

By: Cason

H.B. No. 2971

A BILL TO BE ENTITLED

AN ACT

relating to the repeal of the Texas Economic Development Act.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. The following provisions of the Tax Code are repealed:

- (1) Section 312.0025; and
- (2) Chapter 313.

SECTION 2. The heading to Section 48.254, Education Code, is amended to read as follows:

Sec. 48.254. ADDITIONAL STATE AID FOR AD VALOREM TAX CREDITS UNDER FORMER TEXAS ECONOMIC DEVELOPMENT ACT.

SECTION 3. Section 48.2551(a), Education Code, is amended to read as follows:

(a) In this section:

- (1) "DPV" has the meaning assigned by Section 48.256;
- (2) "E" is the expiration of the exclusion of appraised property value for the preceding tax year that is recognized as taxable property value for the current tax year, which is the sum of the following:

(A) property value that is no longer subject to a limitation on appraised value under former Chapter 313, Tax Code; and

(B) property value under Section 311.013(n), Tax Code, that is no longer excluded from the calculation of "DPV" from

1 the preceding year because of refinancing or renewal after  
2 September 1, 2019;

3 (3) "MCR" is the district's maximum compressed rate,  
4 which is the tax rate for the current tax year per \$100 of valuation  
5 of taxable property at which the district must levy a maintenance  
6 and operations tax to receive the full amount of the tier one  
7 allotment to which the district is entitled under this chapter;

8 (4) "PYDPV" is the district's value of "DPV" for the  
9 preceding tax year; and

10 (5) "PYMCR" is the district's value of "MCR" for the  
11 preceding tax year.

12 SECTION 4. Sections 48.256(d) and (e), Education Code, are  
13 amended to read as follows:

14 (d) This subsection applies to a school district in which  
15 the board of trustees entered into a written agreement with a  
16 property owner under former Section 313.027, Tax Code, for the  
17 implementation of a limitation on appraised value under former  
18 Subchapter B or C, Chapter 313, Tax Code. For purposes of  
19 determining "DPV" under Subsection (a) for a school district to  
20 which this subsection applies, the commissioner shall exclude a  
21 portion of the market value of property not otherwise fully taxable  
22 by the district under Subchapter B or C, Chapter 313, Tax Code,  
23 before the repeal [~~expiration~~] of that [~~the~~] subchapter. The  
24 comptroller shall provide information to the agency necessary for  
25 this subsection. A revenue protection payment required as part of  
26 an agreement for a limitation on appraised value shall be based on  
27 the district's taxable value of property for the preceding tax

1 year.

2 (e) Subsection (d) does not apply to property that was the  
3 subject of an application under former Subchapter B or C, Chapter  
4 313, Tax Code, made after May 1, 2009, that the comptroller  
5 recommended should be disapproved.

6 SECTION 5. Section 2303.507, Government Code, is amended to  
7 read as follows:

8 Sec. 2303.507. TAX INCREMENT FINANCING AND ABATEMENT[+  
9 ~~LIMITATIONS ON APPRAISED VALUE~~]. Designation of an area as an  
10 enterprise zone is also designation of the area as a reinvestment  
11 zone for:

12 (1) tax increment financing under Chapter 311, Tax  
13 Code; and

14 (2) tax abatement under Chapter 312, Tax Code[+~~and~~  
15 [~~(3) limitations on appraised value under Chapter 313,~~  
16 ~~Tax Code~~].

17 SECTION 6. Section 23.03, Tax Code, is amended to read as  
18 follows:

19 Sec. 23.03. COMPILATION OF LARGE PROPERTIES AND PROPERTIES  
20 SUBJECT TO LIMITATION ON APPRAISED VALUE. Each year the chief  
21 appraiser shall compile and send to the Texas [~~Department of~~  
22 Economic Development and Tourism Office] a list of properties in the  
23 appraisal district that in that tax year:

- 24 (1) have a market value of \$100 million or more; or  
25 (2) are subject to a limitation on appraised value  
26 under former Chapter 313.

27 SECTION 7. Section 26.012(6), Tax Code, is amended to read

1 as follows:

2 (6) "Current total value" means the total taxable  
3 value of property listed on the appraisal roll for the current year,  
4 including all appraisal roll supplements and corrections as of the  
5 date of the calculation, less the taxable value of property  
6 exempted for the current tax year for the first time under Section  
7 [11.31](#) or [11.315](#), except that:

8 (A) the current total value for a school district  
9 excludes:

10 (i) the total value of homesteads that  
11 qualify for a tax limitation as provided by Section [11.26](#); and

12 (ii) new property value of property that is  
13 subject to an agreement entered into under former Chapter [313](#); and

14 (B) the current total value for a county,  
15 municipality, or junior college district excludes the total value  
16 of homesteads that qualify for a tax limitation provided by Section  
17 [11.261](#).

18 SECTION 8. Section [151.359\(k\)](#), Tax Code, is amended to read  
19 as follows:

20 (k) A data center is not eligible to receive an exemption  
21 under this section if the data center is subject to an agreement  
22 limiting the appraised value of the data center's property under  
23 former Subchapter B or C, Chapter [313](#).

24 SECTION 9. Section [151.3595\(j\)](#), Tax Code, is amended to  
25 read as follows:

26 (j) A data center is not eligible to receive an exemption  
27 under this section if the data center is subject to an agreement

1 limiting the appraised value of the data center's property under  
2 former Subchapter B or C, Chapter 313.

3 SECTION 10. Section 171.602(f), Tax Code, is amended to  
4 read as follows:

5 (f) The comptroller may not issue a credit under this  
6 section before the later of:

7 (1) September 1, 2018; or

8 (2) the expiration of an agreement under former  
9 Chapter 313 regarding the clean energy project for which the credit  
10 is issued.

11 SECTION 11. Section 312.403(a), Tax Code, is amended to  
12 read as follows:

13 (a) In this section, "nuclear electric power generation"  
14 means activities described in category 221113 of the 2017 North  
15 American Industry Classification System [~~has the meaning assigned~~  
16 ~~by Section 313.024(e)~~].

17 SECTION 12. Chapter 320, Tax Code, is amended by adding  
18 Section 320.002 to read as follows:

19 Sec. 320.002. SAVING PROVISIONS AFTER REPEAL OF CHAPTER  
20 313. (a) An agreement limiting the appraised value of property  
21 approved under Subchapter B or C, Chapter 313, before the repeal of  
22 that subchapter continues in effect according to that subchapter as  
23 that subchapter existed immediately before its repeal, and that law  
24 is continued in effect for purposes of the agreement.

25 (b) The repeal of Subchapter D, Chapter 313, does not affect  
26 a property owner's entitlement to a tax credit granted under that  
27 subchapter if the property owner qualified for the tax credit

1 before the repeal of that subchapter.

2           SECTION 13. This Act takes effect immediately if it  
3 receives a vote of two-thirds of all the members elected to each  
4 house, as provided by Section 39, Article III, Texas Constitution.  
5 If this Act does not receive the vote necessary for immediate  
6 effect, this Act takes effect September 1, 2021.