

1-1 By: Deuell S.B. No. 1647  
1-2 (In the Senate - Filed March 8, 2013; March 20, 2013, read  
1-3 first time and referred to Committee on Economic Development;  
1-4 April 22, 2013, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 7, Nays 0; April 22, 2013,  
1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	Deuell	X		
1-10	Hancock	X		
1-11	Birdwell	X		
1-12	Davis	X		
1-13	Eltife	X		
1-14	Fraser	X		
1-15	Watson	X		

1-16 COMMITTEE SUBSTITUTE FOR S.B. No. 1647 By: Hancock

1-17 A BILL TO BE ENTITLED  
1-18 AN ACT

1-19 relating to the Texas Economic Development Act.  
1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:  
1-21 SECTION 1. Sections 313.002 and 313.004, Tax Code, are  
1-22 amended to read as follows:  
1-23 Sec. 313.002. FINDINGS. The legislature finds that:  
1-24 (1) many states have enacted aggressive economic  
1-25 development laws designed to attract large employers, create jobs,  
1-26 and strengthen their economies;  
1-27 (2) given Texas' relatively high ad valorem taxes, it  
1-28 is difficult for the state to compete for new capital projects  
1-29 without some kind of temporary limit on ad valorem taxes imposed on  
1-30 new capital investments [the State of Texas has slipped in its  
1-31 national ranking each year between 1993 and 2000 in terms of  
1-32 attracting major new manufacturing facilities to this state];  
1-33 (3) a significant portion of the Texas economy  
1-34 continues to be based in [the] manufacturing and other  
1-35 capital-intensive industries [industry], and their [the] continued  
1-36 growth and overall health serve [of the manufacturing sector  
1-37 serve] the Texas economy well; and  
1-38 (4) without a vibrant, strong manufacturing sector,  
1-39 other sectors of the economy, especially the state's service  
1-40 sector, will also suffer adverse consequences[, and  
1-41 ~~[(5) the current property tax system of this state~~  
1-42 ~~does not favor capital-intensive businesses such as~~  
1-43 ~~manufacturers].~~  
1-44 Sec. 313.004. LEGISLATIVE INTENT. It is the intent of the  
1-45 legislature in enacting this chapter that:  
1-46 (1) economic development decisions should occur at the  
1-47 local level and be consistent with identifiable statewide economic  
1-48 development goals;  
1-49 (2) this chapter should not be construed or  
1-50 interpreted to allow:  
1-51 (A) property owners to pool investments to create  
1-52 sufficiently large investments to qualify for an ad valorem tax  
1-53 benefit or financial benefit provided by this chapter;  
1-54 (B) an applicant for an ad valorem tax benefit or  
1-55 financial benefit provided by this chapter to assert that jobs will  
1-56 be eliminated if certain investments are not made if the assertion  
1-57 is not true; or  
1-58 (C) an entity not subject to the franchise tax  
1-59 imposed by Chapter 171 because of its form of business [a sole  
1-60 proprietorship, partnership, or limited liability partnership] to

2-1 receive an ad valorem tax benefit or financial benefit provided by  
2-2 this chapter; and

2-3 (3) in implementing this chapter, school districts  
2-4 should:

2-5 (A) strictly interpret the criteria and  
2-6 selection guidelines provided by this chapter; and

2-7 (B) approve only those applications for an ad  
2-8 valorem tax benefit or financial benefit provided by this chapter  
2-9 that:

2-10 (i) enhance the local community;  
2-11 (ii) improve the local public education

2-12 system;  
2-13 (iii) create high-paying jobs; and

2-14 (iv) advance the economic development goals  
2-15 of this state as identified by the Texas Strategic Economic  
2-16 Development Planning Commission or its successor.

