

By: Pitts

H.B. No. 2652

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 313.007, Tax Code, is amended to read as follows:

Sec. 313.007. EXPIRATION. Subchapter B expires
~~[Subchapters B, C, and D expire]~~ December 31, 2014.

SECTION 2. Section 313.009(a), Tax Code, is amended to read as follows:

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

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

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

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

(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) an estimate of the tax benefit to be provided to
20 each recipient under the agreement; and

21 (13) the estimated total amount of any payments to be
22 made by each recipient to the applicable school district under the
23 agreement, including any payments to be made by the recipient to a
24 foundation or other entity in consideration of the approval of the
25 agreement by the district.

26 SECTION 3. Section 313.021(3), Tax Code, is amended to read
27 as follows:

1 (3) "Qualifying job" means a permanent full-time job
2 that:

3 (A) requires at least 1,600 hours of work a year;

4 (B) is not transferred from one area in this
5 state to another area in this state;

6 (C) is not created to replace a previous
7 employee;

8 (D) is covered by a group health benefit plan for
9 which the business offers to pay at least 80 percent of the premiums
10 or other charges assessed for employee-only coverage under the
11 plan, regardless of whether an employee may voluntarily waive the
12 coverage; ~~and~~

13 (E) pays at least 110 percent of:

14 (i) the county average weekly wage for
15 manufacturing jobs in the county where the job is located; or

16 (ii) the county average weekly wage for all
17 jobs in the county where the job is located, if the property owner
18 creates more than 1,000 jobs in that county;

19 (F) is based at the qualified property;

20 (G) is in direct support of an activity described
21 by Section 313.024(b); and

22 (H) is subject to a significant degree of control
23 by the applicant with regard to:

24 (i) the creation of the job;

25 (ii) the job description; and

26 (iii) the job characteristics or the
27 performance of the job by means of a business, contractual, or

1 vendor relationship.

2 SECTION 4. Section 313.022, Tax Code, is amended to read as
3 follows:

4 Sec. 313.022. APPLICABILITY; CATEGORIZATION OF SCHOOL
5 DISTRICTS. (a) This subchapter applies to each school district in
6 this state [~~other than a school district to which Subchapter C~~
7 ~~applies~~].

8 (b) For purposes of determining the required minimum amount
9 of a qualified investment under Section 313.021(2)(A)(iv)(a), and
10 the base [~~minimum~~] amount of a limitation on appraised value under
11 Section 313.027(b), school districts [~~to which this subchapter~~
12 ~~applies~~] are categorized according to the taxable value of property
13 in the district for the preceding tax year determined under
14 Subchapter M, Chapter 403, Government Code, as follows:

15	CATEGORY	TAXABLE VALUE OF PROPERTY
16	I	\$10 billion or more
17	II	\$1 billion or more but less than \$10 billion
18	III	\$500 million or more but less than \$1 billion
19	IV	\$100 million or more but less than \$500 million
20	V	less than \$100 million

21 SECTION 5. Sections 313.024(a) and (b), Tax Code, are
22 amended to read as follows:

23 (a) This subchapter applies [~~and Subchapters C and D apply~~]
24 only to property owned by an entity to which Chapter 171 applies.

25 (b) To be eligible for a limitation on appraised value under
26 this subchapter, the entity must use the property for the purpose of
27 [~~in connection with~~]:

- 1 (1) manufacturing;
- 2 (2) research and development;
- 3 (3) a clean coal project, as defined by Section 5.001,
- 4 Water Code;
- 5 (4) an advanced clean energy project, as defined by
- 6 Section 382.003, Health and Safety Code;
- 7 (5) renewable energy electric generation;
- 8 (6) electric power generation using integrated
- 9 gasification combined cycle technology;
- 10 (7) nuclear electric power generation; or
- 11 (8) a computer center primarily used in [~~connection~~
- 12 ~~with~~] one or more activities described by Subdivisions (1) through
- 13 (7) conducted by the entity.

