

By: King

S.B. No. 2322

A BILL TO BE ENTITLED

AN ACT

relating to the applicability of the compelling factor test within the Texas Jobs, Energy, Technology, and Innovation Act.

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

SECTION 1. Section 403.609(b), Government Code, is amended to read as follows:

Sec. 403.609. COMPTROLLER ACTION ON APPLICATION. (a) The comptroller shall determine whether to recommend or not recommend for approval an application submitted to the comptroller under Section 403.607. The comptroller shall recommend an application for approval if the comptroller makes the findings prescribed by Subsection (b). The comptroller may not recommend an application for approval if the comptroller is unable to make the findings prescribed by that subsection.

(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

1 a result of the agreement;

2 (3) for a project described by Section
3 403.602(8)(A)(i)(a), (c), (d) or (ii), the agreement is a
4 compelling factor in a competitive site selection determination and
5 that, in the absence of the agreement, the applicant would not make
6 the proposed investment in this state; and

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

10 (c) In making the finding required by Subsection (b)(3), the
11 comptroller shall consider factors related to the selection of the
12 proposed site for the project, including the workforce, the
13 regulatory environment, infrastructure, transportation, market
14 conditions, investment alternatives, and any specific incentive
15 information provided by the applicant related to other potential
16 sites.

17 (d) Not later than the 60th day after the date the
18 comptroller determines that an application is complete, the
19 comptroller shall take the action required by Subsection (a)
20 regarding the application and provide written notice of the action
21 to the governor, the school district in which the project is
22 proposed to be located, and the applicant.

23 (e) The comptroller shall send to the governor and the
24 applicable school district with the notice required by Subsection
25 (d) regarding an application recommended by the comptroller under
26 Subsection (a) a copy of the application and each document and item
27 of information the comptroller relied on to recommend the

1 application.

2 SECTION 2. This Act takes effect September 1, 2025.