2-17 SECTION 2. Section 313.021, Tax Code, is transferred to  
2-18 Subchapter A, Chapter 313, Tax Code, redesignated as Section  
2-19 313.0045, Tax Code, and amended to read as follows:

2-20 Sec. 313.0045 [~~313.021~~]. DEFINITIONS. (a) In this chapter  
2-21 [~~subchapter~~]:

2-22 (1) "Qualified investment" means:

2-23 (A) tangible personal property that is first  
2-24 placed in service in this state during the applicable qualifying  
2-25 time period that begins on or after January 1, 2002, without regard  
2-26 to whether the property is affixed to or incorporated into real  
2-27 property, and that is described as Section 1245 property by Section  
2-28 1245(a), Internal Revenue Code of 1986;

2-29 (B) tangible personal property that is first  
2-30 placed in service in this state during the applicable qualifying  
2-31 time period that begins on or after January 1, 2002, without regard  
2-32 to whether the property is affixed to or incorporated into real  
2-33 property, and that is used in connection with the manufacturing,  
2-34 processing, or fabrication in a cleanroom environment of a  
2-35 semiconductor product, without regard to whether the property is  
2-36 actually located in the cleanroom environment, including:

2-37 (i) integrated systems, fixtures, and  
2-38 piping;

2-39 (ii) all property necessary or adapted to  
2-40 reduce contamination or to control airflow, temperature, humidity,  
2-41 chemical purity, or other environmental conditions or  
2-42 manufacturing tolerances; and

2-43 (iii) production equipment and machinery,  
2-44 moveable cleanroom partitions, and cleanroom lighting;

2-45 (C) tangible personal property that is first  
2-46 placed in service in this state during the applicable qualifying  
2-47 time period that begins on or after January 1, 2002, without regard  
2-48 to whether the property is affixed to or incorporated into real  
2-49 property, and that is used in connection with the operation of a  
2-50 nuclear electric power generation facility, including:

2-51 (i) property, including pressure vessels,  
2-52 pumps, turbines, generators, and condensers, used to produce  
2-53 nuclear electric power; and

2-54 (ii) property and systems necessary to  
2-55 control radioactive contamination;

2-56 (D) tangible personal property that is first  
2-57 placed in service in this state during the applicable qualifying  
2-58 time period that begins on or after January 1, 2002, without regard  
2-59 to whether the property is affixed to or incorporated into real  
2-60 property, and that is used in connection with operating an  
2-61 integrated gasification combined cycle electric generation  
2-62 facility, including:

2-63 (i) property used to produce electric power  
2-64 by means of a combined combustion turbine and steam turbine  
2-65 application using synthetic gas or another product produced by the  
2-66 gasification of coal or another carbon-based feedstock; or

2-67 (ii) property used in handling materials to  
2-68 be used as feedstock for gasification or used in the gasification  
2-69 process to produce synthetic gas or another carbon-based feedstock

3-1 for use in the production of electric power in the manner described  
3-2 by Subparagraph (i);

3-3 (E) tangible personal property that is first  
3-4 placed in service in this state during the applicable qualifying  
3-5 time period [~~that begins on or after January 1, 2010~~], without  
3-6 regard to whether the property is affixed to or incorporated into  
3-7 real property, and that is used in connection with operating an  
3-8 advanced clean energy project, as defined by Section 382.003,  
3-9 Health and Safety Code; [~~or~~]

3-10 (F) a building or a permanent, nonremovable  
3-11 component of a building that is built or constructed during the  
3-12 applicable qualifying time period that begins on or after January  
3-13 1, 2002, and that houses tangible personal property described by  
3-14 Paragraph (A), (B), (C), (D), or (E); or

3-15 (G) an existing building that, as part of a  
3-16 discrete project that increases the value of an existing property,  
3-17 is renovated, expanded, or otherwise improved.

3-18 (2) "Qualified property" means:

3-19 (A) land:

3-20 (i) that is located in an area designated as  
3-21 a reinvestment zone under Chapter 311 or 312 or as an enterprise  
3-22 zone under Chapter 2303, Government Code;

3-23 (ii) on which a person proposes to  
3-24 construct a new building or erect or affix a new improvement that  
3-25 does not exist before the date the person applies for a limitation  
3-26 on appraised value under this subchapter;

3-27 (iii) that is not subject to a tax abatement  
3-28 agreement entered into by a school district under Chapter 312; and

