

House Bill 1470
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

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

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

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

(b) The governing body of a school district is not required to consider an application for a limitation on appraised value that is filed with the governing body under Subsection (a). If the governing body of the school district does elect to consider an application, the governing body shall deliver three copies of the application to the comptroller and request that the comptroller provide [~~engage a third person to conduct~~] an economic impact evaluation of the application to [~~on behalf of~~] the school district. Except as provided by Subsection (b-1), the comptroller shall conduct or contract with a third person to conduct the evaluation, which shall be completed and provided to the governing body of the school district as soon as practicable. The governing body shall provide to the comptroller or third person any requested information. A methodology to allow comparisons of economic impact for different schedules of the addition of qualified investment or qualified property may be developed as part of the economic impact evaluation. The governing body shall

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Same as House version.

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

Same as House version. (see SECTION 3 below, which adds Subsection (f-1))

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provide a copy of the evaluation to the applicant on request. The comptroller may charge and collect a fee sufficient to cover the costs of providing the economic impact evaluation. The governing body of a school district shall ~~and~~ approve or disapprove an application before the 121st day after the date the application is filed, unless the economic impact evaluation has not been received or an extension is agreed to by the governing body and the applicant.

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

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

SECTION 2. (f-1) (see above)

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

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

Sec. 313.026. ECONOMIC IMPACT EVALUATION.
(a) The economic impact evaluation of the application

SECTION 3. Section 313.025, Tax Code, is amended by adding Subsection (f-1) to read as follows:

Same as House version.

SECTION 4. Section 313.026, Tax Code, is amended to read as follows:

Sec. 313.026. ECONOMIC IMPACT EVALUATION.
(a) The economic impact evaluation of the application

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must include the following:

- (1) the recommendations of the comptroller;
- (2) the relationship between the applicant's industry and the types of qualifying jobs to be created by the applicant to the long-term economic growth plans of this state as described in the strategic plan for economic development submitted by the Texas Strategic Economic Development Planning Commission under Section 481.033, Government Code, as that section existed before February 1, 1999;
- (3) the relative level of the applicant's investment per qualifying job to be created by the applicant;
- (4) the wages, salaries, and benefits to be offered by the applicant to qualifying job holders;
- (5) the ability of the applicant to locate or relocate in another state or another region of this state;
- (6) the impact the added infrastructure will have on the region, including:
 - (A) revenue gains that would be realized by the school district; and
 - (B) subsequent economic effects on the local and regional tax bases;
- (7) the economic condition of the region of the state at the time the person's application is being considered;
- (8) the number of new facilities built or expanded in the region during the two years preceding the date of the application that were eligible to apply for a limitation on appraised value under this subchapter; and
- (9) the effect of the applicant's proposal, if approved, on the number or size of the school district's instructional

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must include the following:

- (1) the recommendations of the comptroller;
- (2) the relationship between the applicant's industry and the types of qualifying jobs to be created by the applicant to the long-term economic growth plans of this state as described in the strategic plan for economic development submitted by the Texas Strategic Economic Development Planning Commission under Section 481.033, Government Code, as that section existed before February 1, 1999;
- (3) the relative level of the applicant's investment per qualifying job to be created by the applicant;
- (4) the wages, salaries, and benefits to be offered by the applicant to qualifying job holders;
- (5) the ability of the applicant to locate or relocate in another state or another region of this state;
- (6) the impact the added infrastructure will have on the region, including:
 - (A) revenue gains that would be realized by the school district; and
 - (B) subsequent economic effects on the local and regional tax bases;
- (7) the economic condition of the region of the state at the time the person's application is being considered;
- (8) the number of new facilities built or expanded in the region during the two years preceding the date of the application that were eligible to apply for a limitation on appraised value under this subchapter; and
- (9) the effect of the applicant's proposal, if approved, on the number or size of the school district's instructional

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facilities, as defined by Section 46.001, Education Code.
(b) The comptroller's recommendations shall be based on the criteria listed in Subsections (a)(2)-(9) and on any other information available to the comptroller, including information provided by the governing body of the school district under Section 313.025(b).

No equivalent provision.

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facilities, as defined by Section 46.001, Education Code.
(b) The comptroller's recommendations shall be based on the criteria listed in Subsections (a)(2)-(9) and on any other information available to the comptroller, including information provided by the governing body of the school district under Section 313.025(b).
(c) Subsection (b) does not apply to the comptroller's recommendations made before December 31, 2007. This subsection expires December 31, 2008.

SECTION 5. Section 313.104, Tax Code, is amended to read as follows:
Sec. 313.104. ACTION ON APPLICATION; GRANT OF CREDIT. Before the 90th day after the date the application for a tax credit is filed, the governing body of the school district shall:
(1) determine the person's eligibility for a tax credit under this subchapter; and
(2) if the person's application is approved, by order or resolution direct the collector of taxes for the school district:
(A) in the second and subsequent six tax years that begin after the date the application is approved, to credit against the taxes imposed on the qualified property by the district in that year an amount equal to one-seventh of the total amount of tax credit to which the person is entitled under Section 313.102, except that the amount of a credit granted in any of those tax years may not exceed 50 percent of the total amount of ad valorem

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school taxes imposed on the qualified property by the school district in that tax year; and

(B) in the first three tax years [~~year~~] that begin [~~begins~~] on or after the date the person's eligibility for the limitation under Subchapter B or C expires, to credit against the taxes imposed on the qualified property by the district an amount equal to the portion of the total amount of tax credit to which the person is entitled under Section 313.102 that was not credited against the person's taxes under Paragraph (A) in a tax year covered by Paragraph (A), except that the amount of a tax credit granted under this paragraph in any tax year may not exceed the total amount of ad valorem school taxes imposed on the qualified property by the school district in that tax year.

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

SECTION 6. Same as House version.

SECTION 5. Sections 313.025 and 313.026, Tax Code, as amended by this Act, apply only to an application for a limitation on appraised value under Chapter 313 of that code in connection with which the governing body of a school district, before the effective date of this Act, has not engaged a third person to conduct an economic impact evaluation. An application for a limitation on appraised value in connection with which the governing

SECTION 7. (a) Except as provided by Subsection (b) of this section, Sections 313.025 and 313.026, Tax Code, as amended by this Act, apply only to an application for a limitation on appraised value under Chapter 313 of that code in connection with which the governing body of a school district, before December 31, 2007, has not engaged a third person to conduct an economic impact evaluation. An application for a limitation on appraised

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body of a school district, before the effective date of this Act, has engaged a third person to conduct an economic impact evaluation is governed by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

SECTION 6. 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.

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value in connection with which the governing body of a school district, before December 31, 2007, has engaged a third person to conduct an economic impact evaluation is governed by the law in effect immediately before December 31, 2007, and the former law is continued in effect for that purpose.

(b) Subsection (a) of this section does not apply to Section 313.025(f-1), Tax Code, as added by this Act.

(c) The changes in law made by this Act to Section 313.104, Tax Code, apply only to an application for a school tax credit under Subchapter D, Chapter 313, Tax Code, that is filed on or after the effective date provided by Section 8(a) of this Act. An application for a school tax credit under Subchapter D, Chapter 313, Tax Code, that was filed before that date is governed by the law in effect when the application was filed, and the former law is continued in effect for that purpose.

SECTION 8. (a) Except as otherwise 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 2 of this Act takes effect December 31, 2007.

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