

## **BILL ANALYSIS**

Senate Research Center  
79R16648 JD-D

C.S.S.B. 559  
By: Brimer  
Business & Commerce  
5/11/2005  
Committee Report (Substituted)

### **AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

The 77th Legislature, Regular Session, 2001, enacted H.B. 1200, which created Chapter 313, Tax Code, (the Texas Economic Development Act). This Act allows school districts to attract new taxable property by offering a tax credit and an eight-year limitation on the appraised value of a property for the maintenance and operations portion of the school district property tax.

Prior to the 77th Legislature, the property tax system in Texas placed a disproportionate burden on capital-intensive businesses compared to other entities. This disparity provided a significant financial disincentive to businesses which desired to invest large amounts of money in Texas, exacerbated by the fact that other states have restructured their tax laws in an effort to attract projects and high-paying jobs.

C.S.S.B. 559 amends the expiration date provided in Chapter 313, Tax Code, to extend the permissible tax credit.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 317.007, Tax Code, as follows:

Sec. 313.007. EXPIRATION. Provides that Subchapters B, C, and D expire December 31, 2011, rather than 2007.

SECTION 2. Effective date: upon passage or September 1, 2005.