife or livestock surveys;

(D) census counts of wildlife or livestock;

(E) animal or plant health inspection services; or

(F) crop dusting, pollination, or seeding.

(b) Repair, remodeling, and maintenance services to aircraft, including an engine or other component part of aircraft, operated by a person described by Subsection (a)(1), ~~(a)(2)~~, or (a)(5) are exempted from the taxes imposed by this chapter.

(h) For purposes of the exemption under Subsection (a)(5), an aircraft is considered to be for use exclusively in connection with an agricultural use if 95 percent of the use of the aircraft is for a purpose described by Subsections (a)(5)(A) through (F). Travel of less than 30 miles each way to a location to perform a service described by Subsections (a)(5)(A) through (F) does not disqualify an aircraft from the exemption under Subsection (a)(5). A person who claims an exemption under Subsection (a)(5) must maintain and make available to the comptroller flight records for all uses of the aircraft.

SECTION \_\_\_\_\_. The changes in law made by this Act to Section 151.328, Tax Code, are a clarification of existing law and do not imply that the former law may be construed as inconsistent with the law as amended by this Act.

Amendment No. 1 was adopted.

**SB 1055** (Naishtat - House Sponsor), A bill to be entitled An Act relating to reporting and application requirements regarding certain public and private guardians.

**SB 1107** (Pickett - House Sponsor), A bill to be entitled An Act relating to the requirement that driver education curriculum include information regarding distractions while driving.

**SB 1134** (Berman, Guillen, and Bohac - House Sponsors), A bill to be entitled An Act relating to the authority for certain high school students to serve as election clerks.

**SB 1143** (Thompson - House Sponsor), A bill to be entitled An Act relating to requirements regarding employer liability for certain group health benefit plan premiums.

**SB 1143** was passed to third reading by (Record 1121): 123 Yeas, 0 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Aycock; Berman; Bohac; Bolton; Bonnen; Branch; Brown, B.; Brown, F.; Burnam; Button; Castro; Chavez; Chisum; Christian; Cohen; Cook; Crabb; Craddick; Creighton; Crownover; Darby; Davis, J.; Davis, Y.; Deshotel; Driver; Dunnam; Elkins; England; Farias; Farrar; Fletcher; Flynn; Frost; Gattis; Geren; Giddings; Gonzales; Gonzalez Toureilles; Guillen; Hancock; Hardcastle; Harless; Harper-Brown; Heflin; Hernandez; Hilderbran; Hochberg; Hodge; Hopson; Howard, C.; Howard, D.; Hughes; Hunter; Isett; Jackson; Jones; Keffer; Kent; King, P.; King, S.; King, T.; Kleinschmidt; Kolkhorst; Laubenberg; Legler; Leibowitz; Lewis; Lucio; Madden; Maldonado; Marquez; Martinez; McCall; McReynolds; Merritt; Miklos; Miller, D.; Miller, S.; Moody; Morrison; Naishtat; Olivo; Orr; Ortiz; Otto; Patrick; Paxton; Peña; Phillips; Pickett; Pierson; Pitts; Quintanilla; Raymond; Riddle; Rios Ybarra; Ritter; Rodriguez; Sheffield; Shelton; Smith, W.; Smithee; Solomons; Strama; Swinford; Taylor; Thompson; Truitt; Turner, C.; Turner, S.; Vaught; Veasey; Villarreal; Vo; Walle; Weber; Woolley; Zerwas.

Present, not voting — Mr. Speaker; Eiland(C).

Absent, Excused — Kuempel.

Absent — Callegari; Coleman; Corte; Dukes; Dutton; Edwards; Eissler; Farabee; Flores; Gallego; Gutierrez; Hamilton; Hartnett; Herrero; Homer; Mallory Caraway; Martinez Fischer; McClendon; Menendez; Oliveira; Parker; Rose; Smith, T.; Thibaut.

### STATEMENTS OF VOTE

When Record No. 1121 was taken, I was in the house but away from my desk. I would have voted yes.

Corte

When Record No. 1121 was taken, I was in the house but away from my desk. I would have voted yes.

Farabee

I was shown voting yes on Record No. 1121. I intended to vote no.

Flynn

When Record No. 1121 was taken, I was in the house but away from my desk. I would have voted yes.

Gallego

When Record No. 1121 was taken, I was in the house but away from my desk. I would have voted yes.

Herrero

When Record No. 1121 was taken, I was in the house but away from my desk. I would have voted yes.

Menendez

When Record No. 1121 was taken, I was in the house but away from my desk. I would have voted yes.

Parker

When Record No. 1121 was taken, I was in the house but away from my desk. I would have voted yes.

T. Smith

### **POSTPONED BUSINESS**

The following bills were laid before the house as postponed business:

**SB 724** (Creighton - House Sponsor), A bill to be entitled An Act relating to the qualification of supervisors of a fresh water supply district.

**SB 724** was read second time earlier today and was postponed until this time.

**SB 724** was deferred until the end of today's local, consent, and resolutions calendar.

**CSSB 882** (Geren - House Sponsor), A bill to be entitled An Act relating to the powers and duties of a regional tollway authority.

**CSSB 882** was read second time earlier today and was postponed until this time.

**CSSB 882** was passed to third reading.

### **LOCAL, CONSENT, AND RESOLUTIONS CALENDAR (consideration continued)**

**SB 1145** (Dunnam - House Sponsor), A bill to be entitled An Act relating to protocol for folding the state flag.

**SB 1209** (S. Miller - House Sponsor), A bill to be entitled An Act relating to the Middle Trinity Groundwater Conservation District.

**CSSB 1374** (McReynolds - House Sponsor), A bill to be entitled An Act relating to annual reports by the Texas Juvenile Probation Commission on the operations and conditions of probation services in this state.

**SB 1478** (Vaught - House Sponsor), A bill to be entitled An Act relating to the authority of hospital districts to lease undeveloped real property.

**CSSB 1612** (Rodriguez - House Sponsor), A bill to be entitled An Act relating to the provision of information by health and human services agencies to assist children with velocardiocardial syndrome. (Flynn recorded voting no.)

**SB 1633** (Creighton - House Sponsor), A bill to be entitled An Act relating to certain restrictions on the composition of a tax increment financing reinvestment zone.

Representative Creighton moved to postpone consideration of **SB 1633** until 11:25 p.m. today.

The motion prevailed.

**SB 1777** (Shelton - House Sponsor), A bill to be entitled An Act relating to disbursement of child support payments in Title IV-D cases.

**SB 1782** (Keffer - House Sponsor), A bill to be entitled An Act relating to the deferral by a licensed distributor or importer of payment of gasoline and diesel fuel taxes and credits authorized for certain of those deferrals.

**CSSB 1812** (Hancock - House Sponsor), A bill to be entitled An Act relating to notice to a life insurer of an adverse claim to policy proceeds by a person with a bona fide legal claim.

**SB 1813** (Chisum - House Sponsor), A bill to be entitled An Act relating to the exception from required public disclosure of certain appraisal district records.

**SB 1844** (Madden - House Sponsor), A bill to be entitled An Act relating to revenue received from the provision of pay telephone service to inmates confined in facilities operated by the Texas Department of Criminal Justice. (Flynn recorded voting no.)

**SB 1903** (W. Smith, Corte, Chavez, Farias, and Berman - House Sponsors), A bill to be entitled An Act relating to creating a recognition day in honor of Vietnam veterans.

**SB 1947** (Hancock and Oliveira - House Sponsors), A bill to be entitled An Act relating to the authority of two or more municipalities to designate a joint tax increment financing reinvestment zone.

