

By: Eissler, Swinford

H.B. No. 1470

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the continuation of the Texas Economic Development Act  
3 and to the duties of the comptroller of public accounts and the  
4 Texas Education Agency under that Act.

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

6 SECTION 1. Section 313.007, Tax Code, is amended to read as  
7 follows:

8 Sec. 313.007. EXPIRATION. Subchapters B, C, and D expire  
9 December 31, 2011 [~~2007~~].

10 SECTION 2. Section 313.025, Tax Code, is amended by amending  
11 Subsections (b) and (d) and adding Subsections (b-1) and (f-1) to  
12 read as follows:

13 (b) The governing body of a school district is not required  
14 to consider an application for a limitation on appraised value that  
15 is filed with the governing body under Subsection (a). If the  
16 governing body of the school district does elect to consider an  
17 application, the governing body shall deliver three copies of the  
18 application to the comptroller and request that the comptroller  
19 provide [~~engage a third person to conduct~~] an economic impact  
20 evaluation of the application to [~~on behalf of~~] the school  
21 district. Except as provided by Subsection (b-1), the comptroller  
22 shall conduct or contract with a third person to conduct the  
23 evaluation, which shall be completed and provided to the governing  
24 body of the school district as soon as practicable. The governing

1 body shall provide to the comptroller or third person any requested  
2 information. A methodology to allow comparisons of economic impact  
3 for different schedules of the addition of qualified investment or  
4 qualified property may be developed as part of the economic impact  
5 evaluation. The governing body shall provide a copy of the  
6 evaluation to the applicant on request. The comptroller may charge  
7 and collect a fee sufficient to cover the costs of providing the  
8 economic impact evaluation. The governing body of a school  
9 district shall ~~and~~ approve or disapprove an application before  
10 the 121st day after the date the application is filed, unless the  
11 economic impact evaluation has not been received or an extension is  
12 agreed to by the governing body and the applicant.

13 (b-1) The comptroller shall indicate on one copy of the  
14 application the date the comptroller received the application and  
15 deliver that copy to the Texas Education Agency. The Texas  
16 Education Agency shall determine the effect that the applicant's  
17 proposal will have on the number or size of the school district's  
18 instructional facilities, as required to be included in the  
19 economic impact evaluation by Section 313.026(a)(9), and submit a  
20 written report containing the agency's determination to the  
21 comptroller. The governing body of the school district shall  
22 provide any requested information to the Texas Education Agency.  
23 Not later than the 45th day after the date the application indicates  
24 that the comptroller received the application, the Texas Education  
25 Agency shall make the required determination and submit the  
26 agency's written report to the comptroller. A third person  
27 contracted by the comptroller to conduct an economic impact

1 evaluation of an application is not required to make a  
2 determination that the Texas Education Agency is required to make  
3 and report to the comptroller under this subsection.

4 (d) [~~On receipt of an application under this section that~~  
5 ~~the governing body elects to consider, the school district shall~~  
6 ~~deliver one copy of the application to the comptroller.~~] Before the  
7 61st day after the date the comptroller receives the copy of the  
8 application [~~is received~~], the comptroller[~~, using the criteria~~  
9 ~~listed in Section 313.026,~~] shall submit a recommendation to the  
10 governing body of the school district as to whether the application  
11 should be approved or disapproved.

12 (f-1) Notwithstanding any other provision of this chapter  
13 to the contrary, including Section 313.003(2) or 313.004(3)(A) or  
14 (B)(iii), the governing body of a school district may waive the new  
15 jobs creation requirement in Section 313.021(2)(A)(iv)(b) or  
16 313.051(b) and approve an application if the governing body makes a  
17 finding that the jobs creation requirement exceeds the industry  
18 standard for the number of employees reasonably necessary for the  
19 operation of the facility of the property owner that is described in  
20 the application.

21 SECTION 3. Section 313.026, Tax Code, is amended to read as  
22 follows:

23 Sec. 313.026. ECONOMIC IMPACT EVALUATION. (a) The  
24 economic impact evaluation of the application must include the  
25 following:

- 26 (1) the recommendations of the comptroller;  
27 (2) the relationship between the applicant's industry

1 and the types of qualifying jobs to be created by the applicant to  
2 the long-term economic growth plans of this state as described in  
3 the strategic plan for economic development submitted by the Texas  
4 Strategic Economic Development Planning Commission under Section  
5 481.033, Government Code, as that section existed before February  
6 1, 1999;

7 (3) the relative level of the applicant's investment  
8 per qualifying job to be created by the applicant;

9 (4) the wages, salaries, and benefits to be offered by  
10 the applicant to qualifying job holders;

11 (5) the ability of the applicant to locate or relocate  
12 in another state or another region of this state;

13 (6) the impact the added infrastructure will have on  
14 the region, including:

15 (A) revenue gains that would be realized by the  
16 school district; and

17 (B) subsequent economic effects on the local and  
18 regional tax bases;

19 (7) the economic condition of the region of the state  
20 at the time the person's application is being considered;

21 (8) the number of new facilities built or expanded in  
22 the region during the two years preceding the date of the  
23 application that were eligible to apply for a limitation on  
24 appraised value under this subchapter; and

25 (9) the effect of the applicant's proposal, if  
26 approved, on the number or size of the school district's  
27 instructional facilities, as defined by Section 46.001, Education

1 Code.

2 (b) The comptroller's recommendations shall be based on the  
3 criteria listed in Subsections (a)(2)-(9) and on any other  
4 information available to the comptroller, including information  
5 provided by the governing body of the school district under Section  
6 313.025(b).

7 SECTION 4. Sections 16(a) and (d), Chapter 1, Acts of the  
8 79th Legislature, 3rd Called Session, 2006, are repealed.

9 SECTION 5. Sections 313.025 and 313.026, Tax Code, as  
10 amended by this Act, apply only to an application for a limitation  
11 on appraised value under Chapter 313 of that code in connection with  
12 which the governing body of a school district, before the effective  
13 date of this Act, has not engaged a third person to conduct an  
14 economic impact evaluation. An application for a limitation on  
15 appraised value in connection with which the governing body of a  
16 school district, before the effective date of this Act, has engaged  
17 a third person to conduct an economic impact evaluation is governed  
18 by the law in effect immediately before the effective date of this  
19 Act, and the former law is continued in effect for that purpose.

20 SECTION 6. This Act takes effect immediately if it receives  
21 a vote of two-thirds of all the members elected to each house, as  
22 provided by Section 39, Article III, Texas Constitution. If this  
23 Act does not receive the vote necessary for immediate effect, this  
24 Act takes effect September 1, 2007.