14 SECTION 6. Sections 313.025(a-1), (b), (b-1), (c), (d),
15 (f), and (f-1), Tax Code, are amended to read as follows:

16 (a-1) If the governing body of the school district elects to
17 consider the application [~~Within seven days of the receipt of each~~
18 ~~document~~], the [~~school~~] district shall submit to the comptroller a
19 copy of the application as provided by Subsection (b) [~~and the~~
20 ~~agreement between the applicant and the school district~~]. If an
21 economic analysis of the proposed project is submitted to the
22 school district, the district shall submit a copy of the analysis to
23 the comptroller. In addition, the school district shall submit to
24 the comptroller any subsequent revision of or amendment to any of
25 those documents within seven days of its receipt. The comptroller
26 shall publish each document received from the school district under
27 this subsection on the comptroller's Internet website. If the

1 school district maintains a generally accessible Internet website,
2 the district shall provide on its website a link to the location of
3 those documents posted on the comptroller's website in compliance
4 with this subsection. This subsection does not require the
5 comptroller to post information that is confidential under Section
6 313.028.

7 (b) The governing body of a school district is not required
8 to consider an application for a limitation on appraised value that
9 is filed with the governing body under Subsection (a). If the
10 governing body of the school district does elect to consider an
11 application, the governing body shall deliver a copy [~~three copies~~]
12 of the application to the comptroller and request that the
13 comptroller provide an economic impact evaluation of the
14 application to the school district. Except as provided by
15 Subsection (b-1), the comptroller shall conduct or contract with a
16 third person to conduct the evaluation, which shall be completed
17 and provided to the governing body of the school district as soon as
18 practicable. The governing body shall provide to the comptroller or
19 third person any requested information. A methodology to allow
20 comparisons of economic impact for different schedules of the
21 addition of qualified investment or qualified property may be
22 developed as part of the economic impact evaluation. The governing
23 body shall provide a copy of the evaluation to the applicant on
24 request. The comptroller may charge and collect a fee sufficient to
25 cover the costs of providing the economic impact evaluation. The
26 governing body of a school district shall approve or disapprove an
27 application not later than the 60th day after the date the governing

1 body receives a recommendation from the comptroller as to whether
2 the application should be approved or disapproved, unless the
3 comptroller has agreed to an extension [~~before the 151st day after~~
4 ~~the date the application is filed, unless the economic impact~~
5 ~~evaluation has not been received or an extension is agreed to by the~~
6 ~~governing body and the applicant~~].

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

1 determination that the Texas Education Agency is required to make
2 and report to the comptroller under this subsection.

3 (c) In determining whether to grant an application, the
4 governing body of the school district is entitled to request and
5 receive assistance from:

6 (1) the comptroller;

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

9 (3) the Texas Workforce Investment Council; and

10 (4) the Texas Workforce Commission.

11 (d) Before the later of the 91st day after the date the
12 comptroller receives the copy of the application or the 46th day
13 after the date the Texas Education Agency submits to the
14 comptroller the report required by Subsection (b-1), the
15 comptroller shall submit a recommendation to the governing body of
16 the school district as to whether the application should be
17 approved or disapproved.

18 (f) The governing body may approve an application only if:

19 (1) the comptroller submits a recommendation to the
20 governing body that the application be approved; and

21 (2) the governing body finds that the information in
22 the application is true and correct, finds that the applicant is
23 eligible for the limitation on the appraised value of the person's
24 qualified property, and determines that granting the application is
25 in the best interest of the school district and this state.

26 (f-1) Notwithstanding any other provision of this chapter
27 to the contrary, including Section 313.003(2) or 313.004(3)(A) or

1 (B)(iii), the governing body of a school district may waive the new
2 jobs creation requirement in Section 313.021(2)(A)(iv)(b) [~~or~~
3 ~~313.051(b)~~] and approve an application if the governing body makes
4 a finding that the jobs creation requirement exceeds the industry
5 standard for the number of employees reasonably necessary for the
6 operation of the facility of the property owner that is described in
7 the application.

