

BILL ANALYSIS

C.S.H.B. 3390
By: Hilderbran
Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Texas Economic Development Act was established by the legislature to encourage large-scale capital investment in Texas. The law permits school districts to limit the appraised value for purposes of the school district's maintenance and operations property tax rate imposed on new business property meeting certain requirements. The law also provides for a credit for certain school district property taxes paid. Advocates note that key provisions of the Texas Economic Development Act are set to expire on December 31, 2014. C.S.H.B. 3390 revises relevant provisions of that law to increase state oversight of the program, make clean-up changes, and extend the program until December 31, 2024.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the comptroller of public accounts in SECTION 10 of this bill.

ANALYSIS

C.S.H.B. 3390 amends the Tax Code to extend from December 31, 2014, to December 31, 2024, the expiration date of provisions of the Texas Economic Development Act relating to a limitation on the appraised value of certain property used to create jobs for school district maintenance and operations property tax purposes, including a rural school district, and to remove and repeal provisions relating to a person's entitlement to tax credits from a school district that approved such a limitation.

C.S.H.B. 3390, for purposes of such a tax limitation, redefines "qualified investment" to include an existing building that, as part of a discrete project that increases the value and productive capacity of an existing property, is expanded. The bill changes the type of group health benefit plan under which a permanent full-time job must be covered and the minimum salary that a permanent full-time job must pay for that job to be considered a "qualifying job." The bill includes among the property eligible for the tax limitation property used by an entity in connection with a Texas priority project, defined by the bill as a project on which the applicant has committed to expend or allocate a qualified investment of more than \$1 billion. The bill requires, for a property owner to be eligible for the property tax limitation from a school district that is not a rural school district, all of the new jobs created by the property owner to be qualifying jobs, rather than only requiring at least 80 percent of the new jobs to be qualifying jobs.

C.S.H.B. 3390 requires the governing body of a school district that elects to consider an application for the property tax limitation to deliver to the comptroller of public accounts one copy, rather than three copies, of the application and clarifies that the governing body is required to request that the comptroller conduct an economic impact evaluation of the investment proposed by the application. The bill authorizes the governing body to request that the comptroller submit a recommendation as to whether the new jobs creation requirement should be reduced or waived and, if reduced, the number of new jobs that should be required to be created. The bill establishes a deadline for the comptroller to complete and provide to a school district an

economic impact evaluation of such an application of not later than the 90th day after the date the comptroller receives the application. The bill requires the comptroller to promptly deliver a copy of the application to the Texas Education Agency (TEA), rather than indicate on one copy of the application the date the comptroller received the application and deliver that copy to TEA. The bill makes the governing body of the school district, instead of the comptroller, the required recipient of the TEA written report containing the determination of the effect that an applicant's proposal to create jobs will have on the number or size of a school district's instructional facilities. The bill removes a statutory provision specifying that a third person contracted by the comptroller to conduct the economic impact evaluation is not required to make the determination that TEA is required to make or report to the comptroller.

C.S.H.B. 3390 authorizes the governing body of a school district to reduce the number of new jobs an entity is required under the Texas Economic Development Act to create on its qualified property, in addition to waiving the requirement. The bill requires, for a district to waive or reduce the job creation requirement, the comptroller, rather than the governing body of the district, to determine that the requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property owner that is described in the application for the property tax limitation. The bill also makes the district's authority to waive or reduce the job creation requirement contingent on the comptroller recommending the waiver or reduction of the number of new jobs requirement. The bill requires the comptroller, not later than the 90th day after the date the comptroller receives the application for the property tax limitation, to issue a certificate for the limitation and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the comptroller's decision not to issue a certificate and, if requested by the governing body of the school district, to submit to the governing body a recommendation as to whether the new jobs creation requirement should be reduced or waived, and, if reduced, the number of new jobs that should be required to be created. The bill specifies that this information is to be submitted to the governing body along with the economic impact evaluation of the application. The bill prohibits the governing body of a school district from approving an application unless the comptroller submits to the governing body the certificate and removes a provision authorizing the governing body to approve an application that the comptroller has recommended should be disapproved.

C.S.H.B. 3390 removes from the required contents of the economic impact evaluation of an application for the property tax limitation the number of new facilities built or expanded in the applicable region during the two years preceding the date of the application that were eligible to apply for the limitation and the effect of the applicant's proposal, if approved, on the number or size of the applicable school district's instructional facilities. The bill includes among the required contents of such an evaluation a determination of the comptroller as to whether to issue a certificate for the limitation and, if requested, the recommendation of the comptroller regarding waiver or reduction of the new jobs creation requirement and the industry standard for the number of employees reasonably necessary for the operation of the facility described in the application, if the school district has requested a comptroller recommendation on whether the new jobs requirement should be reduced or waived. The bill also requires the contents of such an evaluation to include a description of the applicant's proposed investment, including the useful life of the investment, rather than including the general nature of the investment, and specifies that the information required to be included regarding the impact the project will have on Texas and individual local units of government must be regarding the fiscal impact of the project.

