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H.B. No. 5

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to agreements authorizing a limitation on taxable value on  
3 certain property to provide for the creation of jobs and the  
4 generation of state and local tax revenue; authorizing fees;  
5 authorizing a penalty.

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

7 SECTION 1. Chapter 403, Government Code, is amended by  
8 adding Subchapter T to read as follows:

9 SUBCHAPTER T. AGREEMENTS TO CREATE JOBS AND GENERATE STATE AND  
10 LOCAL TAX REVENUE

11 Sec. 403.601. PURPOSES. The purposes of this subchapter  
12 are to:

13 (1) create new, high-paying permanent jobs and  
14 construction jobs in this state;

15 (2) encourage financially positive economic  
16 development in this state;

17 (3) provide a temporary competitive economic  
18 incentive for attracting large-scale manufacturing projects to  
19 this state that, in the absence of this subchapter, would likely  
20 locate in another state or nation;

21 (4) strengthen the security and resource independence  
22 of this state and nation by encouraging energy and water  
23 infrastructure development, new and expanded electric power  
24 generation, and electric grid reliability projects;

1           (5) promote the relocation of offshore manufacturing  
2 facilities to this state;

3           (6) make this state a national and international  
4 leader in new and innovative technologies;

5           (7) encourage the establishment of advanced  
6 manufacturing industry sectors critical to national defense and  
7 health care;

8           (8) create new wealth, raise personal income, and  
9 foster long-term expansion of state and local tax bases;

10           (9) provide growing and sustainable economic  
11 opportunity for the residents of this state;

12           (10) incentivize the preceding objectives in a  
13 balanced, transparent, and accountable manner; and

14           (11) promote the creation of a qualified workforce by  
15 providing and developing apprenticeship training programs and  
16 workplace-based education in partnership with school districts.

17           Sec. 403.602. DEFINITIONS. In this subchapter:

18           (1) "Additional job" means a full-time job in  
19 connection with an eligible project that is not a required job for  
20 the same project.

21           (2) "Agreement" means an agreement entered into under  
22 Section 403.612.

23           (3) "Applicant" means a person that applies for, or  
24 enters into an agreement providing for, a limitation on the taxable  
25 value of eligible property used as part of an eligible project,  
26 including the person's assignees or successors-in-interest.

27           (4) "Appraised value," "tax year," and "taxing unit"

1 have the meanings assigned by Section 1.04, Tax Code.

2 (5) "Construction completion date" means the date on  
3 which an eligible project is first capable of being used for the  
4 purposes for which it is constructed.

5 (6) "Construction job" means an otherwise full-time  
6 job that is temporary in nature and is performed before the start of  
7 the incentive period applicable to an eligible project to perform  
8 construction, maintenance, remodeling, or repair work for an  
9 applicant in connection with the project.

10 (7) "Construction period" means the period prescribed  
11 by an agreement as the construction period of the eligible project  
12 that is the subject of the agreement.

13 (8) "County average annual wage for manufacturing  
14 jobs" means:

15 (A) the average annual wage in a county for  
16 manufacturing jobs during the most recent four quarterly periods  
17 for which data is available at the time a person submits an  
18 application for a limitation on taxable value under this  
19 subchapter, as computed by the Texas Workforce Commission; or

20 (B) the average annual wage for manufacturing  
21 jobs in the region designated for the regional planning commission,  
22 council of governments, or similar regional planning agency created  
23 under Chapter 391, Local Government Code, in which the county is  
24 located during the most recent four quarterly periods for which  
25 data is available at the time a person submits an application for a  
26 limitation on taxable value under this subchapter, as computed by  
27 the Texas Workforce Commission.

1           (9) "Eligible project" means a project that:

2                   (A) is a national or state security project or  
3 supply chain infrastructure project;

4                   (B) is a manufacturing project; or

5                   (C) requires an investment in a school district  
6 in this state of more than \$1 billion.

7           (10) "Eligible property" means property, other than  
8 property used for intermittent power generation to supply  
9 electricity to the power grid, that is used as part of an eligible  
10 project that is wholly owned by an applicant or leased by an  
11 applicant under a capitalized lease and consists of:

12                   (A) a new building or expansion of an existing  
13 building, including a permanent, nonremovable component of a  
14 building, that is:

15                           (i) constructed after the date the  
16 agreement pertaining to the project is entered into; and

17                           (ii) located in an area designated as a  
18 reinvestment zone under Chapter 311 or 312, Tax Code, or as an  
19 enterprise zone under Chapter 2303 of this code, at the time the  
20 agreement pertaining to the project is entered into; or

21                   (B) tangible personal property, other than  
22 inventory, first located in the zone described by Paragraph (A)(ii)  
23 after the date the agreement pertaining to the project is entered  
24 into.

25           (11) "Full-time job" means a permanent full-time job  
26 that requires a total of at least 1,600 hours of work a year in  
27 connection with an eligible project.

1           (12) "Grid reliability project" means a project:

2                   (A) that generates base load or dispatchable  
3 electricity for the power grid, including from thermal sources, or  
4 that provides stored energy to the power grid from batteries,  
5 regardless of power source;

6                   (B) that increases the output capacity or  
7 reliability of an existing dispatchable electric power generation  
8 facility or that replaces dispatchable electric power generation  
9 assets to extend the useful life of the facility, including  
10 equipment that enables the use of multiple fuels;

11                   (C) that creates or expands the capability to  
12 store fuel used by an electric power generation facility,  
13 regardless of whether the fuel is stored at the facility site;

14                   (D) to produce hydrogen fuel or feed stock;

15                   (E) that is a natural gas terminal or storage  
16 facility; or

17                   (F) that is a gas processing plant, including a  
18 plant used in the processing, treatment, or fractionation of  
19 natural gas.

20           (13) "Incentive period" for an eligible project means  
21 the period prescribed by the agreement pertaining to the project  
22 during which the eligible property used as part of the project is  
23 subject to a limitation on taxable value.

24           (14) "Independent contractor" has the meaning  
25 assigned by Section 406.121, Labor Code.

26           (15) "Investment" means the costs incurred by an  
27 applicant to acquire or construct eligible property composing an

1 eligible project, other than the cost of land or inventory.

2 (16) "Manufacturing project" means a project  
3 primarily engaged in activities described by Sectors 31-33 of the  
4 2022 North American Industry Classification System, including  
5 semiconductor fabrication cleanrooms and equipment as defined by  
6 Section 151.318(q), Tax Code.

7 (17) "Metropolitan statistical area" means an area so  
8 designated by the United States Office of Management and Budget.

9 (18) "National or state security project or supply  
10 chain infrastructure project" means:

11 (A) a grid reliability project; or

12 (B) a seawater or brackish groundwater  
13 desalination project.

14 (19) "Required job" means a job that an applicant  
15 commits to create or demonstrate in connection with an eligible  
16 project as prescribed by Section 403.604.

17 (20) "Total jobs" means the sum of required jobs and  
18 additional jobs in connection with an eligible project.

19 Sec. 403.603. EXPIRATION. This subchapter expires December  
20 31, 2033.

21 Sec. 403.604. REQUIRED JOBS AND INVESTMENT. (a) This  
22 section does not apply to a national or state security project or  
23 supply chain infrastructure project.