8 SECTION 7. Section 313.026, Tax Code, is amended to read as
9 follows:

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

- 12 (1) the recommendations of the comptroller;
- 13 (2) the name of the school district;
- 14 (3) the name of the applicant;
- 15 (4) the general nature of the applicant's investment;
- 16 (5) the relationship between the applicant's industry
17 and the types of qualifying jobs to be created by the applicant to
18 the long-term economic growth [~~plans~~] of this state [~~as described~~
19 ~~in the strategic plan for economic development submitted by the~~
20 ~~Texas Strategic Economic Development Planning Commission under~~
21 ~~Section 481.033, Government Code, as that section existed before~~
22 ~~February 1, 1999]~~;

23 (6) an evaluation of the relative level of the
24 applicant's investment per qualifying job to be created by the
25 applicant;

26 (7) an evaluation of the number of qualifying jobs to
27 be created by the applicant in comparison with the average number of

1 jobs created in the applicant's industry for a similar type of
2 project at a similar level of investment;

3 (8) an evaluation of the wages, salaries, and benefits
4 to be offered by the applicant to qualifying job holders;

5 (9) an evaluation of the ability of the applicant to
6 locate or relocate in another state or another region of this state;

7 (10) an evaluation of ~~[the impact the project will~~
8 ~~have on this state and individual local units of government,~~
9 ~~including:~~

10 ~~[(A) tax and other revenue gains, direct or~~
11 ~~indirect, that would be realized during the qualifying time period,~~
12 ~~the limitation period, and a period of time after the limitation~~
13 ~~period considered appropriate by the comptroller; and~~

14 ~~[(B) economic effects of the project, including~~
15 ~~the impact on jobs and income, during the qualifying time period,~~
16 ~~the limitation period, and a period of time after the limitation~~
17 ~~period considered appropriate by the comptroller;~~

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

21 (11) ~~[(12) the number of new facilities built or~~
22 ~~expanded in the region during the two years preceding the date of~~
23 ~~the application that were eligible to apply for a limitation on~~
24 ~~appraised value under this subchapter;~~

25 ~~[(13) the effect of the applicant's proposal, if~~
26 ~~approved, on the number or size of the school district's~~
27 ~~instructional facilities, as defined by Section 46.001, Education~~

1 Code;

2 ~~[(14)]~~ the projected market value of the qualified
3 property as certified by ~~[of]~~ the applicant to ~~[as determined by]~~
4 the comptroller;

5 (12) ~~[(15)]~~ the proposed limitation on appraised
6 value for the qualified property of the applicant;

7 (13) ~~[(16)]~~ the projected dollar amount of the taxes
8 that would be imposed on the qualified property, for each year of
9 the agreement, if the property does not receive a limitation on
10 appraised value with assumptions of the projected appreciation or
11 depreciation of the investment and projected tax rates clearly
12 stated;

13 (14) ~~[(17)]~~ the projected dollar amount of the taxes
14 that would be imposed on the qualified property, for each tax year
15 of the agreement, if the property receives a limitation on
16 appraised value with assumptions of the projected appreciation or
17 depreciation of the investment clearly stated; and

18 (15) ~~[(18)]~~ the projected effect on the Foundation
19 School Program of payments to the district for each year of the
20 agreement[+]

21 ~~[(19) the projected future tax credits if the~~
22 ~~applicant also applies for school tax credits under Section~~
23 ~~313.103, and~~

24 ~~[(20) the total amount of taxes projected to be lost or~~
25 ~~gained by the district over the life of the agreement computed by~~
26 ~~subtracting the projected taxes stated in Subdivision (17) from the~~
27 ~~projected taxes stated in Subdivision (16)].~~

1 (b) The comptroller's recommendations shall be based on the
2 criteria listed in Subsections (a)(5)-(15) [~~(a)(5)-(20)~~] and on any
3 other information available to the comptroller, including
4 information provided by the governing body of the school district
5 under Section 313.025(b).

6 SECTION 8. Section 313.0265(b), Tax Code, is amended to
7 read as follows:

8 (b) The comptroller shall designate the following as
9 substantive:

10 (1) each application requesting a limitation on
11 appraised value; and

12 (2) the economic impact evaluation made in connection
13 with the application[~~, and~~

14 [~~(3) each application requesting school tax credits~~
15 ~~under Section 313.103]~~.