C.S.H.B. 3390 prohibits the comptroller from issuing a certificate for the limitation described in the application unless the comptroller determines that the project proposed by the applicant is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations tax revenue lost as a result of the agreement and that the limitation on appraised value is a significant consideration by the applicant in determining whether to invest capital and construct the project in Texas. The bill requires the comptroller to state in writing the basis for such determinations. The bill authorizes the comptroller to issue the certificate without making such determinations if the comptroller makes a qualitative determination that other

considerations associated with the project result in a net positive benefit to the state.

C.S.H.B. 3390 extends the period of time during which a property tax limitation approved by the governing body of a school district is effective from eight to 10 tax years. The bill requires an agreement for the limitation entered into between the person receiving the limitation and the district to be in a form approved by the comptroller and prohibits such an agreement from providing for the deferral of the date on which the qualifying time period is to commence to a date later than January 1 of the sixth tax year beginning after the date the application is approved. The bill expands the types of payments subject to the cap on the amount of supplemental payments to a school district that a person may provide under an agreement with the district to include supplemental payments to an entity that exists primarily to provide financial or material support to a school district. The bill changes the cap and prohibits such an agreement in a tax year other than a tax year in which the limitation on appraised value is in effect. The bill limits applicability of these restrictions to an agreement entered into in anticipation of or in consideration for a school district's approval of an application for the limitation.

C.S.H.B. 3390 authorizes a person to request and the comptroller to grant a waiver of the penalty imposed for failure to comply with investment and job creation requirements in the event of a casualty loss that prevents the person from complying with those requirements.

C.S.H.B. 3390 authorizes the comptroller by official action to establish reasonable nonrefundable fees to be paid by property owners who apply to a school district for the limitation. The bill requires the amount of a fee to be reasonable and caps the amount at the estimated cost to the comptroller of performing the comptroller's duties under the Texas Economic Development Act.

C.S.H.B. 3390 revises the required contents of the comptroller's report on the property tax limitation agreements submitted biennially to the lieutenant governor, the speaker of the house of representatives, and each other member of the legislature. The bill specifies the techniques and data the comptroller may use in preparing the report and authorizes the comptroller to require a former recipient of the limitation to submit, on a form the comptroller provides, information required to complete the report.

C.S.H.B. 3390 updates the applicability of provisions relating to the property tax limitation in a school district that has territory in a strategic investment area or in a rural county. The bill requires the comptroller, not later than September 1 of each year, to determine areas that qualify as a strategic investment area under the bill's provisions using the most recently completed full calendar year data available on that date and, not later than October 1, to publish a list and map of those areas. The bill makes the comptroller's determination effective for the following tax year for purposes of the limitation in such school districts and removes a requirement that qualifying jobs in rural counties pay at least 110 percent of the average weekly wage for manufacturing jobs. The bill requires the comptroller to make the initial determination not later than September 1, 2014, and requires the comptroller to publish the applicable initial list and map not later than October 1, 2014.

C.S.H.B. 3390 repeals provisions relating to comptroller reports on compliance with energy-related and certain other types of agreements and provisions defining "county average weekly wage for manufacturing jobs."

C.S.H.B. 3390 amends the Education Code to make conforming changes.

C.S.H.B. 3390 repeals the following provisions of the Tax Code:

- Section 313.008
- Section 313.009

- Section 313.021(5)
- Subchapter D, Chapter 313

EFFECTIVE DATE

January 1, 2014.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3390 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

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

No equivalent provision.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Sections 313.002, 313.003, 313.004, and 313.007, Tax Code, are amended to read as follows:

Sec. 313.002. FINDINGS. The legislature finds that:

- (1) many states have enacted aggressive economic development laws designed to attract large employers, create jobs, and strengthen their economies;
- (2) given Texas' relatively high ad valorem taxes, it is difficult for the state to compete for new capital projects without temporarily limiting ad valorem taxes imposed on new capital investments [~~the State of Texas has slipped in its national ranking each year between 1993 and 2000 in terms of attracting major new manufacturing facilities to this state~~];
- (3) a significant portion of the Texas economy continues to be based in [~~the~~] manufacturing and other capital-intensive industries [~~industry~~], and their [~~the~~] continued growth and overall health serve [~~of the manufacturing sector serves~~] the Texas economy well;
- (4) without a vibrant, strong manufacturing sector, other sectors of the economy, especially the state's service sector, will also suffer adverse consequences; and
- (5) the current ad valorem [~~property~~] tax system of this state does not favor capital-intensive businesses such as manufacturers.

No equivalent provision.

Sec. 313.003. PURPOSES. The purposes of this chapter are to:

- (1) encourage large-scale capital investments in this state [~~especially in school districts that have an ad valorem tax base that is less than the statewide average~~]

~~ad valorem tax base of school districts in this state];~~
 (2) create new, high-paying jobs in this state;
 (3) attract to this state [~~new,~~] large-scale businesses that are exploring opportunities to locate in other states or other countries;
 (4) enable state and local government officials and economic development professionals to compete with other states by authorizing economic development incentives that are comparable to [~~meet or exceed~~] incentives being offered to prospective employers by other states and to provide state and local officials with an effective means to attract large-scale investment;
 (5) strengthen and improve the overall performance of the economy of this state;
 (6) expand and enlarge the ad valorem [~~property~~] tax base of this state; and
 (7) enhance this state's economic development efforts by providing state and local officials [~~school districts~~] with an effective [~~local~~] economic development tool [~~option~~].