24 (b) To be eligible to enter into an agreement, an applicant  
25 for a limitation on taxable value of eligible property to be used  
26 for a proposed eligible project must agree to:

27 (1) if the project is to be located in a school

1 district with a taxable value of property of \$10 billion or more for  
2 the tax year preceding the year in which the applicant submits the  
3 application as determined under Subchapter M:

4 (A) create at least 50 required jobs by the end of  
5 the first tax year of the incentive period prescribed by the  
6 agreement and demonstrate an average of at least that number of jobs  
7 during each following tax year until the date the agreement  
8 expires; and

9 (B) make an investment in the project in an  
10 amount of at least \$100 million before the incentive period begins;

11 (2) if the project is to be located in a school  
12 district with a taxable value of property of at least \$1 billion but  
13 less than \$10 billion for the tax year preceding the year in which  
14 the applicant submits the application as determined under  
15 Subchapter M:

16 (A) create at least 40 required jobs by the end of  
17 the first tax year of the incentive period prescribed by the  
18 agreement and demonstrate an average of at least that number of jobs  
19 during each following tax year until the date the agreement  
20 expires; and

21 (B) make an investment in the project in an  
22 amount of at least \$80 million before the incentive period begins;

23 (3) if the project is to be located in a school  
24 district with a taxable value of property of at least \$500 million  
25 but less than \$1 billion for the tax year preceding the year in  
26 which the applicant submits the application as determined under  
27 Subchapter M:

1           (A) create at least 25 required jobs by the end of  
2 the first tax year of the incentive period prescribed by the  
3 agreement and demonstrate an average of at least that number of jobs  
4 during each following tax year until the date the agreement  
5 expires; and

6           (B) make an investment in the project in an  
7 amount of at least \$50 million before the incentive period begins;

8           (4) if the project is to be located in a school  
9 district with a taxable value of property of at least \$100 million  
10 but less than \$500 million for the tax year preceding the year in  
11 which the applicant submits the application as determined under  
12 Subchapter M:

13           (A) create at least 10 required jobs by the end of  
14 the first tax year of the incentive period prescribed by the  
15 agreement and demonstrate an average of at least that number of jobs  
16 during each following tax year until the date the agreement  
17 expires; and

18           (B) make an investment in the project in an  
19 amount of at least \$25 million before the incentive period begins;  
20 or

21           (5) if the project is to be located in a school  
22 district with a taxable value of property of less than \$100 million  
23 for the tax year preceding the year in which the applicant submits  
24 the application as determined under Subchapter M or in a school  
25 district that is not located in a metropolitan statistical area:

26           (A) create at least five required jobs by the end  
27 of the first tax year of the incentive period prescribed by the



1 agreement and demonstrate an average of at least that number of jobs  
2 during each following tax year until the date the agreement  
3 expires; and

4 (B) make an investment in the project in an  
5 amount of at least \$10 million before the incentive period begins.

6 (c) For purposes of Subsection (b), each required job  
7 created in connection with an eligible project:

8 (1) must be a new full-time job in this state:

9 (A) maintained in the usual course and scope of  
10 the applicant's business, which may be performed by an individual  
11 who is a trainee under the Texans Work program established under  
12 Chapter 308, Labor Code; or

13 (B) performed by an independent contractor and  
14 the independent contractor's employees at the site of the project;  
15 and

16 (2) may not be transferred by the applicant from an  
17 existing facility or location in this state or otherwise created to  
18 replace an existing job, unless the applicant fills the vacancy  
19 caused by the transfer.

20 (d) For purposes of Subsection (b), an applicant may count  
21 as a required job one construction job credit. An applicant is  
22 entitled to one construction job credit in connection with an  
23 eligible project for every 10 construction jobs created in  
24 connection with the project before the date the incentive period  
25 for the project begins. An applicant may elect to determine the  
26 number of construction jobs for purposes of this subsection as the  
27 quotient of:

1           (1) the total amount paid by the applicant for labor in  
2 connection with construction of the project before the incentive  
3 period for the project begins, as evidenced by:

4                   (A) separated charges for labor services on  
5 contractor invoices; or

6                   (B) other documentation from contractors of the  
7 cost of labor performed under lump-sum contracts; and

8           (2) the average annual wage for all jobs in the county  
9 in which the project is primarily located during the most recent  
10 four quarters for which data is available, as computed by the Texas  
11 Workforce Commission.

12           (e) For purposes of calculating the applicable number of  
13 required jobs under Subsection (b) in connection with an eligible  
14 project, an applicant may aggregate the number of hours worked by  
15 one or more individuals who work fewer than 1,600 hours a year in  
16 connection with the project if the number of hours worked by each of  
17 those individuals combined meets or exceeds 1,600 hours of work a  
18 year.

19           (f) For purposes of Subsection (b), an applicant may  
20 demonstrate that the applicant has met the applicable minimum  
21 investment requirement by any reasonable means. The applicant is  
22 considered to have met the applicable minimum investment  
23 requirement if the most recent appraisal roll for the county in  
24 which the eligible property is located indicates that the appraised  
25 value of the property composing the project as of January 1 of the  
26 first year of the incentive period is equal to or greater than the  
27 minimum investment requirement applicable to the project.

1        (g) In addition to the requirements of Subsection (b), an  
2 applicant for a limitation on taxable value of eligible property to  
3 be used for a proposed eligible project may:

4            (1) enter into an agreement with a school district in  
5 which the project is to be located to provide an apprenticeship and  
6 training program or other workplace-based education program,  
7 including as part of the district's foundation trade diploma  
8 program, if such a program is available at the district, to serve as  
9 an entry point to the jobs required to be created under this  
10 section; and

11           (2) invest not less than 25 percent of the amount the  
12 applicant is required to invest for a project under this section in  
13 a program described by Subdivision (1).

14        Sec. 403.605. TAXABLE VALUE OF ELIGIBLE PROPERTY. (a)  
15 Except as provided by Subsection (b), the taxable value for school  
16 district maintenance and operations ad valorem tax purposes of  
17 eligible property subject to an agreement for each tax year of the  
18 incentive period prescribed by the agreement is equal to:

19           (1) \$100 million, if the project subject to the  
20 agreement is located in a school district with a taxable value of  
21 property of \$10 billion or more for the tax year preceding the year  
22 in which the applicant submitted the application to which the  
23 agreement pertains as determined under Subchapter M;

24           (2) \$75 million, if the project subject to the  
25 agreement is located in a school district with a taxable value of  
26 property of at least \$1 billion but less than \$10 billion for the  
27 tax year preceding the year in which the applicant submitted the

1 application to which the agreement pertains as determined under  
2 Subchapter M;

3 (3) \$50 million, if the project subject to the  
4 agreement is located in a school district with a taxable value of  
5 property of at least \$500 million but less than \$1 billion for the  
6 tax year preceding the year in which the applicant submitted the  
7 application to which the agreement pertains as determined under  
8 Subchapter M;

9 (4) \$25 million, if the project subject to the  
10 agreement is located in a school district with a taxable value of  
11 property of at least \$100 million but less than \$500 million for the  
12 tax year preceding the year in which the applicant submitted the  
13 application to which the agreement pertains as determined under  
14 Subchapter M; or

15 (5) \$5 million, if the project subject to the  
16 agreement is located in a school district with a taxable value of  
17 property of less than \$100 million for the tax year preceding the  
18 year in which the applicant submitted the application to which the  
19 agreement pertains as determined under Subchapter M.

20 (b) The taxable value of eligible property for school  
21 district maintenance and operations ad valorem tax purposes for a  
22 tax year during the incentive period is the appraised value of the  
23 property for that tax year if that value is less than the value of  
24 the property as determined under Subsection (a).

