

## **BILL ANALYSIS**

Senate Research Center  
80R8563 JD-D

S.B. 1105  
By: Watson  
S/C on Emerging Technologies & Economic Dev.  
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As Filed

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

Current law allows corporations and limited liability companies that meet certain conditions to apply for and receive a property value limitation. Eligibility for the property value limitation is restricted to projects engaged in one of the following activities: manufacturing, research and development, clean coal projects, gasification projects for coal and biomass mixture, or renewable energy generation.

Data centers are an increasingly important source of high-paying jobs. Companies such as Microsoft, Google, and HSBC have purchased acres of land at considerable cost for new state-of-the-art data centers. In Georgetown, Texas, Citigroup recently purchased 50 acres to construct a 300,000-square foot data center. Total capital investment for this project is estimated at \$450 million with 50 full-time jobs paying an average of \$70,000 per year.

As proposed, S.B. 1105 adds data centers to the list of qualified activities under the Texas Economic Development Act.

### **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 313.024(b), Tax Code, to require the corporation or limited liability company to use the property in connection with certain projects, including a data center, to be eligible for a limitation on appraised value under this subchapter (General Provisions).

SECTION 2. Amends Section 313.024(b), Tax Code, as effective January 1, 2008, to require the entity, to which Chapter 171 (Franchise Tax) applies, to use owned property in connection with certain projects, including a data center, to be eligible for a limitation on appraised value under this subchapter (General Provisions).

SECTION 3. Amends Section 313.024(e), Tax Code, by adding Subdivision (3) to define "data center."

SECTION 4. (a) Effective date, except as provided by Subsection (b) of this section: upon passage or September 1, 2007.

(b) Effective date, SECTION 2: January 1, 2008.