16 SECTION 9. Section 313.027, Tax Code, is amended by
17 amending Subsections (a), (b), (c), (h), and (i) and adding
18 Subsection (j) to read as follows:

19 (a) If the person's application is approved by the governing
20 body of the school district, for each of the first eight tax years
21 that begin after the applicable qualifying time period, the
22 appraised value for school district maintenance and operations ad
23 valorem tax purposes of the person's qualified property as
24 described in the agreement between the person and the district
25 entered into under this section in the school district may not
26 exceed the lesser of:

27 (1) the market value of the property; or

1 (2) subject to Subsections [~~Subsection~~] (b) and (c),
2 the amount agreed to by the governing body of the school district.

3 (b) The amount agreed to by the governing body of a school
4 district under Subsection (a)(2) must be based on an amount in
5 accordance with the following, according to the category
6 established by Section 313.022 to which the school district
7 belongs:

8 CATEGORY	<u>BASE</u> [MINIMUM] AMOUNT OF LIMITATION
9 I	\$100 million
10 II	\$80 million
11 III	\$60 million
12 IV	\$40 million
13 V	\$20 million

14 (c) The amount of the appraised value of the property
15 established in an agreement may not be less than:

16 (1) for property used for a purpose described by
17 Section 313.024(b)(1), (2), (3), (4), (6), (7), or (8), the sum of:

18 (A) the applicable amount listed in Subsection
19 (b); and

20 (B) the product of 0.2 and the difference between
21 the market value of the property as annually determined by the chief
22 appraiser and the applicable amount listed in Subsection (b); and

23 (2) for property used for a purpose described by
24 Section 313.024(b)(5), the sum of:

25 (A) the applicable amount listed in Subsection
26 (b); and

27 (B) the product of 0.5 and the difference between

1 the market value of the property as annually determined by the chief
2 appraiser and the applicable amount listed in Subsection (b). [~~The~~
3 ~~limitation amounts listed in Subsection (b) are minimum amounts. A~~
4 ~~school district, regardless of category, may agree to a greater~~
5 ~~amount than those amounts.]~~

6 (h) At any time before the applicant spends an amount that
7 is considered to be a qualified investment, the governing body of
8 the school district and the applicant may amend the agreement to
9 defer the date on which the qualifying time period for the project
10 is to commence. The commencement of the qualifying time period may
11 not be deferred to a date later than the second anniversary of the
12 date the qualifying time period was originally scheduled to end.
13 [~~The agreement between the governing body of the school district~~
14 ~~and the applicant may provide for a deferral of the date on which~~
15 ~~the qualifying time period for the project is to commence or,~~
16 ~~subsequent to the date the agreement is entered into, be amended to~~
17 ~~provide for such a deferral.] This subsection may not be construed
18 to permit a qualifying time period that has commenced to continue
19 for more than the number of years applicable to the project under
20 Section 313.021(4). Any amount the applicant spends before the
21 date the qualifying time period commences may not be considered to
22 be a qualified investment.~~

23 (i) A person and the school district may not enter into an
24 agreement if in conjunction with the agreement any payments or
25 other benefits are to be provided by or on behalf of the person in
26 recognition or anticipation of, or in consideration for, the
27 district entering into the agreement, other than payments or

1 benefits authorized under Subsection (f)(1) or (2) [~~under which the~~
2 ~~person agrees to provide supplemental payments to a school district~~
3 ~~in an amount that exceeds an amount equal to \$100 per student per~~
4 ~~year in average daily attendance, as defined by Section 42.005,~~
5 ~~Education Code, or for a period that exceeds the period beginning~~
6 ~~with the period described by Section 313.021(4) and ending with the~~
7 ~~period described by Section 313.104(2)(B) of this code. This limit~~
8 ~~does not apply to amounts described by Subsection (f)(1) or (2) of~~
9 ~~this section].~~

10 (j) A school district may not enter into an agreement or an
11 amendment to an agreement under this section without the prior
12 approval of the comptroller.