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

- (1) economic development decisions involving school district taxes should occur at the local level with oversight by the state 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) an entity not subject to the tax imposed by Chapter 171 by virtue of its business structure [~~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, school districts and the comptroller should[:
~~(A)]~~ strictly interpret the criteria and selection guidelines provided by this chapter

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

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- (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) an entity not subject to the tax imposed by Chapter 171 [~~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, school districts should:
 - (A) strictly interpret the criteria and selection guidelines provided by this

[; and

~~(B) approve only those applications for an ad valorem tax benefit or financial benefit provided by this chapter that:~~
~~(i) enhance the local community;~~
~~(ii) improve the local public education system;~~
~~(iii) create high-paying jobs; and~~
~~(iv) advance the economic development goals of this state as identified by the Texas Strategic Economic Development Planning Commission].~~

chapter; and

(B) approve only those applications for an ad valorem tax benefit ~~[or financial benefit]~~ provided by this chapter that:
(i) enhance the local community;
(ii) improve the local public education system;
(iii) create high-paying jobs; and
(iv) advance the economic development goals of this state; and

(4) in implementing this chapter, the comptroller should:

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

(B) issue certificates for limitations on appraised value only for those applications for an ad valorem tax benefit provided by this chapter that:

(i) create high-paying jobs;

(ii) provide a net benefit to the state over the long term; and

(iii) advance the economic development goals of this state [as identified by the Texas Strategic Economic Development Planning Commission].

SECTION 2. Section 313.007, Tax Code, is amended to read as follows:
Sec. 313.007. EXPIRATION. Subchapters B, C, and D expire December 31, 2020 [2014].

SECTION 1 (Cont.)

Sec. 313.007. EXPIRATION. Subchapters B and [;] C ~~[, and D]~~ expire December 31, 2024 [2014].

No equivalent provision.

SECTION 2. Sections 313.021(1), (2), and (3), Tax Code, are amended to read as follows:

(1) "Qualified investment" means:

(A) tangible personal property that is first placed in service in this state during the applicable qualifying time period that begins on or after January 1, 2002, without regard to whether the property is affixed to or incorporated into real property, and that is described as Section 1245 property by Section 1245(a), Internal Revenue Code of 1986;

(B) tangible personal property that is first placed in service in this state during the applicable qualifying time period that begins on or after January 1, 2002, without regard to whether the property is affixed to or

No equivalent provision.

incorporated into real property, and that is used in connection with the manufacturing, processing, or fabrication in a cleanroom environment of a semiconductor product, without regard to whether the property is actually located in the cleanroom environment, including:

(i) integrated systems, fixtures, and piping;
(ii) all property necessary or adapted to reduce contamination or to control airflow, temperature, humidity, chemical purity, or other environmental conditions or manufacturing tolerances; and

(iii) production equipment and machinery, moveable cleanroom partitions, and cleanroom lighting;

(C) tangible personal property that is first placed in service in this state during the applicable qualifying time period that begins on or after January 1, 2002, without regard to whether the property is affixed to or incorporated into real property, and that is used in connection with the operation of a nuclear electric power generation facility, including:

(i) property, including pressure vessels, pumps, turbines, generators, and condensers, used to produce nuclear electric power; and

(ii) property and systems necessary to control radioactive contamination;

(D) tangible personal property that is first placed in service in this state during the applicable qualifying time period that begins on or after January 1, 2002, without regard to whether the property is affixed to or incorporated into real property, and that is used in connection with operating an integrated gasification combined cycle electric generation facility, including:

(i) property used to produce electric power by means of a combined combustion turbine and steam turbine application using synthetic gas or another product produced by the gasification of coal or another carbon-based feedstock; or

(ii) property used in handling materials to be used as feedstock for gasification or used in the gasification process to produce synthetic gas or another carbon-based feedstock for use in the production of electric power in the manner described by Subparagraph (i);

(E) tangible personal property that is first placed in service in this state during the applicable qualifying time period that begins

on or after January 1, 2010, without regard to whether the property is affixed to or incorporated into real property, and that is used in connection with operating an advanced clean energy project, as defined by Section 382.003, Health and Safety Code; ~~[or]~~

(F) a building or a permanent, nonremovable component of a building that is built or constructed during the applicable qualifying time period that begins on or after January 1, 2002, and that houses tangible personal property described by Paragraph (A), (B), (C), (D), or (E); or

(G) an existing building that, as part of a discrete project that increases the value and productive capacity of an existing property, is expanded.

No equivalent provision.

(2) "Qualified property" means:

(A) land:

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

(ii) on which a person proposes to construct a new building or erect or affix a new improvement that does not exist before the date the person submits a complete application ~~[applies]~~ for a limitation on appraised value under this subchapter;

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

(iv) on which, in connection with the new building or new improvement described by Subparagraph (ii), the owner or lessee of, or the holder of another possessory interest in, the land proposes to:

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

(b) create at least 25 new jobs;

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

(C) tangible personal property that:

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

(ii) except for new equipment described in Section 151.318(q) or (q-1), is first placed in service in the new building or in or on the new improvement described by Paragraph (A)(ii), or on the land on which that new building or new improvement is located, if the personal property is ancillary and

No equivalent provision.

necessary to the business conducted in that new building or in or on that new improvement.