**Amendment No. 1 (Committee Amendment No. 1)**

On behalf of Representative Oliveira, Representative Hancock offered the following committee amendment to **SB 1947**:

Amend **SB 1947** by striking all below the enacting clause and substituting the following:

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

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

(A) capital costs, including the actual costs of the acquisition and construction of public works, public improvements, new buildings, structures, and fixtures; the actual costs of the acquisition, demolition, alteration, remodeling, repair, or reconstruction of existing buildings, structures, and fixtures; the actual costs of the remediation of conditions that contaminate public or private land or buildings; the actual costs of the preservation of the facade of a public or private building; the actual costs of the demolition of public or private buildings; and the actual costs of the acquisition of land and equipment and the clearing and grading of land;

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

(C) real property assembly costs;

(D) professional service costs, including those incurred for architectural, planning, engineering, and legal advice and services;

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

(F) relocation costs;

(G) organizational costs, including the costs of conducting environmental impact studies or other studies, the cost of publicizing the creation of the zone, and the cost of implementing the project plan for the zone;

(H) interest before and during construction and for one year after completion of construction, whether or not capitalized;

(I) the cost of operating the reinvestment zone and project facilities;

(J) the amount of any contributions made by the municipality or county from general revenue for the implementation of the project plan; ~~and~~

(K) the costs of a program described by Section 311.010(h);

(L) the costs of school buildings, other educational buildings, other educational facilities, or other buildings owned by or on behalf of a school district, community college district, or other political subdivision of this state;

(M) the costs of providing affordable housing or areas of public assembly in or outside of the zone; and

(N) payments made at the discretion of the governing body of the municipality or county that the governing body finds necessary or convenient to the creation of the zone or to the implementation of the project plans for the zone.

SECTION 2. Sections 311.003(a) and (b), Tax Code, are amended to read as follows:

(a) The governing body of a county by order may designate a geographic area in the county or the governing body of a municipality by ordinance [~~or the governing body of a county by order~~] may designate a [~~contiguous~~] geographic area that is in the corporate limits of the municipality, in the extraterritorial jurisdiction of the municipality, or in both [~~in the jurisdiction of the municipality or county~~] to be a reinvestment zone to promote development or redevelopment of the area if the governing body determines that development or redevelopment would not occur solely through private investment in the reasonably foreseeable future. The area need not be contiguous if the governing body determines that the tracts included in the area are substantially related. The designation of an area that is wholly or partly located in the extraterritorial jurisdiction of a municipality is not affected by a subsequent annexation of real property in the reinvestment zone by the municipality. The tax increment base of a municipality that annexes an area in a zone after the area is included in the zone is computed as if the area were located in the corporate limits of the municipality at the time the area was included in the zone.

(b) Before adopting an ordinance or order designating [~~providing for~~] a reinvestment zone, the governing body of the municipality or county must prepare a preliminary reinvestment zone financing plan. [~~As soon as the plan is completed, a copy of the plan must be sent to the governing body of each taxing unit that levies taxes on real property in the proposed zone.~~]

SECTION 3. Chapter 311, Tax Code, is amended by adding Section 311.0035 to read as follows:

Sec. 311.0035. PROCEDURE FOR DESIGNATING JOINT REINVESTMENT ZONE. (a) The governing bodies of two or more municipalities by ordinance adopted by each municipality may designate a contiguous area in the jurisdiction of each of the municipalities to be a joint reinvestment zone. Except as otherwise provided by this section, each of the municipalities must follow the procedures provided by Section 311.003 to designate an area as a joint reinvestment zone. The ordinances adopted by all of the municipalities designating an area as a joint reinvestment zone must contain the same terms and 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) create a board of directors for the zone and specify:

(A) the number of directors;

(B) the qualifications of directors;

(C) the manner in which directors are appointed;

(D) the terms of directors;

(E) the manner in which vacancies on the board are filled; and

(F) the manner by which officers of the board are selected;

(3) provide that the zone takes effect immediately on adoption of the ordinance by the last of the municipalities in the jurisdiction of which the area contained in the zone is located;

(4) provide a termination date for the zone;

(5) assign a name to the zone, which may include the name of one or more of the designating municipalities and may contain a number;

(6) establish a tax increment fund for the zone; and

(7) contain findings that:

(A) improvements in the zone will significantly enhance the value of all taxable real property in the zone and will be of general benefit to the municipalities; and

(B) the area meets the requirements of Sections 311.005(a)(1) and (2) and (a-1).

(b) For purposes of complying with Subsection (a)(7)(A), the ordinances are not required to identify the specific parcels of real property to be enhanced in value.

(c) The boundaries of a joint reinvestment zone may be enlarged or reduced by ordinance of the governing bodies of the municipalities that designated the zone, subject to the restrictions contained in this section.

(d) The municipalities designating a joint reinvestment zone may exercise any power necessary and convenient to carry out this section and the other provisions of this chapter, including the powers listed in Section 311.008.

(e) Except as otherwise provided by this section, the board of directors of a joint reinvestment zone has the same powers and duties and is subject to the same limitations as the board of directors of a reinvestment zone designated by a single municipality. Sections 311.011, 311.012, 311.0123, 311.013, 311.014, 311.015, 311.016, 311.0163, and 311.018 apply to the municipalities designating a joint reinvestment zone, except that a reference in those sections to a municipality means all of the municipalities designating a joint reinvestment zone and an action required of a municipality under those sections is considered to be required of all of the municipalities designating a joint reinvestment zone.

(f) Expenditures from tax increment financing funds or bonds secured by tax increment financing may be made without regard to the location from which the funds were derived or the location within the joint reinvestment zone at which the funds are spent, but only if those expenditures are authorized as required by this chapter.

SECTION 4. Section 311.005(a), Tax Code, is amended to read as follows:

(a) To be designated as a reinvestment zone, an area must:

(1) substantially arrest or impair the sound growth of the municipality or county designating ~~creating~~ the zone, retard the provision of housing accommodations, or constitute an economic or social liability and be a menace to the public health, safety, morals, or welfare in its present condition and use because of the presence of:

(A) a substantial number of substandard, slum, deteriorated, or deteriorating structures;

(B) the predominance of defective or inadequate sidewalk or street layout;

(C) faulty lot layout in relation to size, adequacy, accessibility, or usefulness;

(D) unsanitary or unsafe conditions;

(E) the deterioration of site or other improvements;  
 (F) tax or special assessment delinquency exceeding the fair value of the land;

(G) defective or unusual conditions of title;

(H) conditions that endanger life or property by fire or other cause;

or

(I) structures, other than single-family residential structures, less than 10 percent of the square footage of which has been used for commercial, industrial, or residential purposes during the preceding 12 years, if the municipality has a population of 100,000 or more;

(2) be predominantly open, undeveloped, or underdeveloped and, because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impair or arrest the sound growth of the municipality or county;

(3) be in a federally assisted new community located in the municipality or county or in an area immediately adjacent to a federally assisted new community; or

(4) be an area described in a petition requesting that the area be designated as a reinvestment zone, if the petition is submitted to the governing body of the municipality or county by the owners of property constituting at least 50 percent of the appraised value of the property in the area according to the most recent certified appraisal roll for the county in which the area is located.

SECTION 5. Section 311.007, Tax Code, is amended to read as follows:

Sec. 311.007. CHANGING BOUNDARIES OR TERM OF EXISTING ZONE. (a) ~~The [Subject to the limitations provided by Section 311.006, if applicable, the]~~ boundaries of an existing reinvestment zone may be reduced or enlarged by ordinance or resolution of the governing body of the municipality or by order or resolution of the governing body of the county that designated ~~created~~ the zone.

(b) The governing body of the municipality or county that designated a reinvestment zone by ordinance or resolution or by order or resolution, respectively, may extend the term of all or a portion of the zone after notice and hearing in the manner provided for the designation of the zone. A taxing unit other than the municipality or county that designated the zone is not required to participate in the zone or portion of the zone for the extended term unless the taxing unit enters into a written agreement to do so ~~[may enlarge an existing reinvestment zone to include an area described in a petition requesting that the area be included in the zone if the petition is submitted to the governing body of the municipality or county by the owners of property constituting at least 50 percent of the appraised value of the property in the area according to the most recent certified appraisal roll for the county in which the area is located. The composition of the board of directors of the zone continues to be governed by Section 311.009(a) or (b), whichever applied to the zone immediately before the enlargement of the zone, except that the membership of the board must conform to the requirements of the applicable subsection of Section 311.009 as applied to~~

~~the zone after its enlargement. The provision of Section 311.006(b) relating to the amount of property used for residential purposes that may be included in the zone does not apply to the enlargement of a zone under this subsection].~~

SECTION 6. Section 311.008, Tax Code, is amended by amending Subsection (b) and adding Subsections (f) and (g) to read as follows:

(b) A municipality or county may exercise any power necessary and convenient to carry out this chapter, including the power to:

