

By: Eissler

H.B. No. 1756

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the functions performed by the comptroller in  
3 connection with applications and agreements under the Texas  
4 Economic Development Act.

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

6 SECTION 1. Section 313.008, Tax Code, as added by Chapter  
7 1270 (H.B. 3430), Acts of the 80th Legislature, Regular Session,  
8 2007, is amended by amending Subsections (a) and (c) and adding  
9 Subsection (d) to read as follows:

10 (a) Before the beginning of each regular session of the  
11 legislature, the comptroller shall submit to the lieutenant  
12 governor, the speaker of the house of representatives, and each  
13 member of the legislature a report assessing the progress of each  
14 agreement entered into under this chapter. The report must be  
15 based on data certified to the comptroller by each recipient of a  
16 limitation on appraised value under this chapter and state for each  
17 agreement:

18 (1) the number of qualifying jobs each recipient of a  
19 limitation on appraised value committed to create;

20 (2) the number of qualifying jobs each recipient  
21 created;

22 (3) the median wage of the new jobs each recipient  
23 created;

24 (4) the amount of the qualified investment each

1 recipient committed to expend or allocate per project;

2 (5) the amount of the qualified investment each  
3 recipient expended or allocated per project;

4 (6) the market value of the qualified property of each  
5 recipient as determined by the applicable chief appraiser;

6 (7) the limitation on appraised value for the  
7 qualified property of each recipient;

8 (8) the dollar amount of the taxes that would have been  
9 imposed on the market value of the qualified property if the  
10 property had not received a limitation on appraised value;

11 (9) the dollar amount of the taxes imposed on the  
12 qualified property;

13 (10) the number of new jobs created by each recipient  
14 in each sector of the North American Industry Classification  
15 System; ~~and~~

16 (11) of the number of new jobs each recipient created,  
17 the number of jobs created that provide health benefits for  
18 employees;

19 (12) the dollar amount of any payment in lieu of the  
20 taxes on the qualified property made by each recipient to each  
21 school district or to a foundation or other entity created to  
22 benefit the district;

23 (13) the amount of the investment each recipient  
24 estimates will be expended or allocated per project; and

25 (14) the number of qualifying jobs each recipient  
26 estimates will be created.

27 (c) The comptroller may require a recipient to submit, on a

1 form the comptroller provides, information required to complete the  
2 report. Failure to submit the required information is considered  
3 to be a failure to comply with the terms of the agreement for  
4 purposes of Section 313.027.

5 (d) Each school district that is a party to an agreement  
6 entered into under this chapter shall assist the comptroller in  
7 collecting any data required to complete the report.

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

11 (b-1) The comptroller shall indicate on one copy of the  
12 application the date the comptroller received the application and  
13 deliver that copy to the Texas Education Agency. The Texas  
14 Education Agency shall determine the local revenue gains or losses  
15 that would be realized by the school district and the impact on  
16 state aid to the district under the Foundation School Program, as  
17 required to be included in the economic impact evaluation by  
18 Section 313.026(a)(6)(A), and the effect that the applicant's  
19 proposal will have on the number or size of the school district's  
20 instructional facilities, as required to be included in the  
21 economic impact evaluation by Section 313.026(a)(9), and submit a  
22 written report containing the agency's determination to the  
23 comptroller. The governing body of the school district shall  
24 provide any requested information to the Texas Education  
25 Agency. Not later than the 45th day after the date the application  
26 indicates that the comptroller received the application, the Texas  
27 Education Agency shall make the required determinations

1 ~~[determination]~~ and submit the agency's written report to the  
2 comptroller. A third person contracted by the comptroller to  
3 conduct an economic impact evaluation of an application is not  
4 required to make a determination that the Texas Education Agency is  
5 required to make and report to the comptroller under this  
6 subsection.

7 (h) After receiving a copy of the application, the  
8 comptroller shall determine whether the property meets the  
9 requirements of Section 313.024 for eligibility for a limitation on  
10 appraised value under this subchapter. The comptroller shall  
11 notify the governing body of the school district of the  
12 comptroller's determination and provide the governing body an  
13 opportunity for a hearing before the determination becomes final.  
14 A hearing under this subsection is a contested case hearing and  
15 shall be conducted by the State Office of Administrative Hearings  
16 in the manner provided by Section 2003.101, Government Code. The  
17 governing body of the school district has the burden of proof on  
18 each issue in the hearing. The governing body of the school  
19 district may seek judicial review of the comptroller's  
20 determination in a Travis County district court under the  
21 substantial evidence rule as provided by Subchapter G, Chapter  
22 2001, Government Code.

23 (i) Notwithstanding the other provisions of this section,  
24 if the comptroller determines under Subsection (h) that the  
25 property does not meet the requirements of Section 313.024 for  
26 eligibility for a limitation on appraised value under this  
27 subchapter, the comptroller is not required to provide an economic

1 impact evaluation of the application or to submit a recommendation  
2 to the school district as to whether the application should be  
3 approved or disapproved, and the governing body of the school  
4 district may not grant the application.

5 SECTION 3. Section 313.026(a), Tax Code, is amended to read  
6 as follows:

7 (a) The economic impact evaluation of the application must  
8 include the following:

9 (1) the recommendations of the comptroller;

10 (2) the relationship between the applicant's industry  
11 and the types of qualifying jobs to be created by the applicant to  
12 the long-term economic growth plans of this state as described in  
13 the strategic plan for economic development submitted by the Texas  
14 Strategic Economic Development Planning Commission under Section  
15 481.033, Government Code, as that section existed before February  
16 1, 1999;

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

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

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

23 (6) the impact the added infrastructure will have on  
24 the region, including:

25 (A) local revenue gains or losses that would be  
26 realized by the school district and the impact on state aid to the  
27 district under the Foundation School Program; and

1                   (B) subsequent economic effects on the local and  
2 regional tax bases;

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

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

9                   (9) the effect of the applicant's proposal, if  
10 approved, on the number or size of the school district's  
11 instructional facilities, as defined by Section 46.001, Education  
12 Code.

13           SECTION 4. Section 313.008, Tax Code, as added by Chapter  
14 939 (H.B. 3693), Acts of the 80th Legislature, Regular Session,  
15 2007, and Section 313.032, Tax Code, are repealed.

16           SECTION 5. Sections 313.025 and 313.026, Tax Code, as  
17 amended by this Act, apply only to an application for a limitation  
18 on appraised value that is filed with the governing body of a school  
19 district on or after the effective date of this Act. An application  
20 for a limitation on appraised value that is filed with the governing  
21 body of a school district before the effective date of this Act is  
22 governed by the law as it existed immediately before the effective  
23 date of this Act, and that law is continued in effect for that  
24 purpose.

25           SECTION 6. This Act takes effect September 1, 2009.