

By: Hilderbran

H.B. No. 269

A BILL TO BE ENTITLED

AN ACT

relating to the Texas Economic Development Act.

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

SECTION 1. Section 313.004, Tax Code, is amended to read as follows:

Sec. 313.004. LEGISLATIVE INTENT. It is the intent of the legislature in enacting this chapter that:

(1) economic development decisions should occur at the state [~~local~~] level with local approval and be consistent with identifiable statewide economic development goals;

(2) this chapter should not be construed or interpreted to allow:

(A) property owners to pool investments to create sufficiently large investments to qualify for an ad valorem tax benefit or financial benefit provided by this chapter;

(B) an applicant for an ad valorem tax benefit or financial benefit provided by this chapter to assert that jobs will be eliminated if certain investments are not made if the assertion is not true; or

(C) a sole proprietorship, partnership, or limited liability partnership to receive an ad valorem tax benefit or financial benefit provided by this chapter; and

(3) in implementing this chapter, the comptroller [~~school districts~~] should:

1 (A) strictly interpret the criteria and  
2 selection guidelines provided by this chapter; and

3 (B) approve only those applications for an ad  
4 valorem tax benefit or financial benefit provided by this chapter  
5 that:

6 (i) enhance the local community;

7 (ii) improve the local public education  
8 system;

9 (iii) create high-paying jobs; and

10 (iv) advance the economic development goals  
11 of this state as identified by the Texas Strategic Economic  
12 Development Planning Commission.

13 SECTION 2. Sections 313.021(2) and (4), Tax Code, are  
14 amended to read as follows:

15 (2) "Qualified property" means:

16 (A) land:

17 (i) that is located in an area designated as  
18 a reinvestment zone under Chapter 311 or 312 or as an enterprise  
19 zone under Chapter 2303, Government Code;

20 (ii) on which a person proposes to  
21 construct a new building or erect or affix a new improvement that  
22 does not exist before the date the person applies for a limitation  
23 on appraised value under this subchapter;

24 (iii) that is not subject to a tax abatement  
25 agreement entered into by a school district under Chapter 312; and

26 (iv) on which, in connection with the new  
27 building or new improvement described by Subparagraph (ii), the

1 owner or lessee of, or the holder of another possessory interest in,  
2 the land proposes to:

3 (a) make a qualified investment in an  
4 amount equal to at least the minimum amount required by Section  
5 313.023; and

6 (b) create at least:

7 (1) 100 new jobs, in the case of  
8 property used in connection with manufacturing, research and  
9 development, or nuclear electric power generation;

10 (2) 25 new jobs, in the case of  
11 property used in connection with renewable energy electric  
12 generation; or

13 (3) 25 new jobs, in the case of  
14 property used in connection with another activity;

15 (B) the new building or other new improvement  
16 described by Paragraph (A)(ii); and

17 (C) tangible personal property that:

18 (i) is not subject to a tax abatement  
19 agreement entered into by a school district under Chapter 312; and

20 (ii) except for new equipment described in  
21 Section 151.318(q) or (q-1), is first placed in service in the new  
22 building or in or on the new improvement described by Paragraph  
23 (A)(ii), or on the land on which that new building or new  
24 improvement is located, if the personal property is ancillary and  
25 necessary to the business conducted in that new building or in or on  
26 that new improvement.

27 (4) "Qualifying time period" means:

1 (A) the period that begins on the date that a  
2 person's application for a limitation on appraised value under this  
3 subchapter is approved by the comptroller [~~governing body of the~~  
4 ~~school district~~] and ends on December 31 of the second tax year that  
5 begins after that date, except as provided by Paragraph (B) or (C)  
6 of this subdivision or Section 313.027(h);

7 (B) in connection with a nuclear electric power  
8 generation facility, the first seven tax years that begin on or  
9 after the third anniversary of the date the comptroller [~~school~~  
10 ~~district~~] approves the property owner's application for a  
11 limitation on appraised value under this subchapter, unless a  
12 shorter time period is agreed to by the comptroller [~~governing body~~  
13 ~~of the school district~~] and the property owner; or

14 (C) in connection with an advanced clean energy  
15 project, as defined by Section 382.003, Health and Safety Code, the  
16 first five tax years that begin on or after the third anniversary of  
17 the date the comptroller [~~school district~~] approves the property  
18 owner's application for a limitation on appraised value under this  
19 subchapter, unless a shorter time period is agreed to by the  
20 comptroller [~~governing body of the school district~~] and the  
21 property owner.