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

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

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

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

(D) is covered by a group health benefit plan that complies with the Patient Protection and Affordable Care Act (Pub. L. No. 111-148) as amended by the Health Care and Education Reconciliation Act of 2010 (Pub. L. No. 111-152) ~~[for which the business offers to pay at least 80 percent of the premiums or other charges assessed for employee-only coverage under the plan, regardless of whether an employee may voluntarily waive the coverage];~~ and

(E) pays at least 110 percent of[:

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

~~(ii) the county average weekly wage for all jobs in the county where the job is located[, if the property owner creates more than 1,000 jobs in that county].~~

SECTION 3. Section 323.024, Tax Code, is amended by amending Subsection (b) and adding Subsection (e)(7) to read as follows:

SECTION 3. Sections 313.024(a), (b), and (d), Tax Code, are amended to read as follows:

~~(a) This subchapter and Subchapter [Subchapters] C [and D] apply only to property owned by an entity subject to the tax imposed by [which] Chapter 171 [applies].~~

(b) To be eligible for a limitation on appraised value under this subchapter, the entity must use the property in connection with:

(1) manufacturing;

(2) research and development;

(3) a clean coal project, as defined by Section 5.001, Water Code;

(4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code;

(5) renewable energy electric generation;

(6) electric power generation using integrated gasification combined cycle technology;

(7) nuclear electric power generation; [ø]

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

(1) manufacturing;

(2) research and development;

(3) a clean coal project, as defined by Section 5.001, Water Code;

(4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code;

(5) renewable energy electric generation;

(6) electric power generation using integrated gasification combined cycle technology;

(7) nuclear electric power generation; [ø]

(8) a computer center primarily used in connection with one or more activities described by Subdivisions (1) through (7) conducted by the entity; or

(9) a data center.

(e)(7) "Data center" means a facility composed of a single building or a portion of a single building specifically constructed or refurbished and actually used primarily to house servers and related equipment and support staff for the processing, storage, and distribution of data.

No equivalent provision.

SECTION 4. Section 313.025, Tax Code, is amended by amending Subsections (b), (b-1), (c), (d), and (f-1).

No equivalent provision.

(8) a computer center primarily used in connection with one or more activities described by Subdivisions (1) through (7) conducted by the entity; or

(9) a Texas priority project.

(d) To be eligible for a limitation on appraised value under this subchapter, [at least 80 percent of all] the new jobs created by the property owner under this chapter must be qualifying jobs as defined by Section 313.021(3).

SECTION 4. Section 313.024(e), Tax Code, is amended by adding Subdivision (7) to read as follows:

(7) "Texas priority project" means a project on which the applicant has committed to expend or allocate a qualified investment of more than \$1 billion.

SECTION 5. Sections 313.025(a-1), (b), (b-1), (c), (d), (d-1), (e), (f-1), (g), and (i), Tax Code, are amended to read as follows:

(a-1) Within seven days of the receipt of each document, the school district shall submit to the comptroller a copy of the application and the proposed agreement between the applicant and the school district. If the applicant submits an economic analysis of the proposed project [~~is submitted~~] to the school district, the district shall submit a copy of the analysis to the comptroller. In addition, the school district shall submit to the comptroller any subsequent revision of or amendment to any of those documents within seven days of its receipt. The comptroller shall publish each document received from the school district under this subsection on the comptroller's Internet website. If the school district maintains a generally accessible Internet website, the district shall provide on its website a link to the location of those documents posted on the comptroller's website in compliance with this subsection.

(b) The governing body of a school district is not required to consider an application for a limitation on appraised value that is filed with the governing body under Subsection (a). If the governing body of the school district does elect to consider an application, the governing body shall deliver an electronic copy or three paper copies of the application to the comptroller and request that the comptroller provide an economic impact evaluation of the application to the school district.

The [Except as provided by Subsection (b-1), the] comptroller shall conduct or contract with a third person to conduct the evaluation, which shall be completed and provided to the governing body of the school district as soon as practicable

, but not later than the 90th day after the date the comptroller receives the application.

The governing body shall provide to the comptroller or a third person contracted by the comptroller to conduct an economic impact evaluation any requested information. A methodology to allow comparisons of economic impact for different schedules of the addition of qualified investment or qualified property may be developed as part of the economic impact evaluation. The governing body shall provide a copy of the economic impact evaluation to the applicant on request. The comptroller may charge the applicant [and collect] a fee sufficient to cover the costs of providing the economic impact evaluation. The governing body of a school district shall approve or disapprove an application not later than the 150th [before the 151st] day after the date the application is filed, unless the economic impact evaluation has not been received or an extension is agreed to by the governing body and the applicant.

This subsection does not require the comptroller to post information that is confidential under Section 313.028.

(b) The governing body of a school district is not required to consider an application for a limitation on appraised value ~~[that is filed with the governing body under Subsection (a)]~~. If the governing body of the school district elects [does elect] to consider an application, the governing body shall deliver a copy [three copies] of the application to the comptroller and request that the comptroller conduct [provide] an economic impact evaluation of the investment proposed by the application.

In addition, the governing body may request that the comptroller submit a recommendation as to whether the new jobs creation requirement should be reduced or waived and, if reduced, the number of new jobs that should be required to be created.