25 (c) The taxable value of eligible property for school  
26 district maintenance and operations ad valorem tax purposes is zero  
27 for each tax year beginning with the tax year following the year in

1 which the agreement pertaining to the property is entered into and  
2 ending December 31 of the tax year that includes the construction  
3 completion date for the applicable eligible project.

4 (d) The chief appraiser for the appraisal district in which  
5 eligible property is located shall determine the market value and  
6 appraised value of the property and include the market value,  
7 appraised value, and taxable value of the property as determined  
8 under this section in the appraisal records for the appraisal  
9 district.

10 (e) The chief appraiser for the appraisal district in which  
11 eligible property subject to an agreement is located may not use an  
12 estimated value included in the application to which the agreement  
13 pertains to determine the market value of the property.

14 Sec. 403.606. APPLICATION. (a) A person who proposes to  
15 construct an eligible project in a school district may apply to the  
16 governing body of the district to limit the taxable value for  
17 maintenance and operations ad valorem tax purposes of the district  
18 of the eligible property used as part of the proposed project.

19 (b) A person submitting an application under Subsection (a)  
20 must use the form prescribed by the comptroller. The form must  
21 contain the following information:

22 (1) the applicant's name, address, and Texas taxpayer  
23 identification number and the contact information for the  
24 applicant's authorized representative;

25 (2) the applicant's form of business and, if  
26 applicable, the name, address, and Texas taxpayer identification  
27 number of the applicant's parent entity;

1           (3) the applicable school district's name and address  
2 and the contact information for the district's authorized  
3 representative;

4           (4) the legal description of the property on which the  
5 project is proposed to be located and, if applicable, the address of  
6 the proposed project;

7           (5) the applicable number of required jobs prescribed  
8 by Section 403.604 for the proposed project;

9           (6) a list of each taxing unit in which the project is  
10 proposed to be located;

11           (7) a brief description of the proposed project,  
12 including the classification of the project as designated by the  
13 North American Industry Classification System;

14           (8) a brief description of the eligible property to be  
15 used as part of the proposed project;

16           (9) a projected timeline for construction and  
17 completion of the proposed project, including the projected dates  
18 on which construction will begin, construction will be completed,  
19 and commercial operations will start;

20           (10) the proposed incentive period;

21           (11) the name and location of the existing or proposed  
22 reinvestment zone or enterprise zone in which the proposed project  
23 will be located;

24           (12) a brief summary of the projected economic  
25 benefits of the proposed project; and

26           (13) the applicant's signature and certification of  
27 the accuracy of the information included in the application.

1       (c) The form prescribed by Subsection (b) must allow the  
2 applicant to segregate confidential information described by  
3 Section 403.622(a) from other information in the application.

4       (d) An applicant must include with an application the  
5 following:

6           (1) an application fee payable to the school district  
7 in an amount determined by the district not to exceed \$60,000 for an  
8 initial application, inclusive of the costs of processing the  
9 application, retaining professional services, preparing the school  
10 finance impact report required by Section 403.608, and, if  
11 applicable, creating a reinvestment zone or enterprise zone;

12           (2) a map showing the site of the proposed project; and

13           (3) the economic benefit statement prepared under  
14 Section 403.607 in connection with the proposed project.

15       (e) A school district that receives an application under  
16 this section shall forward the application to the comptroller not  
17 later than the seventh day after the date the district receives the  
18 application.

19       (f) The comptroller may request that an applicant provide  
20 any additional information the comptroller reasonably determines  
21 is necessary to complete the comptroller's evaluation of the  
22 application. The comptroller may require an applicant to submit  
23 the additional information by a certain date and may extend that  
24 deadline on a showing of good cause. The comptroller is not  
25 required to take any further action on an application until it is  
26 complete.

27       (g) The comptroller shall notify an applicant and the

1 pertinent school district when the applicant's application is  
2 administratively complete.

3 Sec. 403.607. ECONOMIC BENEFIT STATEMENT. (a) An  
4 applicant shall submit an economic benefit statement with the  
5 applicant's application.

6 (b) An economic benefit statement must include the  
7 following information for each year of the period that begins on the  
8 date the applicant projects construction of the proposed project  
9 that is the subject of the application will begin and ends on the  
10 25th anniversary of the date the incentive period ends:

11 (1) an estimate of the number of total jobs that will  
12 be created by the project;

13 (2) an estimate of the total amount of capital  
14 investment that will be created by the project;

15 (3) an estimate of the increase in appraised value of  
16 property that will be attributable to the project;

17 (4) an estimate of the amount of ad valorem taxes that  
18 will be imposed by each taxing unit other than the school district  
19 on the property used as part of the project;

20 (5) an estimate of the amount of state taxes that will  
21 be paid in connection with the project; and

22 (6) an estimate of the associated economic benefits  
23 that may reasonably be attributed to the project, including:

24 (A) the impact on the gross revenues and  
25 employment levels of local businesses that provide goods or  
26 services in connection with the project or to the applicant's  
27 employees;



1           (B) the amount of state and local taxes that will  
2 be generated as a result of the indirect economic impact of the  
3 project, including all ad valorem taxes not otherwise estimated in  
4 Subdivision (4) that will be imposed on property placed into  
5 service as a result of the project;

6           (C) the development of complementary businesses  
7 or industries that locate in this state as a direct consequence of  
8 the project;

9           (D) the total impact of the project on the gross  
10 domestic product of this state;

11           (E) the total impact of the project on personal  
12 income in this state; and

13           (F) the total impact of the project on state and  
14 local taxes.

15           (c) An applicant may use standard economic estimation  
16 techniques, including economic multipliers, to create an economic  
17 benefit statement.

18           (d) The comptroller shall establish criteria for the  
19 methodology to be used by an applicant to create an economic benefit  
20 statement.

21           (e) The comptroller may require an applicant to supplement  
22 or modify an economic benefit statement to ensure the accuracy of  
23 the estimates required to be included in the statement under  
24 Subsection (b).

25           Sec. 403.608. SCHOOL FINANCE IMPACT REPORT. (a) A school  
26 district that receives an application under this subchapter shall  
27 promptly prepare a school finance impact report for the proposed

1 project that is the subject of the application and submit a copy of  
2 the report to the comptroller and the applicant.

3 (b) A school finance impact report must detail the projected  
4 tax and revenue consequences for the school district of the  
5 proposed project for each year of the 25-year period beginning on  
6 the date the application is received by the district.

7 (c) A school finance impact report must include an estimate  
8 of the amount of ad valorem taxes imposed by the school district  
9 during the period described by Subsection (b) on the property used  
10 as part of the proposed project, together with all related property  
11 owned by the applicant or leased by the applicant under a  
12 capitalized lease and placed in service as a direct result of the  
13 project:

14 (1) for maintenance and operations purposes; and

15 (2) for interest and sinking fund purposes.

16 (d) A school finance impact report must include, for each  
17 year the agreement is proposed to be in effect, a calculation of any  
18 anticipated loss of funding, not including facilities funding, to  
19 the school district as a result of the agreement. The district shall  
20 make the calculations under this subsection in accordance with the  
21 law, including the constitution, Chapters 48 and 49, Education  
22 Code, and this chapter, rules, and judicial decisions governing  
23 school districts and the public school finance system in effect at  
24 the time the application is submitted.

25 (e) A school district that enters into an agreement shall  
26 update the school finance impact report applicable to the project  
27 that is the subject of the agreement not later than March 1 of the

1 first year of the incentive period specified in the agreement. The  
2 district must submit a copy of the updated report to the comptroller  
3 and the applicant.