22 SECTION 3. Section 313.023, Tax Code, is amended to read as  
23 follows:

24 Sec. 313.023. MINIMUM AMOUNTS OF QUALIFIED INVESTMENT. (a)  
25 Except as provided by Subsection (b), for [~~For~~] each category of  
26 school district established by Section 313.022, the minimum amount  
27 of a qualified investment under Section 313.021(2)(A)(iv)(a) is as

1 follows:

2	CATEGORY	MINIMUM QUALIFIED INVESTMENT
3	I	\$100 million
4	II	\$80 million
5	III	\$60 million
6	IV	\$40 million
7	V	\$20 million

8 (b) For each category of school district established by  
 9 Section 313.022, the minimum amount of a qualified investment under  
 10 Section 313.021(2)(A)(iv)(a) in the case of property used in  
 11 connection with renewable energy electric generation is as follows:

12	<u>CATEGORY</u>	<u>MINIMUM QUALIFIED INVESTMENT</u>
13	<u>I</u>	<u>\$100 million</u>
14	<u>II</u>	<u>\$80 million</u>
15	<u>III</u>	<u>\$60 million</u>
16	<u>IV</u>	<u>\$40 million</u>
17	<u>V</u>	<u>\$20 million</u>

18 SECTION 4. Section 313.025, Tax Code, is amended by  
 19 amending Subsections (a), (a-1), (b), (b-1), (c), (d), (d-1), (e),  
 20 (f), (f-1), (g), and (i) and adding Subsections (j) and (k) to read  
 21 as follows:

22 (a) The owner or lessee of, or the holder of another  
 23 possessory interest in, any qualified property described by Section  
 24 313.021(2)(A), (B), or (C) may apply to the comptroller [~~governing~~  
 25 ~~body of the school district in which the property is located~~] for a  
 26 limitation on the appraised value for school district maintenance  
 27 and operations ad valorem tax purposes of the person's qualified

1 property. An application must be made on the form prescribed by the  
2 comptroller and include the information required by the  
3 comptroller, and it must be accompanied by:

4 (1) the application fee established by the comptroller  
5 ~~[governing body of the school district]~~;

6 (2) information sufficient to show that the real and  
7 personal property identified in the application as qualified  
8 property meets the applicable criteria established by Section  
9 313.021(2); and

10 (3) information relating to each applicable criterion  
11 listed in Section 313.026.

12 (a-1) Within seven days of the receipt of each document, the  
13 comptroller ~~[school district]~~ shall submit to the governing body of  
14 the school district in which the property is located ~~[comptroller]~~  
15 a copy of the application and any proposed ~~[the]~~ agreement between  
16 the applicant and the comptroller ~~[school district]~~. If an  
17 economic analysis of the proposed project is submitted to the  
18 comptroller ~~[school district]~~, the comptroller ~~[district]~~ shall  
19 submit a copy of the analysis to the school district ~~[comptroller]~~.  
20 In addition, the comptroller ~~[school district]~~ shall submit to the  
21 school district ~~[comptroller]~~ any subsequent revision of or  
22 amendment to any of those documents within seven days of its  
23 receipt. The comptroller shall publish each document received  
24 ~~[from the school district]~~ under this subsection on the  
25 comptroller's Internet website. If the school district maintains a  
26 generally accessible Internet website, the district shall provide  
27 on its website a link to the location of those documents posted on

1 the comptroller's website in compliance with this subsection. This  
2 subsection does not require the comptroller to post information  
3 that is confidential under Section 313.028.

4 (b) ~~[The governing body of a school district is not required~~  
5 ~~to consider an application for a limitation on appraised value that~~  
6 ~~is filed with the governing body under Subsection (a). If the~~  
7 ~~governing body of the school district does elect to consider an~~  
8 ~~application, the governing body shall deliver three copies of the~~  
9 ~~application to the comptroller and request that the comptroller~~  
10 ~~provide an economic impact evaluation of the application to the~~  
11 ~~school district.]~~ Except as provided by Subsection (b-1), the  
12 comptroller shall conduct or contract with a third person to  
13 conduct an economic impact ~~[the]~~ evaluation of the application,  
14 which shall be completed and provided to the governing body of the  
15 school district as soon as practicable. The governing body shall  
16 provide to the comptroller or third person any requested  
17 information. A methodology to allow comparisons of economic impact  
18 for different schedules of the addition of qualified investment or  
19 qualified property may be developed as part of the economic impact  
20 evaluation. The comptroller ~~[governing body]~~ shall provide a copy  
21 of the evaluation to the applicant on request. ~~[The comptroller may~~  
22 ~~charge and collect a fee sufficient to cover the costs of providing~~  
23 ~~the economic impact evaluation.]~~ The comptroller ~~[governing body~~  
24 ~~of a school district]~~ shall approve or disapprove an application  
25 before the 151st day after the date the application is filed, unless  
26 the recommendation of the governing body ~~[economic impact~~  
27 ~~evaluation]~~ has not been received or an extension is agreed to by

1 the comptroller [~~governing body~~] and the applicant.