3-29 (iv) on which, in connection with the new  
3-30 building or new improvement described by Subparagraph (ii), the  
3-31 owner or lessee of, or the holder of another possessory interest in,  
3-32 the land proposes to:

3-33 (a) make a qualified investment in an  
3-34 amount equal to at least the minimum amount required by Section  
3-35 313.023; and

3-36 (b) create at least 25 new jobs;

3-37 (B) the new building or other new improvement  
3-38 described by Paragraph (A)(ii); and

3-39 (C) tangible personal property that:

3-40 (i) is not subject to a tax abatement  
3-41 agreement entered into by a school district under Chapter 312; and

3-42 (ii) except for new equipment described in  
3-43 Section 151.318(q) or (q-1), is first placed in service in the new  
3-44 building or in or on the new improvement described by Paragraph  
3-45 (A)(ii), or on the land on which that new building or new  
3-46 improvement is located, if the personal property is ancillary and  
3-47 necessary to the business conducted in that new building or in or on  
3-48 that new improvement.

3-49 (3) "Qualifying job" means a permanent full-time job  
3-50 that:

3-51 (A) requires at least 1,600 hours of work a year;

3-52 (B) is not transferred from one area in this  
3-53 state to another area in this state;

3-54 (C) is not created to replace a previous  
3-55 employee;

3-56 (D) is covered by a group health benefit plan  
3-57 that complies with the Patient Protection and Affordable Care Act  
3-58 (Pub. L. No. 111-148) as amended by the Health Care and Education  
3-59 Reconciliation Act of 2010 (Pub. L. No. 111-152), or a successor law  
3-60 [for which the business offers to pay at least 80 percent of the  
3-61 premiums or other charges assessed for employee-only coverage under  
3-62 the plan, regardless of whether an employee may voluntarily waive  
3-63 the coverage]; and

3-64 (E) pays at least 110 percent of the lesser of:

3-65 (i) the county average weekly wage for  
3-66 manufacturing jobs in the county where the job is located; or

3-67 (ii) the county average weekly wage for all  
3-68 jobs in the county where the job is located, if the property owner  
3-69 creates more than 1,000 jobs in that county.

4-1 (4) "Qualifying time period" means:  
4-2 (A) the period that begins on the date that a  
4-3 person's application for a limitation on appraised value under this  
4-4 chapter [~~subchapter~~] is approved by the governing body of the  
4-5 school district and ends on December 31 of the second tax year that  
4-6 begins after that date, except as provided by Paragraph (B) or (C)  
4-7 of this subdivision or Section 313.014(h) [~~313.027(h)~~];

4-8 (B) in connection with a nuclear electric power  
4-9 generation facility, the first seven tax years that begin on or  
4-10 after the third anniversary of the date the school district  
4-11 approves the property owner's application for a limitation on  
4-12 appraised value under this chapter [~~subchapter~~], unless a shorter  
4-13 time period is agreed to by the governing body of the school  
4-14 district and the property owner; or

4-15 (C) in connection with an advanced clean energy  
4-16 project, as defined by Section 382.003, Health and Safety Code, the  
4-17 first five tax years that begin on or after the third anniversary of  
4-18 the date the school district approves the property owner's  
4-19 application for a limitation on appraised value under this chapter  
4-20 [~~subchapter~~], unless a shorter time period is agreed to by the  
4-21 governing body of the school district and the property owner.

4-22 (5) "County average weekly wage for manufacturing  
4-23 jobs" means:

4-24 (A) the average weekly wage in a county for  
4-25 manufacturing jobs during the most recent four quarterly periods  
4-26 for which data is available at the time a person submits an  
4-27 application for a limitation on appraised value under this chapter  
4-28 [~~subchapter~~], as computed by the Texas Workforce Commission; or

4-29 (B) the average weekly wage for manufacturing  
4-30 jobs in the region designated for the regional planning commission,  
4-31 council of governments, or similar regional planning agency created  
4-32 under Chapter 391, Local Government Code, in which the county is  
4-33 located during the most recent four quarterly periods for which  
4-34 data is available at the time a person submits an application for a  
4-35 limitation on appraised value under this chapter [~~subchapter~~], as  
4-36 computed by the Texas Workforce Commission.