4 Sec. 403.609. COMPTROLLER DETERMINATION REGARDING  
5 APPLICATION. (a) The comptroller shall determine whether to  
6 recommend that a school district approve an application submitted  
7 to the district under this subchapter.

8 (b) The comptroller shall notify an applicant and a school  
9 district of the comptroller's determination under Subsection (a)  
10 regarding an application submitted to the district by the applicant  
11 not later than the 60th day after the date the comptroller  
12 determines the application is complete.

13 (c) The comptroller shall recommend that a school district  
14 approve an application submitted to the district if the comptroller  
15 finds that:

16 (1) the proposed project that is the subject of the  
17 application is an eligible project;

18 (2) the proposed project is reasonably likely to  
19 generate, before the 25th anniversary of the last day of the  
20 incentive period, state or local tax revenue, including ad valorem  
21 tax revenue attributable to the effect of the project on the economy  
22 of this state, in an amount sufficient to offset the school district  
23 maintenance and operations ad valorem tax revenue lost as a result  
24 of the agreement; and

25 (3) the agreement is a determining factor in the  
26 applicant's decision to make the investment and locate the project  
27 in this state.

1        (d) Subsection (c)(3) does not apply to an application if  
2 the proposed project that is the subject of the application is a  
3 grid reliability project.

4        Sec. 403.610. HEARING. (a) An applicant is entitled to a  
5 hearing if the comptroller determines not to recommend that the  
6 applicable school district approve an application submitted by the  
7 applicant to the district.

8        (b) A hearing under this section is a contested case hearing  
9 and shall be conducted by the State Office of Administrative  
10 Hearings in the manner provided by Section [2003.101](#).

11        (c) To receive a hearing under this section, an applicant  
12 must file a notice of appeal with the comptroller not later than the  
13 30th day after the date the comptroller notifies the applicant of  
14 the comptroller's determination under Section 403.609. The  
15 comptroller's determination becomes final if the applicant does not  
16 file the notice of appeal as provided by this subsection.

17        (d) An applicant may seek judicial review of the  
18 comptroller's determination in a Travis County district court under  
19 the substantial evidence rule as provided by Subchapter [G](#), Chapter  
20 [2001](#).

21        Sec. 403.611. SCHOOL DISTRICT ACTION ON APPLICATION. (a)  
22 The governing body of a school district shall approve or disapprove  
23 an application submitted to the district under this subchapter that  
24 the comptroller recommends be approved by the district. The  
25 governing body may approve an application only if the comptroller  
26 recommends the application be approved. The governing body shall  
27 approve or disapprove the application not later than the 35th day

1 after the date the comptroller notifies the district of the  
2 comptroller's determination under Section 403.609. The governing  
3 body may extend the deadline prescribed by this subsection on  
4 written request of the applicant.

5 (b) If the governing body of the school district and the  
6 applicant agree on an amendment to the application, the amended  
7 application must be submitted to the comptroller for a  
8 redetermination regarding the application. The comptroller shall  
9 notify the applicant and school district of the comptroller's  
10 redetermination regarding the application not later than the 30th  
11 day after the date the comptroller receives the amended  
12 application.

13 (c) The presiding officer of the governing body of a school  
14 district shall notify the applicant and the comptroller of the  
15 governing body's approval or disapproval of an application not  
16 later than the seventh day after the date the governing body  
17 approves or disapproves the application.

18 (d) Except for a payment authorized by this subchapter, an  
19 employee or representative of a school district, a member of the  
20 governing body of the district, or any other person may not  
21 intentionally or knowingly solicit, accept, agree to accept, or  
22 require any payment of money or transfer of property or other thing  
23 of value, directly or indirectly, to the district, an employee or  
24 representative of the district, a member of the governing body of  
25 the district, or any other person in recognition of, anticipation  
26 of, or consideration for approval of an application under this  
27 section.

1       (e) Except for a payment authorized by this subchapter, an  
2 applicant, an employee or representative of the applicant, or any  
3 other person may not intentionally or knowingly offer, confer,  
4 agree to confer, or make a payment of money or transfer of property  
5 or other thing of value, directly or indirectly, to the school  
6 district, an employee or representative of the district, a member  
7 of the governing body of the district, or any other person in  
8 recognition of, anticipation of, or consideration for approval of  
9 an application under this section.

10       Sec. 403.612. AGREEMENT. (a) The governing body of a  
11 school district that approves an application under Section 403.611  
12 shall enter into an agreement with the applicant that submitted the  
13 application.

14       (b) An agreement entered into under this section between an  
15 applicant and a school district for an eligible project shall:

16               (1) specify the project to which the agreement  
17 applies;

18               (2) specify the term of the agreement, which must:

19                       (A) begin on the date the agreement is entered  
20 into; and

21                       (B) end on December 31 of the third tax year  
22 following the end of the incentive period;

23               (3) specify the incentive period for the project;

24               (4) specify the manner for determining the taxable  
25 value for school district maintenance and operations ad valorem tax  
26 purposes during the incentive period under Section 403.605 for the  
27 eligible property subject to the agreement;

1           (5) specify the applicable jobs and investment  
2 requirements prescribed by Section 403.604 and require the  
3 applicant to comply with those requirements;

4           (6) if the applicant is subject to the jobs  
5 requirement prescribed by Section 403.604, require that the average  
6 annual wage paid to all persons employed by the applicant in  
7 connection with the project used to calculate total jobs, other  
8 than a required job derived from a construction job credit, exceed  
9 110 percent of the county average annual wage for manufacturing  
10 jobs in the county where the job is located, with the applicant's  
11 average annual wage being equal to the quotient of:

12                   (A) the applicant's total wages paid, other than  
13 wages paid for construction jobs, as reported under Section  
14 403.617(c)(4); and

15                   (B) the applicant's number of total jobs, other  
16 than a required job derived from a construction job credit, as  
17 reported under Section 403.617(c)(3);

18           (7) require the applicant to offer and contribute to a  
19 group health benefit plan for each employee who performs a required  
20 job;

21           (8) require the applicant to pay a penalty prescribed  
22 by Section 403.615 if the applicant fails to comply with an  
23 applicable jobs or wage requirement;

24           (9) authorize the district to terminate the agreement  
25 if the applicant fails to meet a material requirement of the  
26 agreement as provided by Subsection (e); and

27           (10) incorporate each relevant provision of this

1 subchapter.

2 (c) An agreement entered into under this section between an  
3 applicant and a school district pertaining to an eligible project  
4 may:

5 (1) require the applicant to:

6 (A) either:

7 (i) share a percentage of the applicant's  
8 tax revenue savings with the district, as computed under Section  
9 403.614; or

10 (ii) pay the district an amount specified  
11 in the agreement, which may not be less than \$75,000 for each tax  
12 year during the incentive period; and

13 (B) if the agreement requires the applicant to  
14 share a percentage of the applicant's tax revenue savings under  
15 Paragraph (A)(i), specify the tax savings percentages required to  
16 compute the applicable tax sharing amount under Section 403.614;

17 (2) require the applicant to make an indemnity payment  
18 to the district as provided by Subsection (f);

19 (3) authorize the applicant to terminate the agreement  
20 as an alternative to making an indemnity payment to the district as  
21 provided by Subsection (f); and

22 (4) authorize the district to terminate the agreement  
23 as provided by Subsection (h).

24 (d) An agreement entered into under this section between an  
25 applicant and a school district pertaining to an eligible project  
26 may not require the applicant to make a payment to the district  
27 other than a payment prescribed by this subchapter.



