

By: Seliger

S.B. No. 1458

A BILL TO BE ENTITLED

AN ACT

relating to the authority of the commissioners court of a county to enter into an ad valorem tax abatement agreement.

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

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

(a) The commissioners court may execute a tax abatement agreement with the owner of taxable real property located in a reinvestment zone designated under this subchapter or with the owner of tangible personal property located on real property in a reinvestment zone to exempt from taxation all or a portion of the value of the real property, all or a portion of the value of the tangible personal property located on the real property, or all or a portion of the value of both. ~~[The court may execute a tax abatement agreement with the owner of a leasehold interest in tax-exempt real property or leasehold interests or improvements on tax-exempt real property that is located in a reinvestment zone designated under this subchapter to exempt a portion of the value of tangible personal property or leasehold interests or improvements on tax-exempt real property located on the real property. The execution, duration, and other terms of an agreement made under this section are governed by the provisions of Sections 312.204, 312.205, and 312.211 applicable to a municipality. Section~~

1 ~~312.2041 applies to an agreement made by a county under this section~~
2 ~~in the same manner as it applies to an agreement made by a~~
3 ~~municipality under Section 312.204 or 312.211.]~~

4 (a-1) The commissioners court may execute a tax abatement
5 agreement with a lessee of taxable real property located in a
6 reinvestment zone designated under this subchapter to exempt from
7 taxation all or a portion of the value of fixtures, improvements, or
8 other real property owned by the lessee and located on the property
9 that is the subject of the lease, all or a portion of the value of
10 tangible personal property owned by the lessee and located on the
11 real property that is the subject of the lease, or all or a portion
12 of the value of both.

13 (a-2) The commissioners court may execute a tax abatement
14 agreement with the owner of a leasehold interest in tax-exempt real
15 property located in a reinvestment zone designated under this
16 subchapter to exempt all or a portion of the value of the leasehold
17 interest in the real property. The court may execute a tax
18 abatement agreement with the owner of tangible personal property or
19 an improvement located on tax-exempt real property that is located
20 in a designated reinvestment zone to exempt all or a portion of the
21 value of the tangible personal property or improvement located on
22 the real property.

23 (a-3) The execution, duration, and other terms of an
24 agreement entered into under this section are governed by the
25 provisions of Sections 312.204, 312.205, and 312.211 applicable to
26 a municipality, except that although an agreement may not exceed 10
27 years in duration, the agreement may include a provision that

1 defers the effective date of the agreement, or the date that the
2 exemption takes effect, to a date agreed to by the commissioners
3 court and the owner or lessee of the property that is the subject of
4 the agreement. Section 312.2041 applies to an agreement entered
5 into under this section in the same manner as that section applies
6 to an agreement entered into under Section 312.204 or 312.211.

7 SECTION 2. An ad valorem tax abatement agreement that was
8 executed before the effective date of this Act by the commissioners
9 court of a county and an owner or lessee of taxable real property or
10 an owner of tangible personal property, under Section 312.402, Tax
11 Code, as that section existed before the effective date of this Act,
12 that provides for an exemption from taxation of all or a portion of
13 the value of real property, tangible personal property, or both,
14 that is not invalid for a reason other than an inconsistency with
15 Section 312.402, Tax Code, as that section existed before the
16 effective date of this Act, and that is consistent with Section
17 312.402, Tax Code, as amended by this Act, is ratified and validated
18 as of the date the agreement was executed.

19 SECTION 3. This Act takes effect immediately if it receives
20 a vote of two-thirds of all the members elected to each house, as
21 provided by Section 39, Article III, Texas Constitution. If this
22 Act does not receive the vote necessary for immediate effect, this
23 Act takes effect September 1, 2009.