(1) cause project plans to be prepared, approve and implement the plans, and otherwise achieve the purposes of the plan;

(2) acquire real property by purchase, condemnation, or other means ~~[to implement project plans]~~ and sell real ~~[that]~~ property, on the terms and conditions and in the manner it considers advisable, to implement project plans;

(3) enter into agreements, including agreements with bondholders, determined by the governing body of the municipality or county to be necessary or convenient to implement project plans and achieve their purposes, which agreements may include conditions, restrictions, or covenants that run with the land or that by other means regulate or restrict the use of land; and

(4) consistent with the project plan for the zone:

(A) acquire blighted, deteriorated, deteriorating, undeveloped, or inappropriately developed real property or other property in a blighted area or in a federally assisted new community in the zone for the preservation or restoration of historic sites, beautification or conservation, the provision of public works or public facilities, or other public purposes;

(B) acquire, construct, reconstruct, or install public works, facilities, or sites or other public improvements, including utilities, streets, street lights, water and sewer facilities, pedestrian malls and walkways, parks, flood and drainage facilities, or parking facilities, but not including educational facilities; or

(C) in a reinvestment zone created on or before September 1, 1999, acquire, construct, or reconstruct educational facilities in the municipality.

(f) The governing body of a municipality or county may impose a fee:

(1) on property owners who submit a petition under Section 311.005(a)(4) for processing the petition; or

(2) for reviewing a project designated or proposed to be designated under this chapter.

(g) A fee under Subsection (f) must be reasonably related to the estimated cost to the municipality or county of processing the petition or reviewing the project, respectively.

SECTION 7. Section 311.0085(a), Tax Code, is amended to read as follows:

(a) This section applies only to a municipality with a population of less than 130,000 as shown by the 2000 federal decennial census that has[~~±~~

~~(1) territory in three counties[~~±~~ and~~

~~(2) a population of less than 120,000].~~

SECTION 8. Sections 311.009(a), (b), and (e), Tax Code, are amended to read as follows:

(a) Except as provided by Subsection (b), the board of directors of a reinvestment zone consists of at least five and not more than 15 members, unless more than 15 members are required to satisfy the requirements of this subsection. Each taxing unit other than the municipality or county that designated ~~[created]~~ the zone that levies taxes on real property in the zone may appoint one member of the board if the taxing unit has approved the payment of all or part of the tax increment produced by the unit into the tax increment fund for the zone. A unit may waive its right to appoint a director. The governing body of the municipality or county that designated ~~[created]~~ the zone may appoint not more than 10 directors to the board; except that if there are fewer than five directors appointed by taxing units other than the municipality or county, the governing body of the municipality or county may appoint more than 10 members as long as the total membership of the board does not exceed 15.

(b) If the zone was designated under Section 311.005(a)(4), the governing body of the municipality or county that designated the zone may provide that the board of directors of the zone consists of nine members appointed as provided by this subsection, unless more than nine members are required to comply with this subsection. Each taxing unit ~~[school district, county, or municipality]~~, other than the municipality or county that designated ~~[created]~~ the zone, that levies taxes on real property in the zone may appoint one member of the board if the taxing unit ~~[school district, county, or municipality]~~ has approved the payment of all or part of the tax increment produced by the unit into the tax increment fund for the zone. The member of the state senate in whose district the zone is located is a member of the board, and the member of the state house of representatives in whose district the zone is located is a member of the board, except that either may designate another individual to serve in the member's place at the pleasure of the member. If the zone is located in more than one senate or house district, this subsection applies only to the senator or representative in whose district a larger portion of the zone is located than any other senate or house district, as applicable. If fewer than seven taxing units, other than the municipality or county that designated the zone, are eligible to appoint members of the board of directors of the zone, the municipality or county may appoint a number of members of the board such that the board comprises nine members. If at least seven taxing units, other than the municipality or county that designated the zone, are eligible to appoint members of the board of directors of the zone, the municipality or county may appoint one member. ~~[The remaining members of the board are appointed by the governing body of the municipality or county that created the zone.]~~

(e) To be eligible for appointment to the board by the governing body of the municipality or county that designated ~~[created]~~ the zone, an individual must:

(1) if the board is covered by Subsection (a):

(A) be a resident of this state and a citizen of the United States ~~[qualified voter of the municipality or county, as applicable]; and [or]~~

(B) be at least 18 years of age ~~[and own real property in the zone, whether or not the individual resides in the municipality or county]; or~~

(2) if the board is covered by Subsection (b):

(A) be at least 18 years of age; and

(B) own real property in the zone or be an employee, tenant, or agent of a person that owns real property in the zone.

SECTION 9. Section 311.0091, Tax Code, is amended by amending Subsection (f) and adding Subsection (i) to read as follows:

(f) Except as provided by Subsection (i), to ~~To~~ be eligible for appointment to the board, an individual must:

(1) be a qualified voter of the municipality; or

(2) be at least 18 years of age and own real property in the zone or be an employee or agent of a person that owns real property in the zone.

(i) The eligibility criteria for appointment to the board specified by Subsection (f) do not apply to an individual appointed by a conservation and reclamation district:

(1) created under Section 59, Article XVI, Texas Constitution; and

(2) the jurisdiction of which covers four counties.

SECTION 10. Sections 311.010(b), (g), and (h), Tax Code, are amended to read as follows:

(b) The board of directors of a reinvestment zone and the governing body of the municipality or county that designates ~~creates~~ a reinvestment zone may each enter into agreements as the board or the governing body considers necessary or convenient to implement the project plan and reinvestment zone financing plan and achieve their purposes. An agreement may provide for the regulation or restriction of the use of land by imposing conditions, restrictions, or covenants that run with the land. An agreement may during the term of the agreement dedicate, pledge, or otherwise provide for the use of revenue in the tax increment fund to pay any project costs that benefit the reinvestment zone, including project costs relating to the cost of buildings, schools, or other educational facilities owned by or on behalf of a school district, community college district, or other political subdivision of this state, railroad or transit facilities, affordable housing, the remediation of conditions that contaminate public or private land or buildings, the preservation of the facade of a private or public building, ~~or~~ the demolition of public or private buildings, or the construction of a road, sidewalk, or other public infrastructure in or out of the zone, including the cost of acquiring the real property necessary for the construction of the road, sidewalk, or other public infrastructure. An agreement may dedicate revenue from the tax increment fund to pay the costs of providing affordable housing or areas of public assembly in or out of the zone. ~~[An agreement may dedicate revenue from the tax increment fund to pay a neighborhood enterprise association for providing services or carrying out projects authorized under Subchapters E and G, Chapter 2303, Government Code, in the zone. The term of an agreement with a neighborhood enterprise association may not exceed 10 years.]~~

(g) Chapter 252, Local Government Code, does not apply to a dedication, pledge, or other use of revenue in the tax increment fund for a reinvestment zone ~~[by the board of directors of the zone in carrying out its powers]~~ under Subsection (b).

(h) Subject to the approval of the governing body of the municipality or county that designated ~~[created]~~ the zone, the board of directors of a reinvestment zone, as necessary or convenient to implement the project plan and reinvestment zone financing plan and achieve their purposes, may establish and provide for the administration of one or more programs for the public purposes of developing and diversifying the economy of the zone, eliminating unemployment and underemployment in the zone, and developing or expanding transportation, business, and commercial activity in the zone, including programs to make grants and loans ~~[from the tax increment fund of the zone in an aggregate amount not to exceed the amount of the tax increment produced by the municipality and paid into the tax increment fund for the zone]~~ for activities that benefit the zone and stimulate business and commercial activity in the zone. For purposes of this subsection, on approval of the municipality or county, the board of directors of the zone has all the powers of a municipality under Chapter 380, Local Government Code. The approval required by this subsection may be granted in an ordinance, in the case of a zone designated by a municipality, or in an order, in the case of a zone designated by a county, approving a project plan or reinvestment zone financing plan or approving an amendment to a project plan or reinvestment zone financing plan.

SECTION 11. Section 311.01005, Tax Code, is amended by adding Subsection (f) to read as follows:

(f) This section does not limit the power of the board of directors of a reinvestment zone or the governing body of the municipality that designates a reinvestment zone to dedicate, pledge, or otherwise provide for the use of revenue in the tax increment fund for the zone to finance the costs of a project involving real property located outside the zone.