1       (e) This subsection applies to a term described by  
2 Subsection (b)(9). The agreement must provide that the school  
3 district:

4           (1) is authorized to terminate the agreement if the  
5 applicant fails to meet a material requirement of the agreement,  
6 other than a requirement described by Section 403.614;

7           (2) may not terminate the agreement until the district  
8 provides written notice to the applicant of the proposed  
9 termination;

10          (3) must provide the applicant the opportunity to cure  
11 and dispute the alleged failure, including through judicial action;  
12 and

13          (4) is entitled to recover all lost ad valorem tax  
14 revenue from the project and interest on that amount calculated as  
15 provided by Section 111.060, Tax Code.

16       (f) This subsection applies only if an agreement includes a  
17 term described by Subsection (c)(2). In this subsection, a  
18 material change is a change that results in an indemnity payment  
19 calculated under this subsection for a tax year that is at least 10  
20 percent of the amount of any anticipated loss of funding calculated  
21 for that tax year as specified in the updated school finance impact  
22 report required by Section 403.608(e). The agreement must require  
23 the applicant to make an indemnity payment to the school district  
24 for a tax year during the incentive period in which the district's  
25 revenue is reduced as a direct result of the enactment of  
26 legislation or a final judicial determination that results in a  
27 substantial change that affects the Foundation School Program, not

1 including facilities funding, and directly affects an agreement  
2 resulting in a material change. The amount of the indemnity payment  
3 is equal to the difference between the amount of revenue the  
4 district would have received in that tax year had the legislation  
5 not been enacted, the constitution not been amended, or the final  
6 judicial determination not been made and the amount of revenue  
7 actually received by the district in that tax year. The agreement  
8 must provide that, as an alternative to making the indemnity  
9 payment, the applicant may elect to terminate the agreement by  
10 notifying the district in writing of the termination. An agreement  
11 terminated under this subsection is void, and all remaining  
12 obligations and benefits under the agreement and this subchapter  
13 terminate on the date the agreement is terminated. The agreement  
14 may not require the applicant to pay back any benefit the applicant  
15 received under the agreement before the date the agreement is  
16 terminated under this subsection.

17 (g) For purposes of Subsection (f), the Texas Education  
18 Agency shall determine whether a law enacted by the legislature or a  
19 final judicial determination results in a substantial change that  
20 affects the Foundation School Program, not including facilities  
21 funding, and directly affects an agreement resulting in a material  
22 change. If the agency makes a determination under this subsection  
23 related to an agreement, the agency shall establish the method the  
24 applicable school district must use to calculate the indemnity  
25 payment and certify the calculation made by the district.

26 (h) This subsection applies only if an agreement includes a  
27 term described by Subsection (c)(4). The agreement may authorize

1 the school district to terminate the agreement under the  
2 circumstances described by Subsection (f) if the district  
3 determines that the indemnity payment made by the applicant would  
4 not fully reimburse the district as required by that subsection.  
5 The district must notify the applicant in writing of the  
6 termination. An agreement terminated under this subsection is  
7 void, and all remaining obligations and benefits under the  
8 agreement and this subchapter terminate on the date the agreement  
9 is terminated. The agreement may not require the applicant to pay  
10 back any benefit the applicant received under the agreement before  
11 the date the agreement is terminated under this subsection.

12 (i) An applicant and a school district may modify the terms  
13 of an agreement that do not materially modify the jobs or investment  
14 requirements prescribed by the agreement. The district may impose  
15 a fee of \$15,000 for an amendment to an agreement.

16 (j) The school district shall append the economic benefit  
17 statement applicable to the project that is the subject of the  
18 agreement to the agreement.

19 (k) The school district shall submit each agreement entered  
20 into by the district to the comptroller not later than the seventh  
21 day after the date the agreement is entered into.

22 Sec. 403.613. INCENTIVE PERIOD. (a) An incentive period  
23 pertaining to an eligible project is the period specified in the  
24 agreement for the project, which must be a period of 10 consecutive  
25 tax years.

26 (b) An incentive period may not begin:

27 (1) earlier than January 1 of the first tax year

1 following the construction completion date; or  
2 (2) later than January 1 of the first tax year  
3 following the 10th anniversary of the date the agreement is entered  
4 into.

5 (c) Subject to Subsection (b), the beginning date of an  
6 incentive period specified in an agreement pertaining to an  
7 eligible project is deferred if the applicant does not satisfy the  
8 minimum investment requirement applicable to the project on or  
9 before the date the incentive period is specified to begin under the  
10 agreement. The incentive period is deferred until January 1 of the  
11 year following the year in which the applicant satisfies the  
12 investment requirement pertaining to the project. The deferral of  
13 an incentive period under this subsection does not affect the date  
14 on which the incentive period ends as prescribed by the agreement.

15 (d) Subject to Subsection (b), an applicant may propose to  
16 modify the beginning and ending dates of the incentive period as  
17 provided by this subsection. The applicant shall provide notice of  
18 the proposed modification to the comptroller and the school  
19 district not later than the 90th day before the first day of the  
20 incentive period specified in Section 403.612(b)(3) or as proposed  
21 to be modified, whichever is earlier. The applicant shall revise  
22 the most recent economic benefit statement as necessary to reflect  
23 the proposed change to the incentive period. The applicant must  
24 include the revised economic benefit statement with the notice  
25 provided to the comptroller and the district under this subsection.  
26 The comptroller shall make the finding required by Section  
27 403.609(c)(2) regarding the project as proposed to be modified or

1 determine that the finding cannot be made. The comptroller shall  
2 notify the applicant and the district of the comptroller's finding  
3 or determination not later than the 60th day after the date the  
4 comptroller receives notice from the applicant of the proposed  
5 modification. The applicant may appeal the comptroller's  
6 determination in the manner provided by Section 403.610. The  
7 incentive period for the project may not be modified if the  
8 comptroller determines that the finding required by Section  
9 403.609(c)(2) regarding the project as proposed to be modified  
10 cannot be made or, if the determination is appealed, the applicant  
11 is not successful on appeal before the beginning of the original or  
12 modified incentive period, whichever is earlier.

13 Sec. 403.614. COMPUTATION OF TAX SHARING AMOUNT. (a) An  
14 applicant's tax revenue savings for eligible property that is  
15 subject to an agreement between the applicant and a school district  
16 is:

17 (1) for a tax year during the period prescribed by  
18 Section 403.605(c), an amount equal to the product of:

19 (A) the amount computed by dividing the appraised  
20 value of the property for that tax year by 100; and

21 (B) the maintenance and operations ad valorem tax  
22 rate adopted by the district for that tax year; and

23 (2) for a tax year during the incentive period  
24 prescribed by the agreement, an amount equal to the product of:

25 (A) the amount computed by:

26 (i) subtracting the taxable value of the  
27 property as determined under Section 403.612(b)(4) from the

1 appraised value of the property for that tax year; and

2 (ii) dividing the amount computed under  
3 Paragraph (A) by 100; and

4 (B) the maintenance and operations ad valorem tax  
5 rate adopted by the district for that tax year.

6 (b) An applicant's tax sharing amount for a tax year during  
7 the period described by Subsection (a)(1) is equal to 20 percent of  
8 the applicant's tax revenue savings as computed under that  
9 subdivision for that tax year.