2 (b-1) The comptroller shall indicate on a [~~one~~] copy of the  
3 application the date the comptroller received the application and  
4 deliver that copy to the Texas Education Agency. The Texas  
5 Education Agency shall determine the effect that the applicant's  
6 proposal will have on the number or size of the school district's  
7 instructional facilities, as required to be included in the  
8 economic impact evaluation by Section 313.026(a)(12)  
9 [~~313.026(a)(9)~~], and submit a written report containing the  
10 agency's determination to the comptroller. The governing body of  
11 the school district shall provide any requested information to the  
12 Texas Education Agency. Not later than the 45th day after the date  
13 the application indicates that the comptroller received the  
14 application, the Texas Education Agency shall make the required  
15 determination and submit the agency's written report to the  
16 comptroller. A third person contracted by the comptroller to  
17 conduct an economic impact evaluation of an application is not  
18 required to make a determination that the Texas Education Agency is  
19 required to make and report to the comptroller under this  
20 subsection.

21 (c) In determining whether to grant an application, the  
22 comptroller [~~governing body of the school district~~] is entitled to  
23 request and receive assistance from:

24 (1) the governing body of the school district  
25 [~~comptroller~~];

26 (2) the Texas [~~Department of~~] Economic Development and  
27 Tourism Office;



1 (3) the Texas Workforce Investment Council; and

2 (4) the Texas Workforce Commission.

3 (d) Before the 46th day [~~91st day~~] after the date the school  
4 district [~~comptroller~~] receives the economic impact evaluation  
5 [~~copy of the application~~], the governing body of the district  
6 [~~comptroller~~] shall submit a recommendation to the comptroller  
7 [~~governing body of the school district~~] as to whether the  
8 application should be approved or disapproved.

9 (d-1) The comptroller [~~governing body of a school district~~]  
10 may approve an application [~~that the comptroller has recommended~~  
11 ~~should be disapproved~~] only if [+

12 [~~(1)~~] the governing body of the school district  
13 recommends that the application be approved [~~holds a public hearing~~  
14 ~~the sole purpose of which is to consider the application and the~~  
15 ~~comptroller's recommendation, and~~

16 [~~(2) at a subsequent meeting of the governing body~~  
17 ~~held after the date of the public hearing, at least two-thirds of~~  
18 ~~the members of the governing body vote to approve the application~~].

19 (e) Before approving or disapproving an application under  
20 this subchapter [~~that the governing body elects to consider~~], the  
21 comptroller [~~governing body of the school district~~] must make a  
22 written finding as to each criterion listed in Section 313.026. The  
23 comptroller [~~governing body~~] shall deliver a copy of those findings  
24 to the school district and the applicant.

25 (f) The comptroller [~~governing body~~] may approve an  
26 application only if the comptroller [~~governing body~~] finds that the  
27 information in the application is true and correct, finds under

1 Subsection (h) that the applicant is eligible for the limitation on  
2 the appraised value of the person's qualified property, and  
3 determines that granting the application is in the best interest of  
4 the school district and this state.

5 (f-1) Notwithstanding any other provision of this chapter  
6 to the contrary, including Section 313.003(2) or 313.004(3)(A) or  
7 (B)(iii), the comptroller [~~governing body of a school district~~] may  
8 waive the new jobs creation requirement in Section  
9 313.021(2)(A)(iv)(b) or 313.051(b) and approve an application if  
10 the comptroller [~~governing body~~] makes a finding that the jobs  
11 creation requirement exceeds the industry standard for the number  
12 of employees reasonably necessary for the operation of the facility  
13 of the property owner that is described in the application.

14 (g) The Texas [~~Department of~~] Economic Development and  
15 Tourism Office or its successor may recommend that the comptroller  
16 [~~a school district~~] grant a person a limitation on appraised value  
17 under this chapter. In determining whether to grant an  
18 application, the comptroller [~~governing body of the school~~  
19 ~~district~~] shall consider any recommendation made by the Texas  
20 [~~Department of~~] Economic Development and Tourism Office or its  
21 successor.

22 (i) If the comptroller's determination under Subsection (h)  
23 that the property does not meet the requirements of Section 313.024  
24 for eligibility for a limitation on appraised value under this  
25 subchapter becomes final, the comptroller is not required to  
26 conduct [~~provide~~] an economic impact evaluation of the application,  
27 the governing body of the school district is not required [~~or~~] to

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

5 (j) Unless Subsection (i) applies, if the governing body of  
6 the school district submits a recommendation to the comptroller  
7 that the comptroller approve the application and the comptroller  
8 disapproves the application, the governing body of the school  
9 district may approve the application if:

10 (1) the property owner requests that the governing  
11 body approve the application;

12 (2) the governing body holds a public hearing the sole  
13 purpose of which is to consider the application and the  
14 comptroller's disapproval of the application; and

15 (3) at a subsequent meeting of the governing body held  
16 after the date of the public hearing, at least two-thirds of the  
17 members of the governing body vote to approve the application.