SECTION 12. Section 311.011, Tax Code, is amended by amending Subsections (a), (b), (c), (d), and (g) and adding Subsection (h) to read as follows:

(a) The board of directors of a reinvestment zone shall prepare and adopt a project plan and a reinvestment zone financing plan for the zone and submit the plans to the governing body of the municipality or county that designated ~~[created]~~ the zone. ~~[The plans must be as consistent as possible with the preliminary plans developed for the zone before the creation of the board.]~~

(b) The project plan must include:

(1) a description of ~~[map showing]~~ existing uses and conditions of real property in the zone and ~~[a map showing]~~ proposed ~~[improvements to and proposed]~~ uses of that property;

(2) proposed changes of zoning ordinances, ~~[the master plan of the municipality,]~~ building codes, other municipal ordinances, and subdivision rules and regulations, if any, of the county, if applicable; and

(3) ~~[a list of estimated nonproject costs; and]~~  
~~[(4)]~~ a statement of a method of relocating persons to be displaced, if any, as a result of implementing the plan.

(c) The reinvestment zone financing plan must include:

(1) a detailed list describing the estimated project costs of the zone, including administrative expenses;

(2) a statement listing the proposed kind, number, and location of all ~~[proposed]~~ public works or public improvements to be financed by [it] the zone;

(3) a finding that the plan is economically feasible [an economic feasibility study];

(4) the estimated amount of bonded indebtedness to be incurred;

(5) the estimated time when related costs or monetary obligations are to be incurred;

(6) a description of the methods of financing all estimated project costs and the expected sources of revenue to finance or pay project costs, including the percentage of tax increment to be derived from the property taxes of each taxing unit anticipated to contribute tax increment to the zone that levies taxes on real property in the zone;

(7) the current total appraised value of taxable real property in the zone;

(8) the estimated captured appraised value of the zone during each year of its existence; and

(9) the duration of the zone.

(d) The governing body of the municipality or county that designated ~~[created]~~ the zone must approve a project plan or reinvestment zone financing plan after its adoption by the board. The approval must be by ordinance, in the case of a municipality, or by order, in the case of a county, that finds that the plan is feasible ~~[and conforms to the master plan, if any, of the municipality or to subdivision rules and regulations, if any, of the county].~~

(g) A [An amendment to the project plan or the reinvestment zone financing plan for a zone does not apply to a] school district that participates in a [the] zone is not required to increase the percentage or amount of the tax increment to be contributed by the school district because of an amendment to the project plan or reinvestment zone financing plan for the zone unless the governing body of the school district by official action approves the amendment[~~, if the amendment:~~

~~[(1) has the effect of directly or indirectly increasing the percentage or amount of the tax increment to be contributed by the school district; or~~

~~[(2) requires or authorizes the municipality or county creating the zone to issue additional tax increment bonds or notes].~~

(h) Unless specifically provided otherwise in the plan, all amounts contained in the project plan or reinvestment zone financing plan, including amounts of expenditures relating to project costs and amounts relating to participation by taxing units, are considered estimates and do not act as a limitation on the described items.

SECTION 13. Sections 311.012(a) and (c), Tax Code, are amended to read as follows:

(a) The amount of a taxing unit's tax increment for a year is the amount of property taxes levied and assessed by the unit for that year on the captured appraised value of real property taxable by the unit and located in a reinvestment zone or the amount of property taxes levied and collected by the unit for that year on the captured appraised value of real property taxable by the unit and located in

a reinvestment zone. The governing body of a taxing unit shall determine which of the methods specified by this subsection is used to calculate the amount of the unit's tax increment.

(c) The tax increment base of a taxing unit is the total taxable ~~[appraised]~~ value of all real property taxable by the unit and located in a reinvestment zone for the year in which the zone was designated under this chapter. If the boundaries of a zone are enlarged, the tax increment base is increased by the taxable value of the real property added to the zone for the year in which the property was added. If the boundaries of a zone are reduced, the tax increment base is reduced by the taxable value of the real property removed from the zone for the year in which the property was originally included in the zone's boundaries. If the municipality that designates a zone does not levy an ad valorem tax in the year in which the zone is designated, the tax increment base is determined by the appraisal district in which the zone is located using assumptions regarding exemptions and other relevant information provided to the appraisal district by the municipality.

SECTION 14. Sections 311.013(f), (g), (l), and (n), Tax Code, are amended to read as follows:

(f) A taxing unit is not required to pay into the tax increment fund any of its tax increment produced from property located in a reinvestment zone designated under Section 311.005(a) or in an area added to a reinvestment zone under Section 311.007 unless the taxing unit enters into an agreement to do so with the governing body of the municipality or county that designated ~~[created]~~ the zone. A taxing unit may enter into an agreement under this subsection at any time before or after the zone is designated ~~[created]~~ or enlarged. The agreement may include conditions for payment of that tax increment into the fund and must specify the portion of the tax increment to be paid into the fund and the years for which that tax increment is to be paid into the fund. In addition to any other terms to which the parties may agree, the agreement may specify the projects to which a participating taxing unit's tax increment will be dedicated and that the taxing unit's participation may be computed with respect to a base year later than the original base year of the zone. The agreement and the conditions in the agreement are binding on the taxing unit, the municipality or county, and the board of directors of the zone.

(g) Subject to the provisions of Section 311.0125, in lieu of permitting a portion of its tax increment to be paid into the tax increment fund, and notwithstanding the provisions of Section 312.203, a taxing unit, including ~~[other than]~~ a municipality ~~[city]~~, may elect to offer the owners of taxable real property in a reinvestment zone designated ~~[created]~~ under this chapter an exemption from taxation of all or part of the value of the property. To be effective, an ~~[Any]~~ agreement under this subsection to exempt real property ~~[concerning an exemption]~~ from ad valorem taxes must be approved by:

- (1) the board of directors of the reinvestment zone; and
- (2) the governing body of each taxing unit that imposes taxes on real property in the reinvestment zone and deposits or agrees to deposit any of its tax increment into the tax increment fund for the zone ~~[shall be executed in the~~

~~manner and subject to the limitations of Chapter 312; provided, however, the property covered by the agreement need not be in a zone created pursuant to Chapter 312. A taxing unit may not offer a tax abatement agreement to property owners in the zone after it has entered into an agreement that its tax increments would be paid into the tax increment fund pursuant to Subsection (f)].~~

(l) The governing body of a municipality or county that designates an area as a reinvestment zone may determine, in the designating ordinance or order adopted under Section 311.003 or in the ordinance or order adopted under Section 311.011 approving the reinvestment zone financing plan for the zone, the portion of the tax increment produced by the municipality or county that the municipality or county is required to pay into the tax increment fund for the zone. If a municipality or county does not determine the portion of the tax increment produced by the municipality or county that the municipality or county is required to pay into the tax increment fund for a reinvestment zone, the municipality or county is required to pay into the fund for the zone the entire tax increment produced by the municipality or county, except as provided by Subsection (b)(1).

(n) This subsection applies only to a school district whose taxable value computed under Section 403.302(d), Government Code, is reduced in accordance with Subdivision (4) [~~(5)~~] of that subsection. In addition to the amount otherwise required to be paid into the tax increment fund, the district shall pay into the fund an amount equal to the amount by which the amount of taxes the district would have been required to pay into the fund in the current year if the district levied taxes at the rate the district levied in 2005 exceeds the amount the district is otherwise required to pay into the fund in the year of the reduction [~~, not to exceed the amount the school district realizes from the reduction in the school district's taxable value under Section 403.302(d)(5), Government Code~~].

SECTION 15. Section 311.014(b), Tax Code, is amended to read as follows:

(b) Tax increment and other funds deposited in the tax increment fund of the zone shall be administered by the governing body of the municipality or county that designated the zone or, if delegated by the governing body, by the board of directors of the zone, to implement the project plan and reinvestment zone financing plan for the zone during the term of the zone, as it may be extended, and for any period in which the zone remains in existence for collection and disbursement pursuant to Section 311.017(d). Money may be disbursed from the fund only to satisfy claims of holders of tax increment bonds or notes issued for the zone, to pay project costs for the zone, to make payments pursuant to an agreement made under Section 311.010(b) or a program under Section 311.010(h) dedicating revenue from the tax increment fund, or to repay other obligations incurred for the zone.