13 SECTION 10. Section 313.031(a), Tax Code, is amended to
14 read as follows:

15 (a) The comptroller shall:

16 (1) adopt rules and forms necessary for the
17 implementation and administration of this chapter, including rules
18 for determining whether a property owner's property qualifies as a
19 qualified investment under Section 313.021(1); and

20 (2) provide without charge one copy of the rules and
21 forms to any school district and to any person who states that the
22 person intends to apply for a limitation on appraised value under
23 this subchapter [~~or a tax credit under Subchapter D~~].

24 SECTION 11. Subchapter E, Chapter 313, Tax Code, is amended
25 to read as follows:

26 SUBCHAPTER E. AVAILABILITY OF TAX CREDIT AFTER PROGRAM EXPIRES OR

27 IS REPEALED

1 Sec. 313.171. SAVING PROVISIONS. (a) A limitation on
2 appraised value approved under Subchapter B or C before the
3 expiration of Subchapter B or the repeal of Subchapter C,
4 respectively, [~~that subchapter~~] continues in effect according to
5 that subchapter as that subchapter existed immediately before its
6 expiration or repeal, and that law is continued in effect for
7 purposes of the limitation on appraised value.

8 (b) The repeal [~~expiration~~] of Subchapter D does not affect
9 a property owner's entitlement to a tax credit granted under
10 Subchapter D if the property owner qualified for the tax credit
11 before the repeal [~~expiration~~] of Subchapter D.

12 SECTION 12. Section 42.2515, Education Code, is amended by
13 amending Subsection (a) and adding Subsection (a-1) to read as
14 follows:

15 (a) For each school year, a school district, including a
16 school district that is otherwise ineligible for state aid under
17 this chapter, is entitled to state aid in an amount equal to the
18 amount of all tax credits credited against ad valorem taxes of the
19 district in that year under former Subchapter D, Chapter 313, Tax
20 Code.

21 (a-1) Not later than December 1 of each year, the
22 commissioner of education shall submit to the comptroller an
23 estimate of the total amount of additional state aid to which a
24 school district is entitled under this section for the school year
25 beginning in that year.

26 SECTION 13. Section 42.302(e), Education Code, is amended
27 to read as follows:

1 (e) For purposes of this section, school district taxes for
2 which credit is granted under former Subchapter D, Chapter 313, Tax
3 Code, are considered taxes collected by the school district as if
4 the taxes were paid when the credit for the taxes was granted.

5 SECTION 14. Section 403.302(d), Government Code, as amended
6 by Chapters 1186 (H.B. 3676) and 1328 (H.B. 3646), Acts of the 81st
7 Legislature, Regular Session, 2009, is reenacted and amended to
8 read as follows:

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

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

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

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

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

24 (A) is within a reinvestment zone created on or
25 before May 31, 1999, or is proposed to be included within the
26 boundaries of a reinvestment zone as the boundaries of the zone and
27 the proposed portion of tax increment paid into the tax increment

1 fund by a school district are described in a written notification
2 provided by the municipality or the board of directors of the zone
3 to the governing bodies of the other taxing units in the manner
4 provided by Section 311.003(e), Tax Code, before May 31, 1999, and
5 within the boundaries of the zone as those boundaries existed on
6 September 1, 1999, including subsequent improvements to the
7 property regardless of when made;

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

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

14 (5) the total dollar amount of any captured appraised
15 value of property that:

16 (A) is within a reinvestment zone:

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

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

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

27 (C) is eligible for tax increment financing under

1 Chapter 311, Tax Code;

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

4 (7) the difference between the comptroller's estimate
5 of the market value and the productivity value of land that
6 qualifies for appraisal on the basis of its productive capacity,
7 except that the productivity value estimated by the comptroller may
8 not exceed the fair market value of the land;

