

By: West, Royce

S.B. No. 818

A BILL TO BE ENTITLED

AN ACT

1
2 relating to a requirement that an ad valorem tax abatement
3 agreement provide for the recapture of lost ad valorem tax revenue
4 if the property owner fails to provide a health benefit plan to the
5 owner's employees and their dependents.

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

7 SECTION 1. Section 312.205(a), Tax Code, is amended to read
8 as follows:

9 (a) An agreement made under Section 312.204 or 312.211 must:

10 (1) list the kind, number, and location of all
11 proposed improvements of the property;

12 (2) provide access to and authorize inspection of the
13 property by municipal employees to ensure that the improvements or
14 repairs are made according to the specifications and conditions of
15 the agreement;

16 (3) limit the uses of the property consistent with the
17 general purpose of encouraging development or redevelopment of the
18 zone during the period that property tax exemptions are in effect;

19 (4) provide for recapturing property tax revenue lost
20 as a result of the agreement if the owner of the property fails to
21 make the improvements or repairs as provided by the agreement;

22 (5) contain each term agreed to by the owner of the
23 property;

24 (6) require the owner of the property to certify

1 annually to the governing body of each taxing unit that the owner is
2 in compliance with each applicable term of the agreement; ~~and~~

3 (7) provide that the governing body of the
4 municipality may cancel or modify the agreement if the property
5 owner fails to comply with the agreement; and

6 (8) provide for recapturing all or a specified portion
7 of the property tax revenue lost as a result of the agreement if the
8 owner of the property fails to provide to the persons employed on
9 the property as full-time employees and the dependents of those
10 employees a health benefit plan that provides at least the benefits
11 provided to state employees in accordance with Chapter 1551,
12 Insurance Code.

13 SECTION 2. This Act applies only to a tax abatement
14 agreement entered into on or after the effective date of this Act.
15 A tax abatement agreement entered into before the effective date of
16 this Act is governed by the law as it existed immediately before the
17 effective date of this Act, and that law is continued in effect for
18 that purpose.

19 SECTION 3. This Act takes effect September 1, 2005.