The [to the school district. Except as provided by Subsection (b-1), the] comptroller shall conduct or contract with a third person to conduct the economic impact evaluation, which shall be completed and provided to the governing body of the school district, along with the comptroller's certificate or written explanation under Subsection (d)(1) and recommendation under Subsection (d)(2), if requested, as soon as practicable but not later than the 90th day after the date the comptroller receives the application.

The governing body shall provide to the comptroller or to a third person contracted by the comptroller to conduct the economic impact evaluation any requested information. A methodology to allow comparisons of economic impact for different schedules of the addition of qualified investment or qualified property may be developed as part of the economic impact evaluation. The governing body shall provide a copy of the economic impact evaluation to the applicant on request. The comptroller may charge the applicant [and collect] a fee sufficient to cover the costs of providing the economic impact evaluation. The governing body of a school district shall approve or disapprove an application not later than the 150th [before the 151st] day after the date the application is filed, unless the economic impact evaluation has not been received or an extension is agreed to by the governing body and the applicant.

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

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

- (1) the comptroller;
- (2) the Texas [~~Department of~~] Economic Development and Tourism Office;
- (3) the Texas Workforce Investment Council; and
- (4) the Texas Workforce Commission.

(d) Not later than the 90th [~~Before the 91st~~] day after the date the comptroller receives [~~the copy of~~] the application, the comptroller shall

submit [~~a recommendation~~] to the governing body of the school district a recommendation as to whether the application should be approved or

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

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

- (1) the comptroller;
- (2) the Texas [~~Department of~~] Economic Development and Tourism Office;
- (3) the Texas Workforce Investment Council; and
- (4) the Texas Workforce Commission.

(d) Not later than the 90th [~~Before the 91st~~] day after the date the comptroller receives the copy of the application, the comptroller shall:

(1) issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the comptroller's decision not to issue a certificate; and

(2) if requested by the governing body of the school district, submit [a recommendation] to the governing body a recommendation [of the school district] as to whether the new jobs creation

~~disapproved, and, if applicable, a recommendation to waive or reduce the new jobs requirement.~~

(f-1) Notwithstanding any other provision of this chapter to the contrary, ~~[including Section 313.003(2) or 313.004(3)(A) or (B)(iii);]~~ the governing body of a school district may reduce or waive the new jobs creation requirement in Section 313.021(2)(A)(iv)(b) or 313.051(b) ~~and approve an application~~ if the comptroller:
(A) finds ~~[governing body makes a finding]~~ that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property owner that is described in the application; and
(B) recommends:
(i) reducing the number of new jobs required; or
(ii) waiving the new jobs requirement.

~~No equivalent provision.~~

~~requirement should be reduced or waived and, if reduced, the number of new jobs that should be required to be created [application should be approved or disapproved].~~

(d-1) The governing body of a school district may not approve an application unless ~~[that]~~ the comptroller submits to the governing body a certificate for a limitation on appraised value of the property ~~[has recommended should be disapproved only if:~~

~~[(1) the governing body holds a public hearing the sole purpose of which is to consider the application and the comptroller's recommendation; and~~

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

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

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

(g) The Texas ~~[Department of]~~ Economic Development and Tourism Office or its successor may recommend that a school district approve an application ~~[grant a person a limitation on appraised value]~~ under this chapter. In determining whether to approve ~~[grant]~~ an application, the governing body of the school district shall

No equivalent provision.

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

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

(1) the recommendations of the comptroller;

- (2) the name of the school district;
- (3) the name of the applicant;
- (4) a description of ~~[the general nature of]~~ the applicant's proposed investment;

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

(6) the amount ~~[relative level]~~ of the applicant's investment per qualifying job to be created by the applicant;

(7) the number of qualifying jobs to be created by the applicant;

(8) the wages, salaries, and benefits to be offered by the applicant to qualifying job holders;

consider any recommendation made by the Texas ~~[Department of]~~ Economic Development and Tourism Office or its successor.

(i) If the comptroller's determination under Subsection (h) that the property does not meet the requirements of Section 313.024 for eligibility for a limitation on appraised value under this subchapter becomes final, the comptroller is not required to provide an economic impact evaluation of the application or to submit a certificate for a limitation on appraised value of the property or a written explanation of the decision not to issue a certificate ~~[recommendation to the school district as to whether the application should be approved or disapproved]~~, and the governing body of the school district may not grant the application.

SECTION 6. Section 313.026, Tax Code, is amended to read as follows:

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

(1) the determination ~~[recommendations]~~ of the comptroller as to whether to issue a certificate for a limitation on appraised value of the property and, if requested, the recommendation of the comptroller regarding waiver or reduction of the new jobs creation requirement;

- (2) the name of the school district;
- (3) the name of the applicant;
- (4) a description of the ~~[general nature of the]~~ applicant's proposed investment, including the useful life of the investment;

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

(6) the amount ~~[relative level]~~ of the applicant's investment per qualifying job to be created by the applicant;

(7) the number of qualifying jobs to be created by the applicant;

(8) the wages, salaries, and benefits to be offered by the applicant to qualifying job holders;

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

(10) the impact the project will have on this state and individual local units of government, including:

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

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

(11) the economic condition of the region of the state at the time the person's application is being considered;

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

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

~~(14)~~ the projected market value of the qualified property of the applicant as determined by the comptroller;

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

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

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

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

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

(10) the **fiscal** impact the project will have on this state and individual local units of government, including:

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

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

(11) the economic condition of the region of the state at the time the person's application is being considered;

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

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

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

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

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

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

(16) ~~[(18)]~~ the projected effect on the Foundation School Program of payments to the district for each year of the agreement, **as determined by the school district and**

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

(18) ~~[(20)]~~ the total amount of taxes projected to be lost or gained by the district over the life of the agreement computed by subtracting the projected taxes stated in Subdivision (15) ~~[(17)]~~ from the projected taxes stated in Subdivision (14) ~~[(16)]~~; and

(19) whether the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility described in the application.

