

By: Guillen

H.B. No. 105

A BILL TO BE ENTITLED

AN ACT

relating to the Texas Jobs, Energy, Technology, and Innovation Act.

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

SECTION 1. Section 403.602, Government Code, as added by Chapter 377 (H.B. 5), Acts of the 88th Legislature, Regular Session, 2023, is amended by adding Subdivision (14-a) and amending Subdivision (15) to read as follows:

(14-a) "Priority project" means an eligible project for which an applicant agrees to make an investment in an amount of at least \$750 million by the end of the first tax year of the incentive period prescribed by the agreement pertaining to the project.

(15) "Qualified opportunity zone" means an area designated as such by the secretary of the United States Treasury as of January 1, 2026.

SECTION 2. Section 403.604(a), Government Code, as added by Chapter 377 (H.B. 5), Acts of the 88th Legislature, Regular Session, 2023, is amended to read as follows:

(a) A jobs and investment requirement prescribed by this section does not apply to an eligible project that is:

(1) an electric generation facility described by Section 403.602(8)(A)(i)(b); or

(2) a priority project.

SECTION 3. Section 403.609(b), Government Code, as added by Chapter 377 (H.B. 5), Acts of the 88th Legislature, Regular

Session, 2023, is amended to read as follows:

(b) The comptroller may not recommend an application for approval unless the comptroller finds that:

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

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

(3) for a proposed project other than an electric generation facility described by Section 403.602(8)(A)(i)(b) or a priority project, the agreement is a compelling factor in a competitive site selection determination and that, in the absence of the agreement, the applicant would not make the proposed investment in this state; and

(4) if the application indicates that the eligible project is proposed to be located in a qualified opportunity zone, the project is located in the zone.

SECTION 4. Section 403.612(b), Government Code, as added by Chapter 377 (H.B. 5), Acts of the 88th Legislature, Regular Session, 2023, is amended to read as follows:

(b) An agreement entered into under this section between the governor, a school district, and an applicant pertaining to an eligible project shall:

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

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

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

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

(3) specify the construction and incentive periods for the project;

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

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

(6) require that the average annual wage paid to all persons employed by the applicant in required jobs in connection with the project be not less than ~~[used to calculate total jobs exceed]~~ 110 percent of the county average annual wage for manufacturing ~~[all]~~ jobs in the county where the project is located ~~[applicable industry sector]~~ during the most recent four quarters for which data is available, as computed by the Texas Workforce Commission, with the applicant's average annual wage being equal to the quotient of:

(A) the applicant's total wages paid to all persons holding required jobs ~~[, other than wages paid for~~

1 ~~construction jobs, as reported under Section 403.616(c)(4)]~~; and

2 (B) the applicant's number of required ~~[total]~~
3 jobs as certified ~~[reported]~~ under Section 403.616(c)(1)(A)(ii)
4 ~~[403.616(c)(3)]~~;

5 (7) require the applicant to pay a penalty prescribed
6 by Section 403.614 if the applicant fails to comply with an
7 applicable jobs or wage requirement;

8 (8) require the applicant to offer and contribute to a
9 group health benefit plan for each employee of the applicant who is
10 employed in a full-time job;

11 (9) require the applicant, at the time the applicant
12 executes the agreement, to execute a performance bond in an amount
13 the comptroller determines to be reasonable and necessary to
14 protect the interests of the state and the district and conditioned
15 on the applicant's compliance with the terms of the agreement;

16 (10) authorize the governor or the district to
17 terminate the agreement as provided by Subsection (d); and

18 (11) incorporate each relevant provision of this
19 subchapter.

20 SECTION 5. The changes in law made by this Act to Subchapter
21 T, Chapter 403, Government Code, as added by Chapter 377 (H.B. 5),
22 Acts of the 88th Legislature, Regular Session, 2023, apply only to
23 an agreement entered into under that subchapter pursuant to an
24 application submitted under that subchapter on or after the
25 effective date of this Act. An agreement entered into under that
26 subchapter pursuant to an application submitted before the
27 effective date of this Act is governed by the law in effect on the

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1 date the application was submitted, and the former law is continued
2 in effect for that purpose.

3 SECTION 6. This Act takes effect September 1, 2025.