4-37 (6) "Texas priority project" means a project  
4-38 designated by the governor:

4-39 (A) on which the applicant has committed to  
4-40 expend or allocate a qualified investment of more than \$1 billion;  
4-41 and

4-42 (B) that the governor has certified in a letter  
4-43 provided to the applicant is in the best interest of the state  
4-44 economy.

4-45 (b) Unless this chapter defines a word or phrase used in  
4-46 this chapter, Section 1.04 or any other section of Title 1 or this  
4-47 title that defines the word or phrase or ascribes a meaning to the  
4-48 word or phrase applies to the word or phrase used in this chapter.

4-49 SECTION 3. Section 313.006(a), Tax Code, is amended to read  
4-50 as follows:

4-51 (a) In this section, "impact fee" means a charge or  
4-52 assessment imposed against a qualified property [~~as defined by~~  
4-53 ~~Section 313.021,~~] in order to generate revenue for funding or  
4-54 recouping the costs of capital improvements or facility expansions  
4-55 for water, wastewater, or storm water services or for roads  
4-56 necessitated by or attributable to property that receives a  
4-57 limitation on appraised value under this chapter.

4-58 SECTION 4. Section 313.007, Tax Code, is amended to read as  
4-59 follows:

4-60 Sec. 313.007. EXPIRATION. Subchapters A-1, B, and C [~~and~~  
4-61 ~~D~~] expire December 31, 2020 [~~2014~~].

4-62 SECTION 5. Chapter 313, Tax Code, is amended by adding  
4-63 Subchapter A-1, and a heading is added to that subchapter to read as  
4-64 follows:

4-65 SUBCHAPTER A-1. ELIGIBILITY, APPLICATION, AND REPORTING

4-66 SECTION 6. Sections 313.024, 313.025, 313.026, 313.0265,  
4-67 313.027, 313.0275, 313.028, 313.030, 313.031, and 313.032, Tax  
4-68 Code, are transferred to Subchapter A-1, Chapter 313, Tax Code, as  
4-69 added by this Act, redesignated as Sections 313.011, 313.012,

5-1 313.013, 313.0135, 313.014, 313.0145, 313.015, 313.016, 313.017,  
5-2 and 313.018, Tax Code, and amended to read as follows:

5-3 Sec. 313.011 [~~313.024~~]. ELIGIBLE PROPERTY. (a) This  
5-4 chapter applies [~~subchapter and Subchapters C and D apply~~] only to  
5-5 property owned by an entity to which Chapter 171 applies.

5-6 (b) To be eligible for a limitation on appraised value under  
5-7 this chapter [~~subchapter~~], the entity must use the property in  
5-8 connection with:

- 5-9 (1) manufacturing;
- 5-10 (2) research and development;
- 5-11 (3) a clean coal project, as defined by Section 5.001,  
5-12 Water Code;
- 5-13 (4) an advanced clean energy project, as defined by  
5-14 Section 382.003, Health and Safety Code;
- 5-15 (5) renewable energy electric generation;
- 5-16 (6) electric power generation using integrated  
5-17 gasification combined cycle technology;
- 5-18 (7) nuclear electric power generation; [~~or~~]
- 5-19 (8) a computer center primarily used in connection  
5-20 with one or more activities described by Subdivisions (1) through  
5-21 (7) conducted by the entity; or
- 5-22 (9) a Texas priority project.

5-23 (c) For purposes of determining an applicant's eligibility  
5-24 for a limitation under this chapter [~~subchapter~~]:

- 5-25 (1) the land on which a building or component of a  
5-26 building described by Section 313.0045(a)(1)(E) [~~313.021(1)(E)~~] is  
5-27 located is not considered a qualified investment;
- 5-28 (2) property that is leased under a capitalized lease  
5-29 may be considered a qualified investment;
- 5-30 (3) property that is leased under an operating lease  
5-31 may not be considered a qualified investment; and
- 5-32 (4) property that is owned by a person other than the  
5-33 applicant and that is pooled or proposed to be pooled with property  
5-34 owned by the applicant may not be included in determining the amount  
5-35 of the applicant's qualifying investment.