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

15 (9) a portion of the market value of property not
16 [~~otherwise fully~~] taxable by the district for maintenance and
17 operations tax purposes as the result of an agreement entered into
18 by the district under Subchapter B or C, Chapter 313, Tax Code,
19 before the expiration or repeal, respectively, of the subchapter,
20 as adjusted by the comptroller using the ratio of the maintenance
21 and operations tax rate to the total tax rate adopted by the
22 district [~~at market value because of:~~

23 [~~(A) action required by statute or the~~
24 ~~constitution of this state that, if the tax rate adopted by the~~
25 ~~district is applied to it, produces an amount equal to the~~
26 ~~difference between the tax that the district would have imposed on~~
27 ~~the property if the property were fully taxable at market value and~~

1 ~~the tax that the district is actually authorized to impose on the~~
2 ~~property, if this subsection does not otherwise require that~~
3 ~~portion to be deducted, or~~

4 ~~[(B) action taken by the district under~~
5 ~~Subchapter B or C, Chapter 313, Tax Code, before the expiration of~~
6 ~~the subchapter];~~

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

10 (11) the appraised value of property the collection of
11 delinquent taxes on which is deferred under Section 33.06, Tax
12 Code;

13 (12) the portion of the appraised value of property
14 the collection of delinquent taxes on which is deferred under
15 Section 33.065, Tax Code; ~~and~~

16 (13) the amount by which the market value of a
17 residence homestead to which Section 23.23, Tax Code, applies
18 exceeds the appraised value of that property as calculated under
19 that section; and

20 (14) the total dollar amount of any exemptions granted
21 by the district because of action required by statute or the
22 constitution of this state and not included as a deduction
23 elsewhere in this subsection.

24 SECTION 15. Section 403.302(m), Government Code, as added
25 by Chapter 1186 (H.B. 3676), Acts of the 81st Legislature, Regular
26 Session, 2009, is amended to conform to Section 80, Chapter 1328
27 (H.B. 3646), Acts of the 81st Legislature, Regular Session, 2009,

1 to read as follows:

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

6 SECTION 16. Section 403.302, Government Code, is amended by
7 adding Subsection (p) to read as follows:

8 (p) Notwithstanding Subsection (d)(9), if the estimated
9 statewide levy loss exceeds \$___ million in any year, the
10 comptroller shall reduce the amount of the deduction under
11 Subsection (d)(9) from the market value of the taxable property in
12 each school district for that year based on the proportion that the
13 amount of the deduction under that subsection for each school
14 district bears to the estimated statewide levy loss so that the
15 estimated statewide levy loss does not exceed \$___ in that year.
16 For purposes of this subsection, "estimated statewide levy loss"
17 means the amount computed by:

18 (1) multiplying the amount deducted under Subsection
19 (d)(9) for each school district in this state for that year by the
20 quotient of the adopted tax rate of the district for that year
21 divided by 100;

22 (2) adding the amounts computed under Subdivision (1)
23 for all of the school districts in this state; and

24 (3) adding the amounts estimated by the commissioner
25 of education and submitted to the comptroller under Section
26 42.2515(a-1), Education Code, for all of the school districts in
27 this state for that year to the amount computed under Subdivision

1 (2).

2 SECTION 17. The following provisions of the Tax Code are
3 repealed:

4 (1) Sections 313.008, 313.025(d-1) and (g), and
5 313.032; and

6 (2) Subchapters C and D, Chapter 313.

7 SECTION 18. To the extent of any conflict, this Act prevails
8 over another Act of the 82nd Legislature, Regular Session, 2011,
9 relating to nonsubstantive additions to and corrections in enacted
10 codes.

11 SECTION 19. Chapter 313, Tax Code, as amended by this Act,
12 applies only to an agreement entered into under that chapter on or
13 after the effective date of this Act. An agreement entered into
14 under that chapter before the effective date of this Act is governed
15 by the law in effect on the date the agreement was entered into, and
16 the former law is continued in effect for that purpose.

17 SECTION 20. This Act takes effect immediately if it
18 receives a vote of two-thirds of all the members elected to each
19 house, as provided by Section 39, Article III, Texas Constitution.
20 If this Act does not receive the vote necessary for immediate
21 effect, this Act takes effect September 1, 2011.