(b) Except as provided by Subsection (c), the [The] comptroller's recommendations shall be based on the criteria listed in Subsections (a)(5)-(18) ~~[(a)(5)-(20)]~~ and on any other information available to the comptroller, including information provided by the governing body of the school district ~~[under Section 313.025(b)].~~

(c) The comptroller may not recommend approval of an application if the comptroller determines that the net present value of any projected additional state tax and fee revenue generated as a direct or indirect result of the qualified investment over the useful life of the qualified investment is not likely to exceed the net present value of any projected increase in payments to the school district under the Foundation School Program resulting from the approval of the application ~~[Expired].~~

verified by the Texas Education Agency;

~~(17) [(19)] the projected future tax credits if the applicant also applies for school tax credits under Section 313.103; and~~

~~[(20)] the total amount of taxes projected to be lost or gained by the district over the life of the agreement computed by subtracting the projected taxes stated in Subdivision (15) [(17)] from the projected taxes stated in Subdivision (14); and~~

~~(18) the industry standard for the number of employees reasonably necessary for the operation of the facility described in the application, if the school district has requested a recommendation under Section 313.025(b) [(16)].~~

~~(b) Except as provided by Subsections (c) and (d), the [The] comptroller's determination and recommendation described by Subsection (a)(1) ~~[recommendations]~~ shall be based on the criteria listed in Subsections (a)(5)-(17) or (a)(5)-(18), as appropriate, ~~[(a)(5)-(20)]~~ and on any other information available to the comptroller, including information provided by the governing body of the school district ~~[under Section 313.025(b)].~~~~

~~(c) The comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines that:~~

~~(1) the project proposed by the applicant is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue, including state tax revenue, school district maintenance and operations ad valorem tax revenue attributable to the project, and any other tax revenue attributable to the effect of the project on the economy of the state, in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement; and~~

~~(2) the limitation on appraised value is a significant consideration by the applicant in determining whether to invest capital and construct the project in this state.~~

~~(d) The comptroller shall state in writing the basis for the determinations made under Subsections (c)(1) and (2).~~

~~(e) Notwithstanding Subsections (c) and (d), if the comptroller makes a qualitative determination that other considerations associated with the project result in a net~~

positive benefit to the state, the comptroller may issue the certificate.

No equivalent provision.

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

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

- (1) each application requesting a limitation on appraised value; ~~and~~
- (2) the economic impact evaluation made in connection with the application [~~;~~ ~~and~~ ~~[(3) each application requesting school tax credits under Section 313.103].~~];

SECTION 6. Section 313.027(i), Tax Code, is amended to read as follows:

No equivalent provision.

SECTION 8. Sections 313.027(a), (f), (h), and (i), Tax Code, are amended to read as follows:

(a) If the person's application is approved by the governing body of the school district, for each of the first 10 [eight] tax years that begin after the applicable qualifying time period, the appraised value for school district maintenance and operations ad valorem tax purposes of the person's qualified property as described in the agreement between the person and the district entered into under this section in the school district may not exceed the lesser of:

- (1) the market value of the property; or
- (2) subject to Subsection (b), the amount agreed to by the governing body of the school district.

No equivalent provision.

(f) In addition, the agreement:

- (1) must incorporate each relevant provision of this subchapter and, to the extent necessary, include provisions for the protection of future school district revenues through the adjustment of the minimum valuations, the payment of revenue offsets, and other mechanisms agreed to by the property owner and the school district;
- (2) may provide that the property owner will protect the school district in the event the district incurs extraordinary education-related expenses related to the project that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the project;
- (3) must require the property owner to maintain a viable presence in the school

district for at least three years after the date the limitation on appraised value of the owner's property expires;

(4) must provide for the termination of the agreement, the recapture of ad valorem tax revenue lost as a result of the agreement if the owner of the property fails to comply with the terms of the agreement, and payment of a penalty or interest, or both, on that recaptured ad valorem tax revenue;

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

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

(7) must be in a form approved by the comptroller.

No equivalent provision.

(h) The agreement between the governing body of the school district and the applicant may provide for a deferral of the date on which the qualifying time period for the project is to commence or, subsequent to the date the agreement is entered into, be amended to provide for such a deferral. The agreement may not provide for the deferral of the date on which the qualifying time period is to commence to a date later than January 1 of the sixth tax year beginning after the date the application is approved. This subsection may not be construed to permit a qualifying time period that has commenced to continue for more than the number of years applicable to the project under Section 313.021(4).