SECTION 16. Sections 311.015(a) and (l), Tax Code, are amended to read as follows:

(a) A municipality or county designating [~~creating~~] a reinvestment zone may issue tax increment bonds or notes, the proceeds of which may be used to make payments pursuant to agreements made under Section 311.010(b), to make

payments pursuant to programs under Section 311.010(h), to pay project costs for the reinvestment zone on behalf of which the bonds or notes were issued, or to satisfy claims of holders of the bonds or notes. The municipality or county may issue refunding bonds or notes for the payment or retirement of tax increment bonds or notes previously issued by it. In lieu of issuing bonds or notes under this subsection, a municipality may issue certificates of obligation under Subchapter C, Chapter 271, Local Government Code, to pay the project costs for a zone and may use tax increment from the zone to pay debt service on the certificates.

(1) A tax increment bond or note must mature on or before the date by which the final payments of tax increment into the tax increment fund are due [within 20 years of the date of issue].

SECTION 17. Section 311.016(a), Tax Code, is amended to read as follows:

(a) On or before the 150th ~~90th~~ day following the end of the fiscal year of the municipality or county, the governing body of a municipality or county shall submit to the chief executive officer of each taxing unit that levies property taxes on real property in a reinvestment zone created by the municipality or county a report on the status of the zone. The report must include:

(1) the amount and source of revenue in the tax increment fund established for the zone;

(2) the amount and purpose of expenditures from the fund;

(3) the amount of principal and interest due on outstanding bonded indebtedness;

(4) the tax increment base and current captured appraised value retained by the zone; and

(5) the captured appraised value shared by the municipality or county and other taxing units, the total amount of tax increments received, and any additional information necessary to demonstrate compliance with the tax increment financing plan adopted by the governing body of the municipality or county.

SECTION 18. Section 311.016(b), Tax Code, as amended by Chapters 977 (**HB 1820**) and 1094 (**HB 2120**), Acts of the 79th Legislature, Regular Session, 2005, is reenacted to read as follows:

(b) The municipality or county shall send a copy of a report made under this section to:

(1) the attorney general; and

(2) the comptroller.

SECTION 19. Section 311.017, Tax Code, is amended by amending Subsection (a) and adding Subsections (a-1), (c), (d), and (e) to read as follows:

(a) A reinvestment zone terminates on the earlier of:

(1) the termination date designated in the ordinance or order, as applicable, designating [creating] the zone or an earlier or later termination date designated by an ordinance or order adopted under Section 311.007(b) [subsequent to the ordinance or order creating the zone]; or

(2) the date on which all project costs, tax increment bonds and interest on those bonds, and other obligations have been paid in full.

(a-1) Notwithstanding the designation of a later termination date under Section 311.007(b), a taxing unit that taxes real property located in the zone, other than the municipality or county that created the zone, is not required to pay any of its tax increment into the tax increment fund for the zone for any tax year after the termination date designated in the ordinance or order designating the zone unless the governing body of the taxing unit enters into an agreement to do so with the governing body of the municipality or county that designated the zone.

(c) A zone designated under other law as described by Section 311.0031 terminates for purposes of this chapter on the date specified in the ordinance or order designating the zone as a reinvestment zone under this chapter, regardless of whether the zone has terminated under the other law under which the zone was originally designated.

(d) Subject to Subsection (a-1), if tax increment bonds or other obligations issued or incurred for the zone are outstanding when the zone terminates, the zone remains in existence solely for the purpose of collecting and disbursing tax increment with respect to tax years during the designated term of the zone, as it may have been extended. Those funds shall be used to pay the tax increment bonds or other obligations issued or incurred for the zone. Notwithstanding the other provisions of this subsection or the extension of the term of a zone under Section 311.007, the termination date of a zone for purposes of any contract entered into by the board, or by the municipality or county that designated the zone, remains the termination date designated by ordinance or order in effect on the date the contract was executed unless a subsequent amendment to the contract expressly provides otherwise.

(e) After termination of the zone, the governing body of the municipality or county that designated the zone may continue the zone for an additional period for the purpose of continuing the implementation of the reinvestment zone project plan and financing plan. In that event, although tax increment shall cease to be deposited with respect to tax years following termination of the zone, the zone shall retain all remaining funds, property, and assets of the zone to be used to implement the plans as authorized by the governing body.

SECTION 20. Chapter 311, Tax Code, is amended by adding Section 311.021 to read as follows:

Sec. 311.021. ACT OR PROCEEDING PRESUMED VALID. (a) A governmental act or proceeding of a municipality or county, the board of directors of a reinvestment zone, or an entity acting under Section 311.010(f) relating to the designation, operation, or administration of a reinvestment zone or the implementation of a project plan or reinvestment zone financing plan under this chapter is conclusively presumed, as of the date it occurred, valid and to have occurred in accordance with all applicable statutes and rules if:

(1) the second anniversary of the effective date of the act or proceeding has expired; and

(2) a lawsuit to annul or invalidate the act or proceeding has not been filed on or before the later of that second anniversary or August 1, 2009.

(b) This section does not apply to:

(1) an act or proceeding that was void at the time it occurred;

(2) an act or proceeding that, under a statute of this state or the United States, was a misdemeanor or felony at the time the act or proceeding occurred;

(3) a rule that, at the time it was passed, was preempted by a statute of this state or the United States, including Section 1.06 or 109.57, Alcoholic Beverage Code; or

(4) a matter that on the effective date of the Act enacting this section:

(A) is involved in litigation if the litigation ultimately results in the matter being held invalid by a final judgment of a court; or

(B) has been held invalid by a final judgment of a court.

SECTION 21. Section 42.2516(b), Education Code, is amended to read as follows:

(b) Subject to Subsections (b-1), (b-2), (f-1), (g), and (h), but notwithstanding any other provision of this title, a school district is entitled to state revenue necessary to provide the district with the sum of:

(1) the amount of state revenue necessary to maintain state and local revenue per student in weighted average daily attendance in the amount equal to the greater of:

(A) the amount of state and local revenue per student in weighted average daily attendance for the maintenance and operations of the district available to the district for the 2005-2006 school year;

(B) the amount of state and local revenue per student in weighted average daily attendance for the maintenance and operations of the district to which the district would have been entitled for the 2006-2007 school year under this chapter, as it existed on January 1, 2006, or, if the district would have been subject to Chapter 41, as that chapter existed on January 1, 2006, the amount to which the district would have been entitled under that chapter, based on the funding elements in effect for the 2005-2006 school year, if the district imposed a maintenance and operations tax at the rate adopted by the district for the 2005 tax year; or

(C) the amount of state and local revenue per student in weighted average daily attendance for the maintenance and operations of the district to which the district would have been entitled for the 2006-2007 school year under this chapter, as it existed on January 1, 2006, or, if the district would have been subject to Chapter 41, as that chapter existed on January 1, 2006, the amount to which the district would have been entitled under that chapter, based on the funding elements in effect for the 2005-2006 school year, if the district imposed a maintenance and operations tax at the rate equal to the rate described by Section 26.08(i) or (k)(1), Tax Code, as applicable, for the 2006 tax year;

(2) an amount equal to the product of \$2,500 multiplied by the number of classroom teachers, full-time librarians, full-time counselors certified under Subchapter B, Chapter 21, and full-time school nurses employed by the district and entitled to a minimum salary under Section 21.402; ~~and~~

(3) an amount equal to the product of \$275 multiplied by the number of students in average daily attendance in grades nine through 12 in the district; and

(4) an amount equal to the amount the district is required to pay into the tax increment fund for a reinvestment zone under Section 311.013(n), Tax Code, in the current tax year.

SECTION 22. Section 42.253, Education Code, is amended by adding Subsection (c-1) to read as follows:

(c-1) The amounts to be paid under Section 42.2516(b)(4) shall be paid at the same time as other state revenue is paid to the district. Payments shall be based on amounts paid under Section 42.2516(b)(4) for the preceding year. Any deficiency shall be paid to the district at the same time the final amount to be paid to the district is determined, and any overpayment shall be deducted from the payments the district would otherwise receive in the following year.