5-36 (d) To be eligible for a limitation on appraised value under  
5-37 this chapter [~~subchapter~~], at least 80 percent of all the new jobs  
5-38 created by the property owner must be qualifying jobs [~~as defined by~~  
5-39 ~~Section 313.021(3)~~].

5-40 (e) In this section:

- 5-41 (1) "Manufacturing" means an establishment primarily  
5-42 engaged in activities described in sectors 31-33 of the 2007 North  
5-43 American Industry Classification System.
- 5-44 (2) "Renewable energy electric generation" means an  
5-45 establishment primarily engaged in activities described in  
5-46 category 221119 of the 1997 North American Industry Classification  
5-47 System.
- 5-48 (3) "Integrated gasification combined cycle  
5-49 technology" means technology used to produce electricity in a  
5-50 combined combustion turbine and steam turbine application using  
5-51 synthetic gas or another product produced from the gasification of  
5-52 coal or another carbon-based feedstock, including related  
5-53 activities such as materials-handling and gasification of coal or  
5-54 another carbon-based feedstock.
- 5-55 (4) "Nuclear electric power generation" means  
5-56 activities described in category 221113 of the 2002 North American  
5-57 Industry Classification System.
- 5-58 (5) "Research and development" means an establishment  
5-59 primarily engaged in activities described in category 541710 of the  
5-60 2002 North American Industry Classification System.
- 5-61 (6) "Computer center" means an establishment  
5-62 primarily engaged in providing electronic data processing and  
5-63 information storage.

5-64 Sec. 313.012 [~~313.025~~]. APPLICATION; ACTION ON  
5-65 APPLICATION. (a) The owner or lessee of, or the holder of another  
5-66 possessory interest in, any qualified property [~~described by~~  
5-67 ~~Section 313.021(2)(A), (B), or (C)~~] may apply to the governing body  
5-68 of the school district in which the property is located for a  
5-69 limitation on the appraised value for school district maintenance

6-1 and operations ad valorem tax purposes of the person's qualified  
 6-2 property. An application must be made on the form prescribed by  
 6-3 the comptroller and include the information required by the  
 6-4 comptroller, and it must be accompanied by:

6-5 (1) the application fee established by the governing  
 6-6 body of the school district;

6-7 (2) information sufficient to show that the real and  
 6-8 personal property identified in the application as qualified  
 6-9 property meets the applicable criteria established by Section  
 6-10 313.0045(a)(2) [~~313.021(2)~~]; and

6-11 (3) information relating to each applicable criterion  
 6-12 listed in Section 313.013 [~~313.026~~].

6-13 (a-1) Within seven days of the receipt of each document, the  
 6-14 school district shall submit to the comptroller a copy of the  
 6-15 application and the agreement between the applicant and the school  
 6-16 district. If an economic analysis of the proposed project is  
 6-17 submitted to the school district, the district shall submit a copy  
 6-18 of the analysis to the comptroller. In addition, the school  
 6-19 district shall submit to the comptroller any subsequent revision of  
 6-20 or amendment to any of those documents within seven days of its  
 6-21 receipt. The comptroller shall publish each document received from  
 6-22 the school district under this subsection on the comptroller's  
 6-23 Internet website. If the school district maintains a generally  
 6-24 accessible Internet website, the district shall provide on its  
 6-25 website a link to the location of those documents posted on the  
 6-26 comptroller's website in compliance with this subsection. This  
 6-27 subsection does not require the comptroller to post information  
 6-28 that is confidential under Section 313.015 [~~313.028~~].

