

1-1 By: Seliger S.B. No. 1458
1-2 (In the Senate - Filed March 6, 2009; March 17, 2009, read
1-3 first time and referred to Committee on Economic Development;
1-4 April 7, 2009, reported favorably by the following vote: Yeas 5,
1-5 Nays 0; April 7, 2009, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the authority of the commissioners court of a county to
1-9 enter into an ad valorem tax abatement agreement.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Section 312.402, Tax Code, is amended by
1-12 amending Subsection (a) and adding Subsections (a-1), (a-2), and
1-13 (a-3) to read as follows:

1-14 (a) The commissioners court may execute a tax abatement
1-15 agreement with the owner of taxable real property located in a
1-16 reinvestment zone designated under this subchapter or with the
1-17 owner of tangible personal property located on real property in a
1-18 reinvestment zone to exempt from taxation all or a portion of the
1-19 value of the real property, all or a portion of the value of the
1-20 tangible personal property located on the real property, or all or a
1-21 portion of the value of both. [The court may execute a tax
1-22 abatement agreement with the owner of a leasehold interest in
1-23 tax-exempt real property or leasehold interests or improvements on
1-24 tax-exempt real property that is located in a reinvestment zone
1-25 designated under this subchapter to exempt a portion of the value of
1-26 tangible personal property or leasehold interests or improvements
1-27 on tax-exempt real property located on the real property. The
1-28 execution, duration, and other terms of an agreement made under
1-29 this section are governed by the provisions of Sections 312.204,
1-30 312.205, and 312.211 applicable to a municipality. Section
1-31 312.2041 applies to an agreement made by a county under this section
1-32 in the same manner as it applies to an agreement made by a
1-33 municipality under Section 312.204 or 312.211.]

1-34 (a-1) The commissioners court may execute a tax abatement
1-35 agreement with a lessee of taxable real property located in a
1-36 reinvestment zone designated under this subchapter to exempt from
1-37 taxation all or a portion of the value of fixtures, improvements, or
1-38 other real property owned by the lessee and located on the property
1-39 that is the subject of the lease, all or a portion of the value of
1-40 tangible personal property owned by the lessee and located on the
1-41 real property that is the subject of the lease, or all or a portion
1-42 of the value of both.

1-43 (a-2) The commissioners court may execute a tax abatement
1-44 agreement with the owner of a leasehold interest in tax-exempt real
1-45 property located in a reinvestment zone designated under this
1-46 subchapter to exempt all or a portion of the value of the leasehold
1-47 interest in the real property. The court may execute a tax
1-48 abatement agreement with the owner of tangible personal property or
1-49 an improvement located on tax-exempt real property that is located
1-50 in a designated reinvestment zone to exempt all or a portion of the
1-51 value of the tangible personal property or improvement located on
1-52 the real property.

1-53 (a-3) The execution, duration, and other terms of an
1-54 agreement entered into under this section are governed by the
1-55 provisions of Sections 312.204, 312.205, and 312.211 applicable to
1-56 a municipality, except that although an agreement may not exceed 10
1-57 years in duration, the agreement may include a provision that
1-58 defers the effective date of the agreement, or the date that the
1-59 exemption takes effect, to a date agreed to by the commissioners
1-60 court and the owner or lessee of the property that is the subject of
1-61 the agreement. Section 312.2041 applies to an agreement entered
1-62 into under this section in the same manner as that section applies
1-63 to an agreement entered into under Section 312.204 or 312.211.

1-64 SECTION 2. An ad valorem tax abatement agreement that was

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

2-12 SECTION 3. This Act takes effect immediately if it receives
2-13 a vote of two-thirds of all the members elected to each house, as
2-14 provided by Section 39, Article III, Texas Constitution. If this
2-15 Act does not receive the vote necessary for immediate effect, this
2-16 Act takes effect September 1, 2009.

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