

1-1 By: Watson S.B. No. 1105
1-2 (In the Senate - Filed March 2, 2007; March 14, 2007, read
1-3 first time and referred to Subcommittee on Emerging Technologies
1-4 and Economic Development; April 10, 2007, reported adversely, with
1-5 favorable Committee Substitute from Committee on Business and
1-6 Commerce by the following vote: Yeas 9, Nays 0; April 10, 2007,
1-7 sent to printer.)

1-8 COMMITTEE SUBSTITUTE FOR S.B. No. 1105 By: Janek

1-9 A BILL TO BE ENTITLED
1-10 AN ACT

1-11 relating to the eligibility of property for economic benefits
1-12 authorized by the Texas Economic Development Act.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. Section 313.021, Tax Code, is amended by
1-15 amending Subdivision (3) and adding Subdivision (6) to read as
1-16 follows:

1-17 (3) "Qualifying job" means a permanent full-time job
1-18 that:

1-19 (A) requires at least 1,600 hours of work a year;

1-20 (B) is not transferred from one area in this
1-21 state to another area in this state;

1-22 (C) is not created to replace a previous
1-23 employee;

1-24 (D) is covered by a group health benefit plan, as
1-25 defined by Section 171.751 [~~481.151, Government Code~~], for which
1-26 the business offers to pay at least 80 percent of the premiums or
1-27 other charges assessed for employee-only coverage under the plan,
1-28 regardless of whether an employee may voluntarily waive the
1-29 coverage; and

1-30 (E) pays at least 110 percent of the lesser of:

1-31 (i) the county average weekly wage for
1-32 manufacturing jobs in the county where the job is located; or

1-33 (ii) the average weekly wage in the county
1-34 where the job is located.

1-35 (6) "Average weekly wage in the county where the job is
1-36 located" means the average weekly wage for all covered employment
1-37 in the county as computed by the Texas Workforce Commission.

1-38 SECTION 2. Subsection (b), Section 313.024, Tax Code, is
1-39 amended to read as follows:

1-40 (b) To be eligible for a limitation on appraised value under
1-41 this subchapter, the corporation or limited liability company must
1-42 use the property in connection with:

1-43 (1) manufacturing;

1-44 (2) research and development;

1-45 (3) a clean coal project, as defined by Section 5.001,
1-46 Water Code;

1-47 (4) a gasification project for a coal and biomass
1-48 mixture; [~~or~~]

1-49 (5) renewable energy electric generation;

1-50 (6) a data center; or

1-51 (7) the headquarters of a business.

1-52 SECTION 3. Subsection (b), Section 313.024, Tax Code, as
1-53 effective January 1, 2008, is amended to read as follows:

1-54 (b) To be eligible for a limitation on appraised value under
1-55 this subchapter, the entity must use the property in connection
1-56 with:

1-57 (1) manufacturing;

1-58 (2) research and development;

1-59 (3) a clean coal project, as defined by Section 5.001,
1-60 Water Code;

1-61 (4) a gasification project for a coal and biomass
1-62 mixture; [~~or~~]

1-63 (5) renewable energy electric generation;

- 2-1 (6) a data center; or
- 2-2 (7) the headquarters of a business.

SECTION 4. Subsection (e), Section 313.024, Tax Code, is amended by adding Subdivisions (3) and (4) to read as follows:

(3) "Data center" means an establishment primarily engaged in providing electronic data processing and storage services described in categories 518210 and 541513 of the 2002 North American Industry Classification System.

(4) "Headquarters of a business" means the single location that serves as the national administrative center of the business and at which are located the primary office of the chief executive officer or chief operating officer of the business and the offices of the management officials responsible for key business-wide functions, including finance, legal, marketing, and human resources functions.

SECTION 5. Subsection (b), Section 313.051, Tax Code, is amended to read as follows:

(b) The governing body of a school district to which this subchapter applies may enter into an agreement in the same manner as a school district to which Subchapter B applies may do so under Subchapter B, subject to Sections 313.052-313.054. Except as otherwise provided by this subchapter, the provisions of Subchapter B apply to a school district to which this subchapter applies. For purposes of this subchapter, a property owner is required to create only at least 10 new jobs on the owner's qualified property. At least 80 percent of all the new jobs created must be qualifying jobs as defined by Section 313.021(3), except that, for a school district described by Subsection (a)(2), each qualifying job must pay at least 110 percent of the lesser of the average weekly wage for manufacturing jobs or the average weekly wage for all covered employment in the region designated for the regional planning commission, council of governments, or similar regional planning agency created under Chapter 391, Local Government Code, in which the district is located.

SECTION 6. (a) Except as provided by Subsection (b) of this section, this Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2007.

(b) Section 3 of this Act takes effect January 1, 2008.

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