10 (c) An applicant's tax sharing amount for a tax year during  
11 the period described by Subsection (a)(2) in which the applicant's  
12 tax revenue savings as computed under that subdivision is:

13 (1) \$3 million or less is the amount equal to the  
14 product of the amount computed under Subsection (a)(2) and the  
15 applicable tax savings percentage specified in the agreement  
16 between the applicant and the school district, which may not exceed  
17 30 percent;

18 (2) more than \$3 million but less than \$7 million is  
19 the amount equal to the sum of the following amounts:

20 (A) the product of:

21 (i) \$3 million; and

22 (ii) the applicable tax savings percentage  
23 specified in the agreement, which may not exceed 30 percent; and

24 (B) the product of:

25 (i) the difference between the amount  
26 computed under Subsection (a)(2) and \$3 million; and

27 (ii) the applicable tax savings percentage

1 specified in the agreement, which may not exceed 20 percent; and  
2 (3) \$7 million or more is the amount equal to the sum  
3 of the following amounts:

4 (A) the product of:  
5 (i) \$3 million; and  
6 (ii) the applicable tax savings percentage  
7 specified in the agreement, which may not exceed 30 percent;

8 (B) the product of:  
9 (i) \$4 million; and  
10 (ii) the applicable tax savings percentage  
11 specified in the agreement, which may not exceed 20 percent; and

12 (C) the product of:  
13 (i) the difference between the amount  
14 computed under Subsection (a)(2) and \$7 million; and  
15 (ii) the applicable tax savings percentage  
16 specified in the agreement, which may not exceed 10 percent.

17 Sec. 403.615. FAILURE TO COMPLY WITH JOBS OR WAGE  
18 REQUIREMENT. (a) An applicant is liable to the state for a penalty  
19 in the amount computed under this subsection if the applicant fails  
20 to maintain at least the number of required jobs prescribed by the  
21 agreement to which the applicant is a party during the periods  
22 covered by two consecutive reports submitted by the applicant under  
23 Section 403.617. The amount of the penalty is equal to 2.5 times  
24 the product of:

25 (1) the difference between:  
26 (A) the number of required jobs prescribed by the  
27 agreement; and

1           (B) the number of required jobs actually created  
2 as stated in the most recent report submitted by the applicant under  
3 Section 403.617; and

4           (2) the average annual wage prescribed by the  
5 agreement during the most recent four quarters for which data is  
6 available, as computed by the Texas Workforce Commission.

7           (b) An applicant is liable to the state for a penalty in the  
8 amount computed under this subsection if the applicant fails to  
9 meet the average annual wage requirement prescribed by the  
10 agreement to which the applicant is a party, if any, during the  
11 periods covered by two consecutive reports submitted by the  
12 applicant under Section 403.617. The amount of the penalty is equal  
13 to 2.5 times the difference between:

14           (1) the product of:

15                   (A) the actual average annual wage paid to all  
16 persons employed by the applicant in connection with the project  
17 that is the subject of the agreement as computed under Section  
18 403.612(b)(6); and

19                   (B) the number of required jobs prescribed by the  
20 agreement; and

21           (2) the product of:

22                   (A) the average annual wage prescribed by the  
23 agreement; and

24                   (B) the number of required jobs prescribed by the  
25 agreement.

26           (c) Notwithstanding Subsections (a) and (b), the amount of a  
27 penalty imposed on an applicant under this section may not exceed



1 the amount of the ad valorem tax benefit received by the applicant  
2 under the agreement that is the subject of the penalty.

3 (d) An applicant on request of the comptroller shall provide  
4 to the comptroller a schedule of required jobs created as of the  
5 date of the request under an agreement to which the applicant is a  
6 party.

7 (e) A determination by the comptroller that an applicant has  
8 failed to meet the jobs or wage requirement prescribed by an  
9 agreement to which the applicant is a party is a deficiency  
10 determination under Section 111.008, Tax Code. A penalty imposed  
11 under this section is an amount the comptroller is required to  
12 collect, receive, administer, or enforce, and is subject to the  
13 payment and redetermination requirements of Sections 111.0081 and  
14 111.009, Tax Code. A redetermination under Section 111.009, Tax  
15 Code, of a determination under this section is a contested case as  
16 defined by Section 2001.003 of this code.

17 (f) An applicant may challenge under Subchapters A and B,  
18 Chapter 112, Tax Code, a determination under this section that  
19 imposes a penalty on the applicant if the applicant contends that  
20 the amount of the penalty is unlawful or that the comptroller may  
21 not legally demand or collect the amount.

22 (g) The comptroller shall deposit the amount collected  
23 under this section, including any interest applicable to the  
24 amount, to the credit of the foundation school fund.

25 Sec. 403.616. AUDIT OF AGREEMENTS BY STATE AUDITOR. (a)  
26 Each year the state auditor shall select and review at least three  
27 major agreements to determine whether:

1           (1) each agreement accomplishes the purposes of this  
2 subchapter as expressed in Section 403.601; and

3           (2) the terms of each agreement were executed in  
4 compliance with the terms of this subchapter.

5           (b) As part of the review, the state auditor shall make  
6 recommendations relating to increasing the efficiency and  
7 effectiveness of the administration of this subchapter.

8           Sec. 403.617. ANNUAL COMPLIANCE REPORT BY APPLICANT. (a)  
9 An applicant that is a party to an agreement shall submit a report  
10 to the comptroller as required by this section using the form  
11 adopted by the comptroller.

12           (b) An applicant must submit a report required by this  
13 section to the comptroller not later than June 1 of each year during  
14 the term of the agreement that is the subject of the report.

15           (c) A report required by this section must include the  
16 following documents and information applicable to the agreement  
17 that is the subject of the report:

18           (1) a certification by the applicant that is a party to  
19 the agreement that the applicant has met the jobs and investment  
20 requirements prescribed by the agreement, which must include:

21                   (A) a sworn affidavit stating:

22                           (i) the number of required jobs prescribed  
23 by the agreement;

24                           (ii) the number of total jobs created under  
25 the agreement as of December 31 of the preceding year, including the  
26 number of total jobs for each category of required jobs; and

27                           (iii) the name and contact information of

1 each person who employs a person described by Subparagraph (ii),  
2 other than the applicant or the applicant's affiliates;

3 (B) if applicable, payroll records maintained  
4 for purposes of 40 T.A.C. Chapter 815; and

5 (C) if applicable, evidence of the number of  
6 construction jobs created and construction job credits counted by  
7 the applicant as a required job;

8 (2) the number assigned to the application by the  
9 comptroller for the agreement, name of the applicant, name of the  
10 school district, and name of and contact information for the  
11 applicant's representative;

12 (3) the number of total jobs, not including  
13 construction job credits counted by the applicant as a required  
14 job, created by the project in the preceding year;

15 (4) the total wages paid for total jobs, not including  
16 wages paid for construction jobs, in the preceding year;

17 (5) the number of construction jobs created as  
18 determined under Section 403.604(d);

19 (6) the total amount of the applicant's investment,  
20 including any additional amount invested by the applicant after the  
21 incentive period begins;

22 (7) the appraised value of all property composing the  
23 project for each previous tax year of the agreement;

24 (8) the taxable value of all property composing the  
25 project for each previous tax year of the agreement;

26 (9) the amount of school district maintenance and  
27 operations ad valorem taxes imposed on the property composing the

1 project and paid by the applicant for each previous tax year of the  
2 agreement;

3 (10) the amount of school district interest and  
4 sinking fund ad valorem taxes imposed on the property composing the  
5 project and paid by the applicant for each previous tax year of the  
6 agreement;

7 (11) the amount of school district ad valorem taxes  
8 that would have been imposed on the property composing the project  
9 and paid by the applicant in the absence of the agreement for each  
10 previous tax year of the agreement;

11 (12) the amount of payments made by the applicant to  
12 the school district as prescribed by the agreement for each  
13 previous tax year of the agreement, listed by type of payment; and

14 (13) the amount of ad valorem taxes imposed on the  
15 property composing the project by each taxing unit other than the  
16 school district and paid by the applicant for each previous tax year  
17 of the agreement, stated by taxing unit.