18 (k) If the governing body of the school district approves  
19 the application under Subsection (j), the governing body of the  
20 school district and the property owner shall enter into a written  
21 agreement for the implementation of a limitation on appraised value  
22 for school district maintenance and operations ad valorem tax  
23 purposes of the owner's qualified property. The provisions of this  
24 subchapter governing an agreement between the comptroller and the  
25 property owner apply to an agreement between the governing body of  
26 the school district and the property owner.

27 SECTION 5. Section 313.026, Tax Code, is amended to read as

1 follows:

2           Sec. 313.026. ECONOMIC IMPACT EVALUATION.       (a)     The  
3 economic impact evaluation of the application must include the  
4 following:

5           (1) ~~the recommendations of the comptroller,~~

6           ~~(2)~~ the name of the school district;

7           (2) ~~(3)~~ the name of the applicant;

8           (3) ~~(4)~~ the general nature of the applicant's  
9 investment;

10          (4) ~~(5)~~ the relationship between the applicant's  
11 industry and the types of qualifying jobs to be created by the  
12 applicant to the long-term economic growth plans of this state as  
13 described in the strategic plan for economic development submitted  
14 by the Texas Strategic Economic Development Planning Commission  
15 under Section 481.033, Government Code, as that section existed  
16 before February 1, 1999;

17          (5) an evaluation of ~~(6)~~ the relative level of the  
18 applicant's investment per qualifying job to be created by the  
19 applicant;

20          (6) an evaluation of ~~(7)~~ the number of qualifying  
21 jobs to be created by the applicant;

22          (7) an evaluation of ~~(8)~~ the wages, salaries, and  
23 benefits to be offered by the applicant to qualifying job holders;

24          (8) an evaluation of ~~(9)~~ the ability of the  
25 applicant to locate or relocate in another state or another region  
26 of this state;

27          (9) an evaluation of ~~(10)~~ the impact the project

1 will have on this state and individual local units of government,  
2 including:

3 (A) tax and other revenue gains, direct or  
4 indirect, that would be realized during the qualifying time period,  
5 the limitation period, and a period of time after the limitation  
6 period considered appropriate by the comptroller; and

7 (B) economic effects of the project, including  
8 the impact on jobs and income, during the qualifying time period,  
9 the limitation period, and a period of time after the limitation  
10 period considered appropriate by the comptroller;

11 (10) [~~(11)~~] the economic condition of the region of  
12 the state at the time the person's application is being considered  
13 and the impact of the project on the region;

14 (11) [~~(12)~~] the number of new facilities built or  
15 expanded in the region during the two years preceding the date of  
16 the application that were eligible to apply for a limitation on  
17 appraised value under this subchapter;

18 (12) [~~(13)~~] the effect of the applicant's proposal, if  
19 approved, on the number or size of the school district's  
20 instructional facilities, as defined by Section 46.001, Education  
21 Code;

22 (13) [~~(14)~~] the projected market value of the  
23 qualified property of the applicant as determined by the  
24 comptroller;

25 (14) [~~(15)~~] the proposed limitation on appraised  
26 value for the qualified property of the applicant;

27 (15) [~~(16)~~] the projected dollar amount of the taxes

1 that would be imposed on the qualified property, for each year of  
2 the agreement, if the property does not receive a limitation on  
3 appraised value with assumptions of the projected appreciation or  
4 depreciation of the investment and projected tax rates clearly  
5 stated;

6 (16) [~~(17)~~] the projected dollar amount of the taxes  
7 that would be imposed on the qualified property, for each tax year  
8 of the agreement, if the property receives a limitation on  
9 appraised value with assumptions of the projected appreciation or  
10 depreciation of the investment clearly stated;

11 (17) [~~(18)~~] the projected effect on the Foundation  
12 School Program of payments to the district for each year of the  
13 agreement;

14 (18) [~~(19)~~] the projected future tax credits if the  
15 applicant also applies for school tax credits under Section  
16 313.103; and

17 (19) [~~(20)~~] the total amount of taxes projected to be  
18 lost or gained by the district over the life of the agreement  
19 computed by subtracting the projected taxes stated in Subdivision  
20 (16) [~~(17)~~] from the projected taxes stated in Subdivision (15)  
21 [~~(16)~~].

22 (b) The comptroller's determination [~~recommendations~~]  
23 shall be based on the criteria listed in Subsections (a)(4)-(19)  
24 [~~(a)(5)-(20)~~] and on any other information available to the  
25 comptroller, including information provided by the governing body  
26 of the school district under Section 313.025(b).