(i) A person and the school district may not enter into an agreement under which the person agrees to provide supplemental payments to a school district, including to a foundation or other entity that exists to provide material or financial support to the school district ~~[in an amount that exceeds an amount equal to \$100 per student per year in average daily attendance, as defined by Section 42.005, Education Code], or for a period that exceeds the period beginning with the period described by Section 313.021(4) and ending with the period described by Section 313.104(2)(B) of this code.~~

(i) A person and the school district may not enter into an agreement under which the person agrees to provide supplemental payments to a school district or to an entity that exists primarily to provide financial or material support to a school district ~~in an amount that exceeds an amount equal to the greater of \$100 per student per year in average daily attendance, as defined by Section 42.005, Education Code, or \$50,000 per year, or in a tax year other than a tax year in which the limitation on appraised value is in effect [for a period that exceeds the period beginning with the period described by Section 313.021(4) and ending with the period described by Section 313.104(2)(B) of this code].~~ This subsection applies only to an agreement entered into in anticipation of or in

This limit does not apply to amounts described by Subsection (f)(1) or (2) of this section.

No equivalent provision.

SECTION 7. Section 313.031(b), Tax Code, is amended to read as follows:

No equivalent provision.

(b) The governing body of a school district by official action shall establish reasonable nonrefundable application fees to be paid by property owners who apply to the district for a limitation on the appraised value of the person's property under this subchapter. The amount of an application fee must be reasonable and may not exceed the estimated cost to the district of processing and acting on an application, including any

~~consideration for a school district's approval of an application for a limitation on appraised value under this subchapter.~~

~~This subsection does not apply to a payment under [limit does not apply to amounts described by] Subsection (f)(1) or (2) [of this section].~~

SECTION 9. Section 313.0275, Tax Code, is amended by adding Subsection (d) to read as follows:

(d) In the event of a casualty loss that prevents a person from complying with Subsection (a), the person may request and the comptroller may grant a waiver of the penalty imposed under Subsection (b).

SECTION 10. Section 313.031, Tax Code, is amended to read as follows:

Sec. 313.031. RULES AND FORMS; FEES. (a) The comptroller shall:

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

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

(a-1) The comptroller by official action may establish reasonable nonrefundable fees to be paid by property owners who apply to a school district for a limitation on the value of the person's property under this subchapter. The amount of a fee must be reasonable and may not exceed the estimated cost to the comptroller of performing the comptroller's duties under this chapter.

(b) The governing body of a school district by official action shall establish reasonable nonrefundable application fees to be paid by property owners who apply to the district for a limitation on the appraised value of the person's property under this subchapter. The amount of an application fee must be reasonable and may not exceed the estimated cost to the district of processing and acting on an application, including any

costs to the school district associated with ~~[the cost of]~~ the economic impact evaluation required by Sections 313.025 ~~[and 313.026]~~.

cost to the school district associated with ~~[the cost of]~~ the economic impact evaluation required by Section ~~[Sections]~~ 313.025 ~~[and 313.026]~~.

SECTION 8. Section 313.105(a), Tax Code, is amended to read as follows:

No equivalent provision.

(a) If the comptroller or ~~[and]~~ the governing body of a school district determines ~~[determine]~~ that a person who received a tax credit under this subchapter for any reason was not entitled to the credit received or was entitled to a lesser amount of credit than the amount of the credit received, an additional tax is imposed on the qualified property equal to the full credit or the amount of the credit to which the person was not entitled, as applicable, plus interest at an annual rate of seven percent calculated from the date the credit was issued.

No equivalent provision.

SECTION 11. Section 313.032, Tax Code, is amended by amending Subsections (a) and (c) and adding Subsections (b-1) and (d) to read as follows:

No equivalent provision.

(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 other member of the legislature a report on the agreements entered into under this chapter that includes:

(1) an assessment of the following with regard to the agreements entered into under this chapter, considered in the aggregate:

(A) the total number of jobs created, direct and otherwise, in this state;

(B) the total effect on personal income, direct and otherwise, in this state;

(C) the total amount of investment in this state;

(D) the total taxable value of property on the tax rolls in this state, including property for which the limitation period has expired;

(E) the total value of property not on the tax rolls in this state as a result of agreements entered into under this chapter; and

(F) the total fiscal effect on the state and local governments; and

(2) an assessment of [assessing] the progress of each agreement made under this chapter that states[.—The report must be based on data certified to the comptroller by each recipient of a limitation on appraised

~~value under this subchapter and state] for each agreement:~~

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

~~(B) [(2)] the number of qualifying jobs each recipient created;~~

~~(C) [(3)] the total amount of wages and the median wage of the qualifying [new] jobs each recipient created;~~

~~(D) [(4)] the amount of the qualified investment each recipient committed to spend or allocate for each project;~~

~~(E) [(5)] the amount of the qualified investment each recipient spent or allocated for each project;~~

~~(F) [(6)] the market value of the qualified property of each recipient as determined by the applicable chief appraiser, including property that is no longer eligible for a limitation on appraised value under the agreement;~~

~~(G) [(7)] the limitation on appraised value for the qualified property of each recipient;~~

~~(H) [(8)] the dollar amount of the taxes that would have been imposed on the qualified property if the property had not received a limitation on appraised value; and~~

~~(I) [(9)] the dollar amount of the taxes imposed on the qualified property[;~~

~~[(10) the number of new jobs created by each recipient in each sector of the North American Industry Classification System; and~~

~~[(11) of the number of new jobs each recipient created, the number of jobs created that provide health benefits for employees].~~

~~(b-1) In preparing the portion of the report described by Subsection (a)(1), the comptroller may use standard economic estimation techniques, including economic multipliers.~~

~~(c) The portion of the report described by Subsection (a)(2) must be based on data certified to the comptroller by each recipient or former recipient of a limitation on appraised value under this chapter.~~

~~(d) The comptroller may require a recipient or former recipient of a limitation on appraised value under this chapter to submit, on a form the comptroller provides, information required to complete the report.~~

No equivalent provision.