18 (d) This subsection applies only to a report required to be  
19 submitted under this section by an applicant for the period that  
20 includes the first year of the incentive period as prescribed by the  
21 agreement that is the subject of the report or as deferred. In  
22 addition to the documents and information described by Subsection  
23 (c), the applicant must include with the certification required by  
24 Subsection (c)(1):

25 (1) a list of the property tax account numbers  
26 assigned to the property composing the project;

27 (2) the current total appraised value of the property

1 composing the project; and

2 (3) if applicable, a statement that the incentive  
3 period was deferred because the applicant did not meet the minimum  
4 investment requirement prescribed by the agreement before the date  
5 specified in the agreement.

6 Sec. 403.618. SCHOOL DISTRICT REPORT. (a) A school  
7 district that is a party to an agreement must submit a report to the  
8 comptroller as prescribed by this section.

9 (b) A school district must submit the report not later than  
10 June 1 of each even-numbered year:

11 (1) beginning in the first even-numbered year  
12 following the year in which the governing body of the district  
13 approves the application for the project that is the subject of the  
14 agreement; and

15 (2) ending in the last even-numbered year before the  
16 third anniversary of the expiration of the incentive period  
17 prescribed by the agreement.

18 (c) The report must include:

19 (1) the total amount received from the applicant under  
20 the agreement for each previous year;

21 (2) the total amount of any other direct or indirect  
22 benefit received from the applicant for each previous year,  
23 including an in-kind contribution; and

24 (3) the purposes for which the payments and benefits  
25 were used by the school district.

26 Sec. 403.619. BIENNIAL REPORT TO LEGISLATURE. (a) The  
27 comptroller shall submit to the lieutenant governor, the speaker of

1 the house of representatives, and each other member of the  
2 legislature a report on the agreements entered into under this  
3 subchapter. The comptroller must submit the report not later than  
4 December 1 of each even-numbered year.

5 (b) The report must include:

6 (1) an assessment of the following with regard to the  
7 agreements entered into under this subchapter, considered in the  
8 aggregate:

9 (A) the total number of jobs created in this  
10 state;

11 (B) the total effect on personal income in this  
12 state;

13 (C) the total amount of investment in this state;

14 (D) the total taxable value of property on the  
15 tax rolls in this state resulting from the agreements, including  
16 property subject to an agreement that has expired;

17 (E) the total value of property subject to  
18 agreements that have not expired; and

19 (F) the total fiscal effect resulting from the  
20 agreements on this state and on local governments in this state; and

21 (2) an assessment of each agreement entered into under  
22 this subchapter that states for each agreement:

23 (A) the number of required jobs prescribed by the  
24 agreement;

25 (B) the number of jobs actually created under the  
26 agreement, including:

27 (i) each job described by Section

- 1 403.604(c)(1)(A);  
2 (ii) each job described by Section  
3 403.604(c)(1)(B);  
4 (iii) each construction job credit  
5 described by Section 403.604(d) counted by an applicant as a  
6 required job; and  
7 (iv) any additional jobs created or  
8 maintained in connection with the project that is the subject of the  
9 agreement, if reported by the applicant;  
10 (C) the number of total jobs created under the  
11 agreement, if the term of the agreement has expired;  
12 (D) the amount of the investment specified by the  
13 agreement;  
14 (E) the amount of the actual investment made for  
15 the applicable project before the expiration of the agreement;  
16 (F) the difference between the amount of ad  
17 valorem taxes that would have been imposed on the property  
18 composing the applicable project in the absence of the agreement  
19 and the amount of ad valorem taxes actually imposed on that property  
20 during the term of the agreement;  
21 (G) the total amount of state and local tax  
22 revenue attributable to the applicable project during the term of  
23 the agreement;  
24 (H) the total amount received by the school  
25 district from the applicant under the agreement for each previous  
26 year;  
27 (I) the total amount of any other direct or

1 indirect benefit received by the district from the applicant for  
2 each previous year, including an in-kind contribution; and

3 (J) the purposes for which the payments and  
4 benefits described by Paragraphs (H) and (I) were used by the  
5 district.

6 (c) The comptroller may not include in the report  
7 information that is confidential under law.

8 (d) The comptroller may use standard economic estimation  
9 techniques, including economic multipliers, to prepare the portion  
10 of the report described by Subsection (b)(1).

11 (e) The comptroller may require an applicant to submit  
12 information required to complete the report on a form prescribed by  
13 the comptroller.

14 Sec. 403.620. CONFLICT OF INTEREST. A person may not,  
15 directly or indirectly, represent, advise, or provide a service to  
16 both an applicant and a school district in connection with the same  
17 application submitted or agreement entered into under this  
18 subchapter.

19 Sec. 403.621. TREATMENT OF PAYMENTS TO SCHOOL DISTRICTS. A  
20 payment by an applicant to a school district under this subchapter  
21 other than a payment of ad valorem taxes imposed by the district may  
22 not be treated as tax revenue collected by the district for any  
23 purpose under Chapter 48 or 49, Education Code.

24 Sec. 403.622. CONFIDENTIALITY OF CERTAIN BUSINESS  
25 INFORMATION. (a) Information provided to a school district or the  
26 comptroller by an applicant under this subchapter that is a trade  
27 secret, as defined by Section 134A.002, Civil Practice and Remedies



1 Code, is confidential and not subject to disclosure under Chapter  
2 552.

3 (b) Payroll records reported under Section 403.617(c)(1)(A)  
4 or (B) by an applicant to the comptroller are confidential and not  
5 subject to disclosure under Chapter 552.

6 Sec. 403.623. INTERNET POSTING OF INFORMATION. (a)  
7 Subject to Section 403.622, the comptroller shall post on the  
8 comptroller's Internet website the following information received  
9 by the comptroller:

- 10 (1) each application submitted under this subchapter;  
11 (2) each map and economic benefit statement required  
12 to be submitted with an application under this subchapter;  
13 (3) each amendment to an application made under this  
14 subchapter;  
15 (4) each agreement entered into under this subchapter;  
16 and  
17 (5) each biennial compliance report submitted as  
18 required under this subchapter.

19 (b) Except as provided by Subsection (c), the comptroller  
20 shall post the information described by Subsection (a) as soon as  
21 practicable after the date the comptroller receives the  
22 information.

23 (c) The comptroller shall post the information described by  
24 Subsections (a)(1), (2), and (3) not later than the 10th business  
25 day after the date the comptroller receives the information.

26 (d) The comptroller shall continue to post the information  
27 required by this section until the date the agreement to which the

1 information relates expires.

2 Sec. 403.624. RULES AND FORMS. (a) The comptroller shall  
3 adopt rules necessary to implement and administer this subchapter,  
4 including rules for:

5 (1) determining whether an applicant meets the jobs  
6 and investment requirements prescribed by Section 403.604; and

7 (2) authorizing an applicant or school district to  
8 submit any form or information required by this subchapter  
9 electronically.