6-29 (b) The governing body of a school district is not required  
 6-30 to consider an application for a limitation on appraised value that  
 6-31 is filed with the governing body under Subsection (a). If the  
 6-32 governing body of the school district does elect to consider an  
 6-33 application, the governing body shall deliver three copies of the  
 6-34 application to the comptroller and request that the comptroller  
 6-35 provide an economic impact evaluation of the application to the  
 6-36 school district. Except as provided by Subsection (b-1), the  
 6-37 comptroller shall conduct or contract with a third person to  
 6-38 conduct the evaluation, which shall be completed and provided to  
 6-39 the governing body of the school district as soon as practicable.  
 6-40 The governing body shall provide to the comptroller or third person  
 6-41 any requested information. A methodology to allow comparisons of  
 6-42 economic impact for different schedules of the addition of  
 6-43 qualified investment or qualified property may be developed as part  
 6-44 of the economic impact evaluation. The governing body shall  
 6-45 provide a copy of the evaluation to the applicant on request. The  
 6-46 comptroller may charge and collect a fee sufficient to cover the  
 6-47 costs of providing the economic impact evaluation. The governing  
 6-48 body of a school district shall approve or disapprove an  
 6-49 application before the 151st day after the date the application is  
 6-50 filed, unless the economic impact evaluation has not been received  
 6-51 or an extension is agreed to by the governing body and the  
 6-52 applicant.

6-53 (b-1) The comptroller shall indicate on one copy of the  
 6-54 application the date the comptroller received the application and  
 6-55 deliver that copy to the Texas Education Agency. The Texas  
 6-56 Education Agency shall determine the effect that the applicant's  
 6-57 proposal will have on the number or size of the school district's  
 6-58 instructional facilities, as required to be included in the  
 6-59 economic impact evaluation by Section 313.013(a)(11)  
 6-60 [~~313.026(a)(9)~~], and submit a written report containing the  
 6-61 agency's determination to the comptroller. The governing body of  
 6-62 the school district shall provide any requested information to the  
 6-63 Texas Education Agency. Not later than the 45th day after the date  
 6-64 the application indicates that the comptroller received the  
 6-65 application, the Texas Education Agency shall make the required  
 6-66 determination and submit the agency's written report to the  
 6-67 comptroller. A third person contracted by the comptroller to  
 6-68 conduct an economic impact evaluation of an application is not  
 6-69 required to make a determination that the Texas Education Agency is

7-1 required to make and report to the comptroller under this  
7-2 subsection.

7-3 (c) In determining whether to grant an application, the  
7-4 governing body of the school district is entitled to request and  
7-5 receive assistance from:

7-6 (1) the comptroller;

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

7-9 (3) the Texas Workforce Investment Council; and

7-10 (4) the Texas Workforce Commission.

7-11 (d) Before the 91st day after the date the comptroller  
7-12 receives the copy of the application, the comptroller shall submit  
7-13 a recommendation to the governing body of the school district as to  
7-14 whether the application should be approved or disapproved. The  
7-15 comptroller may recommend to the governing body of the school  
7-16 district that the application be approved only if the comptroller  
7-17 determines that the limitation on appraised value is a significant  
7-18 consideration by the applicant in determining whether to invest  
7-19 capital and construct the project in this state.

7-20 (d-1) The governing body of a school district may approve an  
7-21 application that the comptroller has recommended should be  
7-22 disapproved only if:

7-23 (1) the governing body holds a public hearing the sole  
7-24 purpose of which is to consider the application and the  
7-25 comptroller's recommendation; and

7-26 (2) at a subsequent meeting of the governing body held  
7-27 after the date of the public hearing, at least two-thirds of the  
7-28 members of the governing body vote to approve the application.

7-29 (e) Before approving or disapproving an application under  
7-30 this chapter [~~subchapter~~] that the governing body elects to  
7-31 consider, the governing body of the school district must make a  
7-32 written finding as to each criterion listed in Section 313.013  
7-33 [~~313.026~~]. The governing body shall deliver a copy of those  
7-34 findings to the applicant.

7-35 (f) The governing body may approve an application only if  
7-36 the governing body finds that the information in the application is  
7-37 true and correct, finds that the applicant is eligible for the  
7-38 limitation on the appraised value of the person's qualified  
7-39 property, and determines that granting the application is in the  
7-40 best interest of the school district and this state.