No equivalent provision.

No equivalent provision.

No equivalent provision.

SECTION 12. The heading to Subchapter C, Chapter 313, Tax Code, is amended to

read as follows:

SUBCHAPTER C. LIMITATION ON APPRAISED VALUE OF PROPERTY IN STRATEGIC INVESTMENT AREA OR CERTAIN RURAL SCHOOL DISTRICTS

No equivalent provision.

No equivalent provision.

SECTION 13. Section 313.051, Tax Code, is amended to read as follows:

Sec. 313.051. APPLICABILITY. (a) In this section, "strategic investment area" means an area the comptroller determines under Subsection (a-3) is:

(1) a county within this state with unemployment above the state average and per capita income below the state average;

(2) an area within this state that is a federally designated urban enterprise community or an urban enhanced enterprise community; or

(3) a defense economic readjustment zone designated under Chapter 2310, Government Code.

No equivalent provision.

(a-1) This subchapter applies only to a school district that has territory in:

(1) an area that qualifies [qualified] as a strategic investment area [under Subchapter O, Chapter 171, immediately before that subchapter expired]; or

(2) a county:

(A) that has a population of less than 50,000; and

(B) in which, from 2000 [1990] to 2010 [2000], according to the federal decennial census, the population:

(i) remained the same;

(ii) decreased; or

(iii) increased, but at a rate of not more than the average rate of increase in the state during that period [three percent per annum].

No equivalent provision.

(a-2) [(a-1)] Notwithstanding Subsection (a-1) [(a)], if on January 1, 2002, this subchapter applied to a school district in whose territory is located a federal nuclear facility, this subchapter continues to apply to the school district regardless of whether the school district ceased or ceases to be described by Subsection (a-1) [(a)] after that date.

No equivalent provision.

(a-3) Not later than September 1 of each year, the comptroller shall determine areas that qualify as a strategic investment area using the most recently completed full calendar year data available on that date and, not later than October 1, shall publish a

No equivalent provision.

list and map of the designated areas. A determination under this subsection is effective for the following tax year for purposes of this subchapter.

(b) The governing body of a school district to which this subchapter applies may enter into an agreement in the same manner as a school district to which Subchapter B applies may do so under Subchapter B, subject to Sections 313.052-313.054. Except as otherwise provided by this subchapter, the provisions of Subchapter B apply to a school district to which this subchapter applies. For purposes of this subchapter, a property owner is required to create ~~[only]~~ at least 10 new jobs on the owner's qualified property. At least 80 percent of all the new jobs created must be qualifying jobs as defined by Section 313.021(3) ~~[, except that, for a school district described by Subsection (a)(2), each qualifying job must pay at least 110 percent of the average weekly wage for manufacturing jobs in the region designated for the regional planning commission, council of governments, or similar regional planning agency created under Chapter 391, Local Government Code, in which the district is located].~~

No equivalent provision.

SECTION 14. The heading to Subchapter E, Chapter 313, Tax Code, is amended to read as follows:

SUBCHAPTER E. AVAILABILITY OF TAX CREDIT AFTER PROGRAM EXPIRES OR IS REPEALED

No equivalent provision.

SECTION 15. Section 313.171(b), Tax Code, is amended to read as follows:

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

No equivalent provision.

SECTION 16. Section 42.2515(a), Education Code, is amended to read as follows:

(a) For each school year, a school district, including a school district that is otherwise ineligible for state aid under this chapter, is entitled to state aid in an amount equal to

the amount of all tax credits credited against ad valorem taxes of the district in that year under former Subchapter D, Chapter 313, Tax Code.

No equivalent provision.

SECTION 17. Section 42.302(e), Education Code, is amended to read as follows:

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

SECTION 9.

Sections 313.008 and 313.009, Tax Code, are repealed.

SECTION 18. The following provisions of the Tax Code are repealed:

- (1) Sections 313.008, 313.009, and 313.021(5); and
- (2) Subchapter D, Chapter 313.

No equivalent provision.

SECTION 19. Chapter 313, Tax Code, as amended by this Act, applies only to an application filed under that chapter on or after the effective date of this Act. An application filed under that chapter before the effective date of this Act is governed by the law in effect on the date the application was filed, and the former law is continued in effect for that purpose.

No equivalent provision.

SECTION 20. The comptroller shall make the initial determination under Section 313.051(a-3), Tax Code, as added by this Act, not later than September 1, 2014, and shall publish the initial list and map required by that subsection not later than October 1, 2014.

SECTION 10. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

SECTION 21. This Act takes effect January 1, 2014.