SECTION 23. Sections 403.302(d) and (i), Government Code, are amended to read as follows:

(d) For the purposes of this section, "taxable value" means the market value of all taxable property less:

(1) the total dollar amount of any residence homestead exemptions lawfully granted under Section 11.13(b) or (c), Tax Code, in the year that is the subject of the study for each school district;

(2) one-half of the total dollar amount of any residence homestead exemptions granted under Section 11.13(n), Tax Code, in the year that is the subject of the study for each school district;

(3) the total dollar amount of any exemptions granted before May 31, 1993, within a reinvestment zone under agreements authorized by Chapter 312, Tax Code;

(4) subject to Subsection (e), the total dollar amount of any captured appraised value of property that:

(A) is within a reinvestment zone created on or before May 31, 1999, or is proposed to be included within the boundaries of a reinvestment zone as the boundaries of the zone and the proposed portion of tax increment paid into the tax increment fund by a school district are described in a written notification provided by the municipality or the board of directors of the zone to the governing bodies of the other taxing units in the manner provided by Section 311.003(e), Tax Code, before May 31, 1999, and within the boundaries of the zone as those boundaries existed on September 1, 1999, including subsequent improvements to the property regardless of when made;

(B) generates taxes paid into a tax increment fund created under Chapter 311, Tax Code, under a reinvestment zone financing plan approved under Section 311.011(d), Tax Code, on or before September 1, 1999; and

(C) is eligible for tax increment financing under Chapter 311, Tax Code;

~~(5) [for a school district for which a deduction from taxable value is made under Subdivision (4), an amount equal to the taxable value required to generate revenue when taxed at the school district's current tax rate in an amount that, when added to the taxes of the district paid into a tax increment fund as~~

~~described by Subdivision (4)(B), is equal to the total amount of taxes the district would have paid into the tax increment fund if the district levied taxes at the rate the district levied in 2005;~~

~~(6)~~ the total dollar amount of any captured appraised value of property that:

(A) is within a reinvestment zone:

(i) created on or before December 31, 2008, by a municipality with a population of less than 18,000; and

(ii) the project plan for which includes the alteration, remodeling, repair, or reconstruction of a structure that is included on the National Register of Historic Places and requires that a portion of the tax increment of the zone be used for the improvement or construction of related facilities or for affordable housing;

(B) generates school district taxes that are paid into a tax increment fund created under Chapter 311, Tax Code; and

(C) is eligible for tax increment financing under Chapter 311, Tax Code;

~~(6)~~ ~~(7)~~ the total dollar amount of any exemptions granted under Section ~~11.251~~ or 11.253, Tax Code;

~~(7)~~ ~~(8)~~ the difference between the comptroller's estimate of the market value and the productivity value of land that qualifies for appraisal on the basis of its productive capacity, except that the productivity value estimated by the comptroller may not exceed the fair market value of the land;

~~(8)~~ ~~(9)~~ the portion of the appraised value of residence homesteads of individuals who receive a tax limitation under Section 11.26, Tax Code, on which school district taxes are not imposed in the year that is the subject of the study, calculated as if the residence homesteads were appraised at the full value required by law;

~~(9)~~ ~~(10)~~ a portion of the market value of property not otherwise fully taxable by the district at market value because of:

(A) action required by statute or the constitution of this state that, if the tax rate adopted by the district is applied to it, produces an amount equal to the difference between the tax that the district would have imposed on the property if the property were fully taxable at market value and the tax that the district is actually authorized to impose on the property, if this subsection does not otherwise require that portion to be deducted; or

(B) action taken by the district under Subchapter B or C, Chapter 313, Tax Code;

~~(10)~~ ~~(11)~~ the market value of all tangible personal property, other than manufactured homes, owned by a family or individual and not held or used for the production of income;

~~(11)~~ ~~(12)~~ the appraised value of property the collection of delinquent taxes on which is deferred under Section 33.06, Tax Code;

~~(12)~~ ~~(13)~~ the portion of the appraised value of property the collection of delinquent taxes on which is deferred under Section 33.065, Tax Code; and

(13) [(14)] the amount by which the market value of a residence homestead to which Section 23.23, Tax Code, applies exceeds the appraised value of that property as calculated under that section.

(i) If the comptroller determines in the annual study that the market value of property in a school district as determined by the appraisal district that appraises property for the school district, less the total of the amounts and values listed in Subsection (d) as determined by that appraisal district, is valid, the comptroller, in determining the taxable value of property in the school district under Subsection (d), shall for purposes of Subsection (d)(13) [(d)(14)] subtract from the market value as determined by the appraisal district of residence homesteads to which Section 23.23, Tax Code, applies the amount by which that amount exceeds the appraised value of those properties as calculated by the appraisal district under Section 23.23, Tax Code. If the comptroller determines in the annual study that the market value of property in a school district as determined by the appraisal district that appraises property for the school district, less the total of the amounts and values listed in Subsection (d) as determined by that appraisal district, is not valid, the comptroller, in determining the taxable value of property in the school district under Subsection (d), shall for purposes of Subsection (d)(13) [(d)(14)] subtract from the market value as estimated by the comptroller of residence homesteads to which Section 23.23, Tax Code, applies the amount by which that amount exceeds the appraised value of those properties as calculated by the appraisal district under Section 23.23, Tax Code.

SECTION 24. Section 373A.151(b), Local Government Code, is amended to read as follows:

(b) In addition to other provisions of this subchapter that modify or supersede the application of Chapter 311, Tax Code, to a zone established under this subchapter, Section [Sections] 311.005 [and 311.006], Tax Code, does [do] not apply to a zone established under this subchapter.

SECTION 25. Sections 311.003(e), (f), and (g), 311.006, and 311.013(d) and (e), Tax Code, are repealed.

SECTION 26. (a) The legislature validates and confirms all governmental acts and proceedings of a municipality or county, the board of directors of a reinvestment zone, or an entity acting under Section 311.010(f), Tax Code, that were taken before the effective date of this Act and relate to or are associated with the designation, operation, or administration of a reinvestment zone or the implementation of a project plan or reinvestment zone financing plan under Chapter 311, Tax Code, including the extension of the term of a reinvestment zone, as of the dates on which they occurred. The acts and proceedings may not be held invalid because they were not in accordance with Chapter 311, Tax Code, or other law.

(b) Subsection (a) of this section does not apply to any matter that on the 30th day after the effective date of this Act:

(1) is involved in litigation if the litigation ultimately results in the matter being held invalid by a final judgment of a court; or

(2) has been held invalid by a final judgment of a court.

SECTION 27. (a) Section 311.002(1), Tax Code, as amended by this Act, applies to all costs described by that subdivision regardless of when they were incurred.

(b) Section 311.0091, Tax Code, as amended by this Act, applies only to an individual appointed by a conservation and reclamation district to the board of directors of a reinvestment zone on or after the effective date of this Act. An individual appointed by a conservation and reclamation district to the board of a reinvestment zone before the effective date of this Act is governed by Section 311.0091, Tax Code, as that section existed immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

(c) Section 311.012(c), Tax Code, as amended by this Act, applies only to the determination of the tax increment base of a taxing unit for a tax year beginning on or after the effective date of this Act, except that if the tax increment base of a taxing unit for a tax year beginning before the effective date was determined in the manner provided by Section 311.012(c), Tax Code, as amended by this Act, the determination is validated as if the amendment were in accordance with Section 311.012(c), Tax Code, as that section existed immediately before the effective date of this Act.

SECTION 28. Section 42.2516, Education Code, as amended by this Act, applies as if Subsection (b)(4) of that section were in effect in the state fiscal year beginning September 1, 2006, and any amounts due a school district under Subsection (b)(4) of that section for the state fiscal years beginning September 1, 2006, September 1, 2007, and September 1, 2008, shall be paid to the district in the state fiscal year beginning September 1, 2009, at the time payments are made to the district under Section 42.259(f), Education Code.

SECTION 29. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2009.

Amendment No. 1 was adopted.

**CSSB 1948** (McReynolds - House Sponsor), A bill to be entitled An Act relating to a study regarding a supervised reentry program for certain inmates nearing their date of discharge from the Texas Department of Criminal Justice.