27 SECTION 6. Section 313.0265(c), Tax Code, is amended to

1 read as follows:

2 (c) If a school district maintains a generally accessible  
3 Internet website, the district shall maintain a link on its  
4 Internet website to the area of the comptroller's Internet website  
5 where information on each of the [~~district's~~] agreements to limit  
6 appraised value entered into by the comptroller on behalf of the  
7 district is maintained.

8 SECTION 7. Section 313.027, Tax Code, is amended by  
9 amending Subsections (a), (b), (c), (d), (e), (f), (h), and (i) and  
10 adding Subsection (b-1) to read as follows:

11 (a) If the person's application is approved by the  
12 comptroller [~~governing body of the school district~~], for each of  
13 the first eight tax years that begin after the applicable  
14 qualifying time period, the appraised value for school district  
15 maintenance and operations ad valorem tax purposes of the person's  
16 qualified property as described in the agreement between the person  
17 and the comptroller [~~district~~] entered into under this section in  
18 the school district may not exceed the lesser of:

- 19 (1) the market value of the property; or  
20 (2) subject to Subsection (b), the amount agreed to by  
21 the comptroller [~~governing body of the school district~~].

22 (b) Except as provided by Subsection (b-1), the [~~The~~] amount  
23 agreed to by the comptroller [~~governing body of a school district~~]  
24 under Subsection (a)(2) must be an amount in accordance with the  
25 following, according to the category established by Section 313.022  
26 to which the school district belongs:

27 CATEGORY MINIMUM AMOUNT OF LIMITATION

1	I	\$100 million
2	II	\$80 million
3	III	\$60 million
4	IV	\$40 million
5	V	\$20 million

6 (b-1) In the case of property used in connection with  
 7 renewable energy electric generation, the amount agreed to by the  
 8 comptroller under Subsection (a)(2) must be an amount in accordance  
 9 with the following, according to the category established by  
 10 Section 313.022 to which the school district belongs:

11	<u>CATEGORY</u>	<u>MINIMUM AMOUNT OF LIMITATION</u>
12	<u>I</u>	<u>\$100 million</u>
13	<u>II</u>	<u>\$80 million</u>
14	<u>III</u>	<u>\$60 million</u>
15	<u>IV</u>	<u>\$40 million</u>
16	<u>V</u>	<u>\$20 million</u>

17 (c) The limitation amounts listed in Subsections  
 18 [Subsection] (b) and (b-1) are minimum amounts. The comptroller [A  
 19 school district], regardless of the category of the school  
 20 district, may agree to a greater amount than those amounts.

21 (d) The comptroller [governing body of the school district]  
 22 and the property owner shall enter into a written agreement for the  
 23 implementation of the limitation on appraised value under this  
 24 subchapter on the owner's qualified property. The agreement and  
 25 any amendment to the agreement must be approved by the governing  
 26 body of the school district.

27 (e) The agreement must describe with specificity the



1 qualified investment that the person will make on or in connection  
2 with the person's qualified property that is subject to the  
3 limitation on appraised value under this subchapter. Other  
4 property of the person that is not specifically described in the  
5 agreement is not subject to the limitation unless the comptroller  
6 [~~governing body of the school district~~], by official action,  
7 provides that the other property is subject to the limitation.

8 (f) In addition, the agreement:

9 (1) must incorporate each relevant provision of this  
10 subchapter and, to the extent necessary, include provisions for the  
11 protection of future school district revenues through the  
12 adjustment of the minimum valuations, the payment of revenue  
13 offsets, and other mechanisms agreed to by the property owner and  
14 the comptroller [~~school district~~];

15 (2) may provide that the property owner will protect  
16 the school district in the event the district incurs extraordinary  
17 education-related expenses related to the project that are not  
18 directly funded in state aid formulas, including expenses for the  
19 purchase of portable classrooms and the hiring of additional  
20 personnel to accommodate a temporary increase in student enrollment  
21 attributable to the project;

22 (3) must require the property owner to maintain a  
23 viable presence in the school district for at least three years  
24 after the date the limitation on appraised value of the owner's  
25 property expires;

26 (4) must provide for the termination of the agreement,  
27 the recapture of ad valorem tax revenue lost as a result of the

1 agreement if the owner of the property fails to comply with the  
2 terms of the agreement, and payment of a penalty or interest, or  
3 both, on that recaptured ad valorem tax revenue;

4 (5) may specify any conditions the occurrence of which  
5 will require the comptroller [~~district~~] and the property owner to  
6 renegotiate all or any part of the agreement; ~~and~~

7 (6) must specify the ad valorem tax years covered by  
8 the agreement; and

9 (7) must specify the number of qualifying jobs  
10 required to be created during each year of the agreement.