10 (b) The comptroller shall adopt forms necessary to  
11 implement and administer this subchapter, including the forms to be  
12 used by:

13 (1) an applicant under Section 403.606;

14 (2) an applicant under Section 403.617; and

15 (3) a school district under Section 403.618.

16 (c) The comptroller shall provide without charge one copy of  
17 the rules and forms adopted under this section to any person who  
18 states that the person intends to submit an application to a school  
19 district under this subchapter to limit the taxable value of  
20 eligible property used as part of an eligible project.

21 SECTION 2. Section 48.2551(a), Education Code, is amended  
22 to read as follows:

23 (a) In this section:

24 (1) "DPV" is the taxable value of property in the  
25 school district, as determined by the agency by rule, using locally  
26 determined property values adjusted in accordance with Section  
27 403.302(d), Government Code;

1           (2) "E" is the expiration of the exclusion of  
2 appraised property value for the preceding tax year that is  
3 recognized as taxable property value for the current tax year,  
4 which is the sum of the following:

5           (A) property value that is no longer subject to a  
6 limitation on appraised value under former Subchapter B or C,  
7 Chapter 313, Tax Code, or a limitation on taxable value under  
8 Subchapter T, Chapter 403, Government Code; and

9           (B) property value under Section 311.013(n), Tax  
10 Code, that is no longer excluded from the calculation of "DPV" from  
11 the preceding year because of refinancing or renewal after  
12 September 1, 2019;

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

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

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

22           SECTION 3. Section 48.256, Education Code, is amended by  
23 amending Subsections (d) and (e) and adding Subsection (d-1) to  
24 read as follows:

25           (d) This subsection applies to a school district in which  
26 the board of trustees entered into a written agreement with a  
27 property owner [~~under Section 313.027, Tax Code,~~] for the

1 implementation of a limitation on taxable [~~appraised~~] value under  
2 Subchapter T, Chapter 403, Government [~~B or C, Chapter 313, Tax~~]  
3 Code. For purposes of determining "DPV" under Subsection (a) for a  
4 school district to which this subsection applies, the commissioner  
5 shall exclude a portion of the market value of property not  
6 otherwise fully taxable by the district under Subchapter T, Chapter  
7 403, Government [~~B or C, Chapter 313, Tax~~] Code[, ~~before the~~  
8 ~~expiration of the subchapter~~]. The comptroller shall provide  
9 information to the agency necessary for this subsection.

10 (d-1) Subsection (d) applies to an agreement for the  
11 implementation of a limitation on appraised value under former  
12 Subchapter B or C, Chapter 313, Tax Code, that was in effect on  
13 January 1, 2023, in the same manner as that subsection applies to an  
14 agreement described by that subsection. If the agreement for the  
15 limitation on appraised value requires a [A] revenue protection  
16 payment to the school district, the payment [~~required as part of an~~  
17 ~~agreement for a limitation on appraised value~~] shall be based on the  
18 district's taxable value of property for the preceding tax year.

19 (e) Subsection (d-1) [~~(d)~~] does not apply to property that  
20 was the subject of an application under former Subchapter B or C,  
21 Chapter 313, Tax Code, made after May 1, 2009, that the comptroller  
22 recommended should be disapproved.

23 SECTION 4. Section 2303.507, Government Code, is amended to  
24 read as follows:

25 Sec. 2303.507. TAX INCREMENT FINANCING AND  
26 ABATEMENT; LIMITATIONS ON APPRAISED AND TAXABLE  
27 VALUE. Designation of an area as an enterprise zone is also

1 designation of the area as a reinvestment zone for:

- 2 (1) tax increment financing under Chapter 311, Tax
- 3 Code;
- 4 (2) tax abatement under Chapter 312, Tax Code; ~~and~~
- 5 (3) limitations on appraised value under former
- 6 Subchapter B or C, Chapter 313, Tax Code; and
- 7 (4) limitations on taxable value under Subchapter T,
- 8 Chapter 403, of this code.

9 SECTION 5. Section 23.03, Tax Code, is amended to read as

10 follows:

11 Sec. 23.03. COMPILATION OF LARGE PROPERTIES AND PROPERTIES

12 SUBJECT TO LIMITATION ON APPRAISED OR TAXABLE VALUE. Each year the

13 chief appraiser shall compile and send to the Texas ~~[Department of]~~

14 Economic Development and Tourism Office a list of properties in the

15 appraisal district that in that tax year:

- 16 (1) have a market value of \$100 million or more; ~~or~~
- 17 (2) are subject to a limitation on appraised value
- 18 under former Subchapter B or C, Chapter 313; or
- 19 (3) are subject to a limitation on taxable value under
- 20 Subchapter T, Chapter 403, Government Code.

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

22 as follows:

23 (6) "Current total value" means the total taxable

24 value of property listed on the appraisal roll for the current year,

25 including all appraisal roll supplements and corrections as of the

26 date of the calculation, less the taxable value of property

27 exempted for the current tax year for the first time under Section

1 11.31 or 11.315, except that:

2 (A) the current total value for a school district  
3 excludes:

4 (i) the total value of homesteads that  
5 qualify for a tax limitation as provided by Section 11.26; ~~and~~

6 (ii) new property value of property that is  
7 subject to an agreement entered into under former Subchapter B or C,  
8 Chapter 313; and

9 (iii) new property value of property that  
10 is subject to an agreement entered into under Subchapter T, Chapter  
11 403, Government Code; and

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

16 SECTION 7. Section 171.602(f), Tax Code, is amended to read  
17 as follows:

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

20 (1) ~~September 1, 2018, or~~

21 ~~(2)~~ the expiration of an agreement under former  
22 Subchapter B or C, Chapter 313, regarding the clean energy project  
23 for which the credit is issued; or

24 (2) the expiration of an agreement under Subchapter T,  
25 Chapter 403, Government Code, regarding the clean energy project  
26 for which the credit is issued.

27 SECTION 8. Section 312.0025(a), Tax Code, is amended to

1 read as follows:

2 (a) Notwithstanding any other provision of this chapter to  
3 the contrary, the governing body of a school district, in the manner  
4 required for official action and for purposes of former Subchapter  
5 B or C, Chapter 313, of this code or Subchapter T, Chapter 403,  
6 Government Code, may designate an area entirely within the  
7 territory of the school district as a reinvestment zone if the  
8 governing body finds that, as a result of the designation and the  
9 granting of a limitation on appraised value under former Subchapter  
10 B or C, Chapter 313, of this code or the granting of a limitation on  
11 taxable value under Subchapter T, Chapter 403, Government Code, for  
12 property located in the reinvestment zone, the designation is  
13 reasonably likely to:

14 (1) contribute to the expansion of primary employment  
15 in the reinvestment zone; or

16 (2) attract major investment in the reinvestment zone  
17 that would:

18 (A) be a benefit to property in the reinvestment  
19 zone and to the school district; and

20 (B) contribute to the economic development of the  
21 region of this state in which the school district is located.

22 SECTION 9. It is the intent of the legislature that the  
23 amendment made by this Act to Section 48.2551, Education Code,  
24 ensures that school district maintenance and operations ad valorem  
25 tax revenue generated by the increase in taxable value of property  
26 following the expiration of an agreement for a limitation on  
27 taxable value of the property under Subchapter T, Chapter 403,

1 Government Code, as added by this Act, is considered in the  
2 computation of the maximum compressed rate under Section 48.2551,  
3 Education Code, and voter-approval tax rate under Section 26.08,  
4 Tax Code, of the school district that is a party to the expired  
5 agreement.

6 SECTION 10. This Act takes effect March 1, 2024.