

By: Seliger

S.B. No. 1458

Substitute the following for S.B. No. 1458:

By: Hartnett

C.S.S.B. No. 1458

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the authority of the governing body of a municipality or
3 the commissioners court of a county to enter into an ad valorem tax
4 abatement agreement.

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

6 SECTION 1. Section 312.006, Tax Code, as amended by
7 Chapters 1029 (H.B. 1449) and 1505 (H.B. 1200), Acts of the 77th
8 Legislature, Regular Session, 2001, is reenacted and amended to
9 read as follows:

10 Sec. 312.006. EXPIRATION DATE. If not continued in effect,
11 this chapter expires September 1, 2019 [~~2009~~].

12 SECTION 2. Subchapter A, Chapter 312, Tax Code, is amended
13 by adding Section 312.007 to read as follows:

14 Sec. 312.007. DEFERRAL OF COMMENCEMENT OF ABATEMENT PERIOD.

15 (a) In this section, "abatement period" means the period during
16 which all or a portion of the value of real property or tangible
17 personal property that is the subject of a tax abatement agreement
18 is exempt from taxation.

19 (b) Notwithstanding any other provision of this chapter,
20 the governing body of the taxing unit granting the abatement and the
21 owner of the property that is the subject of the agreement may agree
22 to defer the commencement of the abatement period until a date that
23 is subsequent to the date the agreement is entered into, except that
24 the duration of an abatement period may not exceed 10 years.

1 SECTION 3. Section 312.402, Tax Code, is amended by
2 amending Subsection (a) and adding Subsections (a-1), (a-2), and
3 (a-3) to read as follows:

4 (a) The commissioners court may execute a tax abatement
5 agreement with the owner of taxable real property located in a
6 reinvestment zone designated under this subchapter or with the
7 owner of tangible personal property located on real property in a
8 reinvestment zone to exempt from taxation all or a portion of the
9 value of the real property, all or a portion of the value of the
10 tangible personal property located on the real property, or all or a
11 portion of the value of both~~]. The court may execute a tax abatement~~
12 ~~agreement with the owner of a leasehold interest in tax-exempt real~~
13 ~~property or leasehold interests or improvements on tax-exempt real~~
14 ~~property that is located in a reinvestment zone designated under~~
15 ~~this subchapter to exempt a portion of the value of tangible~~
16 ~~personal property or leasehold interests or improvements on~~
17 ~~tax-exempt real property located on the real property. The~~
18 ~~execution, duration, and other terms of an agreement made under~~
19 ~~this section are governed by the provisions of Sections 312.204,~~
20 ~~312.205, and 312.211 applicable to a municipality. Section 312.204~~
21 ~~applies to an agreement made by a county under this section in the~~
22 ~~same manner as it applies to an agreement made by a municipality~~
23 ~~under Section 312.204 or 312.211].~~

24 (a-1) The commissioners court may execute a tax abatement
25 agreement with the owner of a leasehold interest in tax-exempt real
26 property located in a reinvestment zone designated under this
27 subchapter to exempt all or a portion of the value of the leasehold

1 interest in the real property. The court may execute a tax abatement
2 agreement with the owner of tangible personal property or an
3 improvement located on tax-exempt real property that is located in
4 a designated reinvestment zone to exempt all or a portion of the
5 value of the tangible personal property or improvement located on
6 the real property.

7 (a-2) The execution, duration, and other terms of an
8 agreement entered into under this section are governed by the
9 provisions of Sections 312.204, 312.205, and 312.211 applicable to
10 a municipality. Section 312.2041 applies to an agreement entered
11 into under this section in the same manner as that section applies
12 to an agreement entered into under Section 312.204 or 312.211.

13 (a-3) The commissioners court may execute a tax abatement
14 agreement with a lessee of taxable real property located in a
15 reinvestment zone designated under this subchapter to exempt from
16 taxation all or a portion of the value of the fixtures,
17 improvements, or other real property owned by the lessee and
18 located on the property that is subject to the lease, all or a
19 portion of the value of tangible personal property owned by the
20 lessee and located on the real property that is the subject of the
21 lease, or all or a portion of the value of both the fixtures,
22 improvements, or other real property and the tangible personal
23 property described by this subsection.

24 SECTION 4. Section 312.007, Tax Code, as added by this Act,
25 is intended to clarify rather than change existing law.

26 SECTION 5. An ad valorem tax abatement agreement that was
27 executed before the effective date of this Act by the commissioners

1 court of a county and an owner of taxable real property or tangible
2 personal property or an owner of a leasehold interest in tax-exempt
3 real property, under Section 312.402, Tax Code, as that section
4 existed before the effective date of this Act, that provides for an
5 exemption from taxation of all or a portion of the value of real
6 property, tangible personal property, or both, or of all or a
7 portion of the value of a leasehold interest in tax-exempt real
8 property, that is not invalid for a reason other than an
9 inconsistency with Section 312.402, Tax Code, as that section
10 existed before the effective date of this Act, and that is
11 consistent with Section 312.402, Tax Code, as amended by this Act,
12 is ratified and validated as of the date the agreement was executed.

13 SECTION 6. This Act takes effect immediately if it receives
14 a vote of two-thirds of all the members elected to each house, as
15 provided by Section 39, Article III, Texas Constitution. If this
16 Act does not receive the vote necessary for immediate effect, this
17 Act takes effect September 1, 2009.