11 (h) The agreement between the comptroller [~~governing body~~  
12 ~~of the school district~~] and the applicant may provide for a deferral  
13 of the date on which the qualifying time period for the project is  
14 to commence or, subsequent to the date the agreement is entered  
15 into, be amended to provide for such a deferral. This subsection  
16 may not be construed to permit a qualifying time period that has  
17 commenced to continue for more than the number of years applicable  
18 to the project under Section 313.021(4).

19 (i) A person and the comptroller [~~school district~~] may not  
20 enter into an agreement under which the person agrees to provide  
21 supplemental payments to a school district in an amount that  
22 exceeds an amount equal to \$100 per student per year in average  
23 daily attendance, as defined by Section 42.005, Education Code, or  
24 for a period that exceeds the period beginning with the period  
25 described by Section 313.021(4) and ending with the period  
26 described by Section 313.104(2)(B) of this code. This limit does  
27 not apply to amounts described by Subsection (f)(1) or (2) of this

1 section.

2 SECTION 8. Section 313.0275(a), Tax Code, is amended to  
3 read as follows:

4 (a) Notwithstanding any other provision of this chapter to  
5 the contrary, a person with whom the comptroller [~~a school~~  
6 ~~district~~] enters into an agreement under this subchapter must make  
7 the minimum amount of qualified investment during the qualifying  
8 time period and create the required number of qualifying jobs  
9 during each year of the agreement.

10 SECTION 9. Section 313.028, Tax Code, is amended to read as  
11 follows:

12 Sec. 313.028. CERTAIN BUSINESS INFORMATION CONFIDENTIAL.  
13 Information provided to a school district or the comptroller in  
14 connection with an application for a limitation on appraised value  
15 under this subchapter that describes the specific processes or  
16 business activities to be conducted or the specific tangible  
17 personal property to be located on real property covered by the  
18 application shall be segregated in the application from other  
19 information in the application and is confidential and not subject  
20 to public disclosure unless the comptroller [~~governing body of the~~  
21 ~~school district~~] approves the application. Other information in  
22 the custody of a school district or the comptroller in connection  
23 with the application, including information related to the economic  
24 impact of a project or the essential elements of eligibility under  
25 this chapter, such as the nature and amount of the projected  
26 investment, employment, wages, and benefits, may not be considered  
27 confidential business information if the comptroller [~~governing~~

1 ~~body of the school district]~~ agrees to consider the application.  
2 Information in the custody of a school district or the comptroller  
3 if the comptroller [~~governing body~~] approves the application is not  
4 confidential under this section.

5 SECTION 10. Section 313.031(b), Tax Code, is amended to  
6 read as follows:

7 (b) The comptroller [~~governing body of a school district]~~ by  
8 official action shall establish reasonable nonrefundable  
9 application fees to be paid by property owners who apply to the  
10 comptroller [~~district]~~ for a limitation on the appraised value of  
11 the person's property under this subchapter. The amount of an  
12 application fee must be reasonable and may not exceed the estimated  
13 cost to the comptroller [~~district]~~ of processing and acting on an  
14 application, including the cost of the economic impact evaluation  
15 required by Sections 313.025 and 313.026.

16 SECTION 11. Section 313.051(b), Tax Code, is amended to  
17 read as follows:

18 (b) The comptroller [~~governing body of a school district to~~  
19 ~~which this subchapter applies]~~ may enter into an agreement on  
20 behalf of a school district to which this subchapter applies in the  
21 same manner as the comptroller may enter into an agreement on behalf  
22 of a school district to which Subchapter B applies [~~may do so~~] under  
23 Subchapter B, subject to Sections 313.052-313.054. Except as  
24 otherwise provided by this subchapter, the provisions of Subchapter  
25 B apply to a school district to which this subchapter applies. For  
26 purposes of this subchapter, a property owner is required to create  
27 only at least 100 new jobs on the owner's qualified property if the

1 property is used in connection with manufacturing, research and  
 2 development, or nuclear electric power generation, 25 new jobs on  
 3 the owner's qualified property if the property is used in  
 4 connection with renewable energy electric generation, or 25 [10]  
 5 new jobs on the owner's qualified property if the property is used  
 6 in connection with another activity. At least 80 percent of all the  
 7 new jobs created by the property owner must be qualifying jobs as  
 8 defined by Section 313.021(3), except that, for a school district  
 9 described by Subsection (a)(2), each qualifying job must pay at  
 10 least 110 percent of the average weekly wage for manufacturing jobs  
 11 in the region designated for the regional planning commission,  
 12 council of governments, or similar regional planning agency created  
 13 under Chapter 391, Local Government Code, in which the district is  
 14 located.

