

# TEXAS HOUSE OF REPRESENTATIVES

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RQ-0262-GA

WILL HARTNETT

August 23, 2004

RECEIVED  
AUG 23 2004  
OPINION COMMITTEE

The Honorable Greg Abbott  
Attorney General of Texas  
P.O. Box 12548  
Austin, TX 78711-2548

FILE # ML-43889-04  
I.D. # 043887

RE: Request for Attorney General's opinion relating to Chapter 311, Texas Tax Code  
(the Tax Increment Financing Act.)

Dear General Abbott:

Section 311.010(b) of the Texas Tax Code (the Tax Increment Financing Act) (the "Act") provides:

(b) The board of directors of a reinvestment zone and the governing body of the municipality that 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 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.** [Emphasis added.]

Section 311.014(b) of the Act further provides:

(b) 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, or to make payments pursuant to an agreement made under Section 311.010(b) dedicating revenue from the tax increment fund.



COMMITTEES: JUDICIAL AFFAIRS, CHAIRMAN  
CIVIL PRACTICES  
DISTRICT 114

**The Honorable Greg Abbott**  
**August 10, 2004**  
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1. May a city reimburse a private developer from the tax increment fund for costs incurred by the developer for environmental remediation, renovation, or facade preservation of a private or public building in the reinvestment zone, if such project costs have not been competitively bid in accordance with Chapter 252 of the Local Government Code?

2. Do any eligible project costs to be reimbursed from the tax increment fund have to be competitively bid?

I respectfully request an opinion on these issues.

Best regards,

A handwritten signature in black ink that reads "Will Hartnett". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Will Hartnett