**SB 1967** (Chavez - House Sponsor), A bill to be entitled An Act relating to the safe operation of motorcycles and other vehicles in this state; providing penalties.

#### **Amendment No. 1**

Representative Chavez offered the following amendment to **SB 1967**:

Amend **SB 1967** (House committee printing) by adding the following SECTIONS to the bill, appropriately numbered, and renumbering existing SECTIONS accordingly:

SECTION \_\_\_\_\_. Section 521.001(a), Transportation Code, is amended by adding Subdivision (6-a) to read as follows:

(6-a) "Motorcycle" includes an enclosed three-wheeled passenger vehicle that:

(A) is designed to operate with three wheels in contact with the ground;

(B) has a minimum unladen weight of 900 pounds;

(C) has a single, completely enclosed, occupant compartment;

(D) at a minimum, is equipped with:

(i) seats that are certified by the vehicle manufacturer to meet the requirements of Federal Motor Vehicle Safety Standard No. 207, 49 C.F.R. Section 571.207;

(ii) a steering wheel used to maneuver the vehicle;

(iii) a propulsion unit located in front of or behind the enclosed occupant compartment;

(iv) a seat belt for each vehicle occupant certified by the manufacturer to meet the requirements of Federal Motor Vehicle Safety Standard No. 209, 49 C.F.R. Section 571.209;

(v) a windshield and one or more windshield wipers certified by the manufacturer to meet the requirements of Federal Motor Vehicle Safety Standard No. 205, 49 C.F.R. Section 571.205, and Federal Motor Vehicle Safety Standard No. 104, 49 C.F.R. Section 571.104; and

(vi) a vehicle structure certified by the vehicle manufacturer to meet the requirements of Federal Motor Vehicle Safety Standard No. 216, 49 C.F.R. Section 571.216; and

(E) is produced by its manufacturer in a minimum quantity of 300 in any calendar year.

SECTION \_\_\_\_\_. Section 521.085, Transportation Code, is amended to read as follows:

Sec. 521.085. TYPE OF VEHICLE AUTHORIZED. (a) Unless prohibited by Chapter 522, and except as provided by Subsection (b), the license holder may operate any vehicle of the type for which that class of license is issued and any lesser type of vehicle other than a motorcycle or moped.

(b) Subsection (a) does not prohibit a license holder from operating a lesser type of vehicle that is a motorcycle described by Section 521.001(a)(6-a).

SECTION \_\_\_\_\_. Section 661.001(1), Transportation Code, is amended to read as follows:

(1) "Motorcycle" means a motor vehicle designed to propel itself with not more than three wheels in contact with the ground, and having a saddle for the use of the rider. The term does not include a tractor or a three-wheeled vehicle equipped with a cab or occupant compartment, seat, and seat belt and designed to contain the operator in the cab or occupant compartment.

SECTION \_\_\_\_\_. Section 680.013, Transportation Code, is amended to read as follows:

Sec. 680.013. USE OF PREFERENTIAL LANE BY MOTORCYCLE. A motorcycle, including a motorcycle described by Section 521.001(a)(6-a), may be operated in a preferential lane that is not closed to all vehicular traffic.

Amendment No. 1 was adopted.

**Amendment No. 2**

Representatives Chavez and Thompson offered the following amendment to **SB 1967**:

Amend **SB 1967** (House committee printing), in SECTION 4 of the bill, added Section 542.4045, Transportation Code, by striking Subdivisions (1) and (2) (page 3, lines 5 through 10) and substituting the following:

(1) the offense is punishable by a fine of not less than \$500 or more than \$2,000, if a person other than the operator of the vehicle suffered bodily injury, as defined by Section 1.07, Penal Code, in the accident; and

(2) the offense is punishable by a fine of not less than \$1,000 or more than \$4,000, if a person other than the operator of the vehicle suffered serious bodily injury, as defined by Section 1.07, Penal Code, in the accident.

Amendment No. 2 was adopted.

**LEAVE OF ABSENCE GRANTED**

The following member was granted leave of absence for the remainder of today because of important business in the district:

F. Brown on motion of Isett.

**SB 2028** (Rodriguez - House Sponsor), A bill to be entitled An Act relating to privately funded memorials honoring certain peace officers killed in the line of duty.

**SB 2041** (Driver - House Sponsor), A bill to be entitled An Act relating to requiring an applicant for a driver's license to demonstrate knowledge of motorists' rights and responsibilities in relation to bicyclists.

**SB 2067** (Veasey - House Sponsor), A bill to be entitled An Act relating to access to precinct conventions by the elderly and persons with physical disabilities.

**SB 2073** (Chisum - House Sponsor), A bill to be entitled An Act relating to eligibility to hold the office of notary public.

**POSTPONED BUSINESS**

The following bills were laid before the house as postponed business:

**SB 1633** (Creighton - House Sponsor), A bill to be entitled An Act relating to certain restrictions on the composition of a tax increment financing reinvestment zone.

**SB 1633** was read second time earlier today and was postponed until this time.

**SB 1633** was passed to third reading.

**LOCAL, CONSENT, AND RESOLUTIONS CALENDAR**  
**(consideration continued)**

**SB 2169** (Alvarado - House Sponsor), A bill to be entitled An Act relating to the establishment of a smart growth policy work group and the development of a smart growth policy for this state.

**Amendment No. 1**

Representative Alvarado offered the following amendment to **SB 2169**:

Amend **SB 2169** (house committee printing) as follows:

(1) In SECTION 1 of the bill, strike added Sections 2060.002(a)(11) and (12), Government Code (page 2, lines 1 through 3), and substitute the following:

(11) the Texas Education Agency;

(12) the Texas Water Development Board; and

(13) other state or regional agencies considered necessary by the co-presiding officers of the work group.

(2) In SECTION 1 of the bill, in added Section 2060.003(b), Government Code (page 2, lines 13 and 14), strike "consider and develop policies" and substitute "make recommendations to the legislature".

(3) In SECTION 1 of the bill, immediately following added Section 2060.004, Government Code (page 3, between lines 12 and 13), insert the following:

Sec. 2060.005. EXPIRATION. This chapter expires August 31, 2013.

Amendment No. 1 was adopted.

**SB 2178** (Hochberg - House Sponsor), A bill to be entitled An Act relating to the establishment by the commissioner of education of a computer lending pilot program for public schools.

**SB 2244** (Branch - House Sponsor), A bill to be entitled An Act relating to the eligibility of employees of certain businesses or organizations established as part of the state's economic development program and of dependents of those employees to pay resident tuition at public institutions of higher education.

**SB 2344** (Naishtat - House Sponsor), A bill to be entitled An Act relating to examination requirements in certain guardianship matters concerning persons with mental retardation.

**SB 2442** (Gallego - House Sponsor), A bill to be entitled An Act relating to the exemption from ad valorem taxation of property owned by certain charitable organizations.

**Amendment No. 1**

Representatives Naishtat, Laubenberg, Bolton, Thompson, Morrison, Cook, Anchia, Bohac, Orr, Dutton, and Martinez Fischer offered the following amendment to **SB 2442**:

Amend **SB 2442** (House committee printing) as follows:

(1) In SECTION 1 of the bill, following reenacted and amended Section 11.18(d)(21), Tax Code (page 5, line 1), strike "or" and substitute "[~~or~~]".

(2) In SECTION 1 of the bill, in reenacted and amended Section 11.18(d)(22), Tax Code, between "land bank" and the period (page 5, line 4), insert the following:

; or

(23) operating a radio station that broadcasts educational, cultural, or other public interest programming, including classical music, and that in the preceding five years has received or been selected to receive one or more grants from the Corporation for Public Broadcasting under 47 U.S.C. Section 396, as amended

Amendment No. 1 was adopted.

**SB 2454** (T. Smith - House Sponsor), A bill to be entitled An Act relating to preferences of certain district courts in Tarrant County.

**SB 2456** was withdrawn.

(Deshotel in the chair)

**SB 2467** (Fletcher - House Sponsor), A bill to be entitled An Act relating to the creation of Waller Town Center Management District; providing authority to impose an assessment, impose a tax, and issue bonds; and granting a limited power of eminent domain.