15 SECTION 12. Section 313.053, Tax Code, is amended to read as  
 16 follows:

17 Sec. 313.053. MINIMUM AMOUNTS OF QUALIFIED INVESTMENT. (a)  
 18 Except as provided by Subsection (b), for [~~For~~] each category of  
 19 school district established by Section 313.052, the minimum amount  
 20 of a qualified investment under Section 313.021(2)(A)(iv)(a) is as  
 21 follows:

CATEGORY	MINIMUM QUALIFIED INVESTMENT
I	\$30 million
II	\$20 million
III	\$10 million
IV	\$5 million
V	\$1 million

(b) For each category of school district established by Section 313.052, the minimum amount of a qualified investment under Section 313.021(2)(A)(iv)(a) in the case of property used in connection with renewable energy electric generation is as follows:

<u>CATEGORY</u>	<u>MINIMUM QUALIFIED INVESTMENT</u>
<u>I</u>	<u>\$30 million</u>
<u>II</u>	<u>\$20 million</u>
<u>III</u>	<u>\$10 million</u>
<u>IV</u>	<u>\$5 million</u>
<u>V</u>	<u>\$1 million</u>

SECTION 13. Section 313.054, Tax Code, is amended to read as follows:

Sec. 313.054. LIMITATION ON APPRAISED VALUE. (a) Except as provided by Subsection (a-1), for ~~For~~ a school district to which this subchapter applies, the amount agreed to by the comptroller ~~[governing body of the district]~~ under Section 313.027(a)(2) must be an amount in accordance with the following, according to the category established by Section 313.052 to which the school district belongs:

<u>CATEGORY</u>	<u>MINIMUM AMOUNT OF LIMITATION</u>
<u>I</u>	<u>\$30 million</u>
<u>II</u>	<u>\$20 million</u>
<u>III</u>	<u>\$10 million</u>
<u>IV</u>	<u>\$5 million</u>
<u>V</u>	<u>\$1 million</u>

(a-1) In the case of property used in connection with renewable energy electric generation, for a school district to

1 which this subchapter applies, the amount agreed to by the  
 2 comptroller under Section 313.027(a)(2) must be an amount in  
 3 accordance with the following, according to the category  
 4 established by Section 313.052 to which the school district  
 5 belongs:

<u>CATEGORY</u>	<u>MINIMUM AMOUNT OF LIMITATION</u>
6 <u>I</u>	<u>\$30 million</u>
7 <u>II</u>	<u>\$20 million</u>
8 <u>III</u>	<u>\$10 million</u>
9 <u>IV</u>	<u>\$5 million</u>
10 <u>V</u>	<u>\$1 million</u>

12           (b) The limitation amounts listed in Subsections  
 13 [Subsection] (a) and (a-1) are minimum amounts. The comptroller [A  
 14 school district], regardless of the category of the school  
 15 district, may agree to a greater amount than those amounts.

16           SECTION 14. Section 313.102(a), Tax Code, is amended to  
 17 read as follows:

18           (a) In addition to the limitation on the appraised value of  
 19 the person's qualified property under Subchapter B or C, a person is  
 20 entitled to a tax credit from the school district on behalf of which  
 21 the comptroller [that] approved the limitation in an amount equal  
 22 to the amount of ad valorem taxes paid to that school district that  
 23 were imposed on the portion of the appraised value of the qualified  
 24 property that exceeds the amount of the limitation agreed to by the  
 25 comptroller [governing body of the school district] under Section  
 26 313.027(a)(2) in each year in the applicable qualifying time  
 27 period.

1           SECTION 15. Section 403.302(d), Government Code, as amended  
2 by Chapters 1186 (H.B. 3676) and 1328 (H.B. 3646), Acts of the 81st  
3 Legislature, Regular Session, 2009, is reenacted and amended to  
4 read as follows:

5           (d) For the purposes of this section, "taxable value" means  
6 the market value of all taxable property less:

7           (1) the total dollar amount of any residence homestead  
8 exemptions lawfully granted under Section 11.13(b) or (c), Tax  
9 Code, in the year that is the subject of the study for each school  
10 district;

11           (2) one-half of the total dollar amount of any  
12 residence homestead exemptions granted under Section 11.13(n), Tax  
13 Code, in the year that is the subject of the study for each school  
14 district;

15           (3) the total dollar amount of any exemptions granted  
16 before May 31, 1993, within a reinvestment zone under agreements  
17 authorized by Chapter 312, Tax Code;

18           (4) subject to Subsection (e), the total dollar amount  
19 of any captured appraised value of property that:

