By: Harrison H.B. No. 5095

A BILL TO BE ENTITLED

AN ACT

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

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

SECTION 1. Subchapter T, Chapter 403, Government Code, as added by Chapter 377 (H.B. 5), Acts of the 88th Legislature, Regular Session, 2023, is repealed.

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

(a) In this section:

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

(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 Subchapter B or C, Chapter 313, Tax Code, or a limitation on taxable value under <u>former</u> Subchapter T, Chapter 403, Government Code<u>, as added by Chapter 377 (H.B. 5), Acts of the 88th Legislature, Regular Session, 2023</u>; and

(B) property value under Section 311.013(n), Tax

Code, that is no longer excluded from the calculation of "DPV" from the preceding year because of refinancing or renewal after September 1, 2019;

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

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

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

SECTION 3. Section 48.256(d), Education Code, is amended to read as follows:

(d) This subsection applies to a school district in which the board of trustees entered into a written agreement with a property owner for the implementation of a limitation on taxable value under former Subchapter T, Chapter 403, Government Code, as added by Chapter 377 (H.B. 5), Acts of the 88th Legislature, Regular Session, 2023. For purposes of determining "DPV" under Subsection (a) for a school district to which this subsection applies, the commissioner shall exclude a portion of the market value of property not otherwise fully taxable by the district under former Subchapter T, Chapter 403, Government Code, as added by Chapter 377 (H.B. 5), Acts of the 88th Legislature, Regular Session, 2023. The comptroller shall provide information to the agency necessary for this subsection.

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

Sec. 2303.507. TAX INCREMENT FINANCING AND ABATEMENT; LIMITATIONS ON APPRAISED AND TAXABLE VALUE. Designation of an area as an enterprise zone is also designation of the area as a reinvestment zone for:

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

(2) tax abatement under Chapter 312, Tax Code;

(3) limitations on appraised value under former Subchapter B or C, Chapter 313, Tax Code; and

(4) limitations on taxable value under former Subchapter T, Chapter 403, of this code, as added by Chapter 377 (H.B. 5), Acts of the 88th Legislature, Regular Session, 2023.

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

Sec. 23.03. COMPILATION OF LARGE PROPERTIES AND PROPERTIES SUBJECT TO LIMITATION ON APPRAISED OR TAXABLE VALUE. Each year the chief appraiser shall compile and send to the Texas Economic Development and Tourism Office a list of properties in the appraisal district that in that tax year:

(1) have a market value of $100 million or more;

(2) are subject to a limitation on appraised value under former Subchapter B or C, Chapter 313; or

(3) are subject to a limitation on taxable value under former Subchapter T, Chapter 403, Government Code, as added by Chapter 377 (H.B. 5), Acts of the 88th Legislature, Regular

Session, 2023.

SECTION 6. Section 26.012(6), Tax Code, is amended to read as follows:

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

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

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

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

(iii) new property value of property that is subject to an agreement entered into under former Subchapter T, Chapter 403, Government Code, as added by Chapter 377 (H.B. 5), Acts of the 88th Legislature, Regular Session, 2023; and

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

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

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

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

(2) the expiration of an agreement under <u>former</u> Subchapter T, Chapter 403, Government Code, <u>as added by Chapter 377 (H.B. 5), Acts of the 88th Legislature, Regular Session, 2023,</u> regarding the clean energy project for which the credit is issued.

SECTION 8. Section 312.0025(a), Tax Code, is amended to read as follows:

(a) Notwithstanding any other provision of this chapter to the contrary, the governing body of a school district, in the manner required for official action and for purposes of former Subchapter B or C, Chapter 313, of this code or <u>former</u> Subchapter T, Chapter 403, Government Code, <u>as added by Chapter 377 (H.B. 5), Acts of the 88th Legislature, Regular Session, 2023,</u> may designate an area entirely within the territory of the school district as a reinvestment zone if the governing body finds that, as a result of the designation and the granting of a limitation on appraised value under former Subchapter B or C, Chapter 313, of this code or the granting of a limitation on taxable value under <u>former</u> Subchapter T, Chapter 403, Government Code, <u>as added by Chapter 377 (H.B. 5), Acts of the 88th Legislature, Regular Session, 2023,</u> for property located in the reinvestment zone, the designation is reasonably likely to:

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

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

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

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

SECTION 9. An agreement limiting the taxable value of property entered into under Subchapter T, Chapter 403, Government Code, as added by Chapter 377 (H.B. 5), Acts of the 88th Legislature, Regular Session, 2023, before the effective date of this Act continues in effect according to that subchapter as that subchapter existed immediately before that date, and that law, including Sections 403.614, 403.616, and 403.622, Government Code, as added by Chapter 377 (H.B. 5), Acts of the 88th Legislature, Regular Session, 2023, is continued in effect for purposes of the agreement.

SECTION 10. This Act takes effect September 1, 2025.