**SB 2485** (Eissler - House Sponsor), A bill to be entitled An Act relating to the creation of the Montgomery County Municipal Utility District No. 118; providing authority to impose a tax and issue bonds; granting a limited power of eminent domain.

**SB 2495** (Gonzalez Toureilles - House Sponsor), A bill to be entitled An Act relating to eligibility requirements to serve as a member of the board of directors of the Bee Groundwater Conservation District.

**SB 2501** (Alonzo - House Sponsor), A bill to be entitled An Act relating to the creation of the North Oak Cliff Municipal Management District; providing the authority to impose an assessment, impose a tax, and issue bonds. (Miklos recorded voting present, not voting.)

**SB 2510** (Riddle - House Sponsor), A bill to be entitled An Act relating to the creation of the Harris County Improvement District No. 18; providing authority to impose an assessment, impose a tax, and issue bonds.

**SB 2511** (Eiland - House Sponsor), A bill to be entitled An Act relating to the creation of Chambers County Improvement District No. 2; providing authority to levy an assessment, impose a tax, and issue bonds; granting a limited power of eminent domain.

**SB 2580** (Geren - House Sponsor), A bill to be entitled An Act relating to actions under the Beer Industry Fair Dealing Law.

**SB 2518** (McReynolds - House Sponsor), A bill to be entitled An Act relating to the creation of the Somerset Municipal Utility District No. 3; providing authority to impose a tax and issue bonds; granting a limited power of eminent domain.

(Speaker pro tempore in the chair)

**SB 2522** (Alvarado - House Sponsor), A bill to be entitled An Act relating to the board of directors of the Greater East End Management District.

**CSSB 2526** (Bolton - House Sponsor), A bill to be entitled An Act relating to the creation of the Travis County Improvement District No. 1; providing authority to impose an assessment, impose a tax, and issue bonds.

**SB 2552** (Woolley - House Sponsor), A bill to be entitled An Act relating to the powers and duties of Harris County Improvement District No. 1; providing authority to impose a tax and issue bonds.

**SB 2558** (Thompson - House Sponsor), A bill to be entitled An Act relating to the promotion and marketing of alcoholic beverages.

### **POSTPONED BUSINESS**

The following bills were laid before the house as postponed business:

**SB 474** (Flynn, Hopson, Hardcastle, and Peña - House Sponsors), A bill to be entitled An Act relating to the comptroller of public accounts' use of electronic paycards to make certain payments.

**SB 474** was read second time on May 22 and was postponed until this time.

**SB 474** was withdrawn.

### **LOCAL, CONSENT, AND RESOLUTIONS CALENDAR (consideration continued)**

**SB 504** (F. Brown - House Sponsor), A bill to be entitled An Act relating to the use of land on the main campus of Texas A&M University in College Station.

**SB 752** was withdrawn.

**SB 1299** (Rodriguez - House Sponsor), A bill to be entitled An Act relating to the regulation of stormwater management by certain counties. (Flynn recorded voting no.)

**SB 724** was withdrawn.

### **HR 2463 - ADOPTED (by Y. Davis)**

Representative Y. Davis moved to suspend all necessary rules to take up and consider at this time **HR 2463**.

The motion prevailed.

The following resolution was laid before the house:

**HR 2463**, Congratulating Kent Willis of Grapeland on earning a Congressional Award Gold Medal.

**HR 2463** was adopted.

**SB 1982 - RULES SUSPENDED**

Representative Martinez Fischer moved to suspend all necessary rules to consider **SB 1982** as this time.

The motion prevailed.

**SB 1982** (Hamilton - House Sponsor), A bill to be entitled An Act relating to the licensing and regulation of pool-related electrical maintenance.

**SB 1982** was read second time and was passed to third reading.

**ADJOURNMENT**

Representative Peña moved that the house adjourn until 10 a.m. today, May 25.

The motion prevailed.

The house accordingly, at 12:51 a.m. May 25, adjourned until 10 a.m. today.

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**ADDENDUM**

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**SIGNED BY THE SPEAKER**

The following bills and resolutions were today signed in the presence of the house by the speaker:

**House List No. 38**

**HB 8, HB 473, HB 488, HB 551, HB 558, HB 643, HB 669, HB 693, HB 709, HB 846, HB 962, HB 1020, HB 1029, HB 1191, HB 1232, HB 1366, HB 1409, HB 1568, HB 1579, HB 1682, HB 1721, HB 1789, HB 1802, HB 1965, HB 1975, HB 2004, HB 2039, HB 2063, HB 2068, HB 2201, HB 2217, HB 2259, HB 2263, HB 2333, HB 2424, HB 2529, HB 2548, HB 2549, HB 2558, HB 2640, HB 2665, HB 2726, HB 2735, HB 2765, HB 2796, HB 2829, HB 2835, HB 2840, HB 3012, HB 3108, HB 3137, HB 3340, HB 3435, HB 3668, HB 3951, HB 4029, HB 4043, HB 4110, HB 4291, HB 4339, HB 4358, HB 4706, HB 4762, HCR 237**

**House List No. 39**

**HB 236, HB 396, HB 405, HB 409, HB 497, HB 594, HB 618, HB 655, HB 1060, HB 1093, HB 2542, HB 2667, HB 2729, HB 2985, HB 3139, HB 3231, HB 3246, HB 3429, HB 3692, HB 3756, HB 3800, HCR 18, HCR 57, HCR 126, HCR 168**

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**APPENDIX**

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**STANDING COMMITTEE REPORTS**

Favorable reports have been filed by committees as follows:

**May 23**

Criminal Jurisprudence - **SB 1835**

Higher Education - **SB 1304**

Judiciary and Civil Jurisprudence - **SB 666, SB 1201, SB 1651, SB 2141, SB 2279**

Public Education - **SB 2044**

Public Health - **SB 8, SB 10, SB 269, SB 292, SB 344, SB 499, SB 646, SB 705, SB 1314, SB 1329, SB 1473, SB 1539, SB 1648, SB 1879, SB 1932, SB 2151**

State Affairs - **SB 541, SB 1228, SB 1492, SB 1772**

Transportation - **SB 1263, SB 1266, SB 1822, SB 2153**

Ways and Means - **SB 1247**

**ENGROSSED**

**May 23 - HB 3411, HB 4742**

**ENROLLED**

**May 23 - HB 8, HB 473, HB 488, HB 551, HB 558, HB 587, HB 605, HB 669, HB 693, HB 709, HB 768, HB 962, HB 1020, HB 1029, HB 1096, HB 1134, HB 1191, HB 1255, HB 1272, HB 1297, HB 1332, HB 1345, HB 1358, HB 1366, HB 1404, HB 1407, HB 1409, HB 1425, HB 1445, HB 1476, HB 1530, HB 1568, HB 1579, HB 1630, HB 1705, HB 1721, HB 1728, HB 1749, HB 1802, HB 1912, HB 1965, HB 1975, HB 2004, HB 2039, HB 2063, HB 2068, HB 2201, HB 2217, HB 2259, HB 2289, HB 2317, HB 2318, HB 2333, HB 2353, HB 2424, HB 2529, HB 2548, HB 2549, HB 2558, HB 2640, HB 2665, HB 2726, HB 2735, HB 2765, HB 2796, HB 2829, HB 2876, HB 2918, HB 2927, HB 3012, HB 3108, HB 3137, HB 3340, HB 3435, HB 3554, HB 3668, HB 3951, HB 4110, HB 4139, HB 4291, HB 4339, HB 4358, HB 4577, HB 4661, HB 4706, HB 4762, HCR 86, HCR 159, HCR 174, HCR 176, HCR 237, HJR 39**

**SIGNED BY THE GOVERNOR**

**May 23 - HB 205, HB 415, HB 523, HB 536, HB 582, HB 608, HB 651, HB 703, HB 704, HB 762, HB 865, HB 968, HB 1067, HB 1079, HB 1081, HB 1364, HB 1465, HB 1466, HB 1510, HB 1622, HB 1629, HB 1671, HB 1731, HB 1805, HB 1918, HB 1923, HB 1990, HB 2020, HB 2071,**

**HB 2219, HB 2314, HB 2440, HB 2527, HB 2569, HB 3661, HB 3765,  
HB 4004, HCR 162, HCR 204, HCR 210, HCR 211**