20           (A) is within a reinvestment zone created on or  
21 before May 31, 1999, or is proposed to be included within the  
22 boundaries of a reinvestment zone as the boundaries of the zone and  
23 the proposed portion of tax increment paid into the tax increment  
24 fund by a school district are described in a written notification  
25 provided by the municipality or the board of directors of the zone  
26 to the governing bodies of the other taxing units in the manner  
27 provided by Section 311.003(e), Tax Code, before May 31, 1999, and



1 within the boundaries of the zone as those boundaries existed on  
2 September 1, 1999, including subsequent improvements to the  
3 property regardless of when made;

4 (B) generates taxes paid into a tax increment  
5 fund created under Chapter 311, Tax Code, under a reinvestment zone  
6 financing plan approved under Section 311.011(d), Tax Code, on or  
7 before September 1, 1999; and

8 (C) is eligible for tax increment financing under  
9 Chapter 311, Tax Code;

10 (5) the total dollar amount of any captured appraised  
11 value of property that:

12 (A) is within a reinvestment zone:

13 (i) created on or before December 31, 2008,  
14 by a municipality with a population of less than 18,000; and

15 (ii) the project plan for which includes  
16 the alteration, remodeling, repair, or reconstruction of a  
17 structure that is included on the National Register of Historic  
18 Places and requires that a portion of the tax increment of the zone  
19 be used for the improvement or construction of related facilities  
20 or for affordable housing;

21 (B) generates school district taxes that are paid  
22 into a tax increment fund created under Chapter 311, Tax Code; and

23 (C) is eligible for tax increment financing under  
24 Chapter 311, Tax Code;

25 (6) the total dollar amount of any exemptions granted  
26 under Section 11.251 or 11.253, Tax Code;

27 (7) the difference between the comptroller's estimate

1 of the market value and the productivity value of land that  
2 qualifies for appraisal on the basis of its productive capacity,  
3 except that the productivity value estimated by the comptroller may  
4 not exceed the fair market value of the land;

5 (8) the portion of the appraised value of residence  
6 homesteads of individuals who receive a tax limitation under  
7 Section 11.26, Tax Code, on which school district taxes are not  
8 imposed in the year that is the subject of the study, calculated as  
9 if the residence homesteads were appraised at the full value  
10 required by law;

11 (9) a portion of the market value of property not  
12 otherwise fully taxable by the district at market value because of:

13 (A) action required by statute or the  
14 constitution of this state that, if the tax rate adopted by the  
15 district is applied to it, produces an amount equal to the  
16 difference between the tax that the district would have imposed on  
17 the property if the property were fully taxable at market value and  
18 the tax that the district is actually authorized to impose on the  
19 property, if this subsection does not otherwise require that  
20 portion to be deducted; or

21 (B) action taken by the district or by the  
22 comptroller on behalf of the district under Subchapter B or C,  
23 Chapter 313, Tax Code, before the expiration of the subchapter;

24 (10) the market value of all tangible personal  
25 property, other than manufactured homes, owned by a family or  
26 individual and not held or used for the production of income;

27 (11) the appraised value of property the collection of

1 delinquent taxes on which is deferred under Section 33.06, Tax  
2 Code;

3 (12) the portion of the appraised value of property  
4 the collection of delinquent taxes on which is deferred under  
5 Section 33.065, Tax Code; and

6 (13) the amount by which the market value of a  
7 residence homestead to which Section 23.23, Tax Code, applies  
8 exceeds the appraised value of that property as calculated under  
9 that section.

10 SECTION 16. Section 403.302(m), Government Code, as added  
11 by Chapter 1186 (H.B. 3676), Acts of the 81st Legislature, Regular  
12 Session, 2009, is amended to conform to Section 80, Chapter 1328  
13 (H.B. 3646), Acts of the 81st Legislature, Regular Session, 2009:

14 (m) Subsection (d)(9) [~~(d)(10)~~] does not apply to property  
15 that was the subject of an application under Subchapter B or C,  
16 Chapter 313, Tax Code, made after May 1, 2009, that the comptroller  
17 recommended should be disapproved.

18 SECTION 17. To the extent of any conflict, this Act prevails  
19 over another Act of the 82nd Legislature, Regular Session, 2011,  
20 relating to nonsubstantive additions to and corrections in enacted  
21 codes.

22 SECTION 18. Section 313.007. Tax Code, is amended to read  
23 as follows:

24 Section, 313.007. EXPIRATION. Subchapters B, C, and D  
25 expire December 31, 2022 [~~2014~~].

26 SECTION 19. Chapter 313, Tax Code, as amended by this Act,  
27 applies only to an application filed under that chapter on or after

1 the effective date of this Act. An application filed under that  
2 chapter before the effective date of this Act is governed by the law  
3 in effect on the date the application was filed, and the former law  
4 is continued in effect for that purpose.

5 SECTION 20. This Act takes effect September 1, 2011.