7-41 (f-1) Notwithstanding any other provision of this chapter  
7-42 to the contrary, including Section 313.003(2) or 313.004(3)(A) or  
7-43 (B)(iii), the governing body of a school district may waive the new  
7-44 jobs creation requirement in Section 313.0045(a)(2)(A)(iv)(b)  
7-45 [~~313.021(2)(A)(iv)(b)~~] or 313.051(b) and approve an application if  
7-46 the governing body makes a finding that the jobs creation  
7-47 requirement exceeds the industry standard for the number of  
7-48 employees reasonably necessary for the operation of the facility of  
7-49 the property owner that is described in the application.

7-50 (g) The Texas [~~Department of~~] Economic Development and  
7-51 Tourism Office or its successor may recommend that a school  
7-52 district grant a person a limitation on appraised value under this  
7-53 chapter. In determining whether to grant an application, the  
7-54 governing body of the school district shall consider any  
7-55 recommendation made by the Texas [~~Department of~~] Economic  
7-56 Development and Tourism Office or its successor.

7-57 (h) After receiving a copy of the application, the  
7-58 comptroller shall determine whether the property meets the  
7-59 requirements of Section 313.011 [~~313.024~~] for eligibility for a  
7-60 limitation on appraised value under this chapter [~~subchapter~~]. The  
7-61 comptroller shall notify the governing body of the school district  
7-62 of the comptroller's determination and provide the applicant an  
7-63 opportunity for a hearing before the determination becomes final.  
7-64 A hearing under this subsection is a contested case hearing and  
7-65 shall be conducted by the State Office of Administrative Hearings  
7-66 in the manner provided by Section 2003.101, Government Code. The  
7-67 applicant has the burden of proof on each issue in the hearing. The  
7-68 applicant may seek judicial review of the comptroller's  
7-69 determination in a Travis County district court under the

8-1 substantial evidence rule as provided by Subchapter G, Chapter  
8-2 2001, Government Code.

8-3 (i) If the comptroller's determination under Subsection (h)  
8-4 that the property does not meet the requirements of Section 313.011  
8-5 [~~313.024~~] for eligibility for a limitation on appraised value under  
8-6 this chapter [~~subchapter~~] becomes final, the comptroller is not  
8-7 required to provide an economic impact evaluation of the  
8-8 application or to submit a recommendation to the school district as  
8-9 to whether the application should be approved or disapproved, and  
8-10 the governing body of the school district may not grant the  
8-11 application.

8-12 Sec. 313.013 [~~313.026~~]. ECONOMIC IMPACT EVALUATION.  
8-13 (a) The economic impact evaluation of the application must include  
8-14 the following:

8-15 (1) the recommendations of the comptroller;  
8-16 (2) the name of the school district;  
8-17 (3) the name of the applicant;  
8-18 (4) a description of the general nature of the  
8-19 applicant's investment;

8-20 (5) [~~the relationship between the applicant's industry~~  
8-21 ~~and the types of qualifying jobs to be created by the applicant to~~  
8-22 ~~the long-term economic growth plans of this state as described in~~  
8-23 ~~the strategic plan for economic development submitted by the Texas~~  
8-24 ~~Strategic Economic Development Planning Commission under Section~~  
8-25 ~~481.033, Government Code, as that section existed before February~~  
8-26 ~~1, 1999,~~

8-27 [~~(6)~~] the amount [~~relative level~~] of the applicant's  
8-28 intended investment [~~per qualifying job to be created by the~~  
8-29 ~~applicant~~];

8-30 (6) [~~(7)~~] the number of qualifying, construction, and  
8-31 operations jobs to be created by the applicant;

8-32 (7) [~~(8)~~] the wages, salaries, and benefits to be  
8-33 offered by the applicant to qualifying, construction, and  
8-34 operations job holders;

8-35 (8) [~~(9)~~] the ability of the applicant to locate or  
8-36 relocate in another state or another region of this state;

8-37 (9) [~~(10)~~] the fiscal impact the project will have on  
8-38 this state and individual local units of government, including:

8-39 (A) tax and other revenue gains, direct and  
8-40 otherwise [~~or indirect~~], that would be realized during the  
8-41 construction and operation of the facility, including [~~qualifying~~  
8-42 time period,] the limitation period[~~7~~] and a period of time after  
8-43 the limitation period considered appropriate by the comptroller;  
8-44 and

8-45 (B) economic effects of the project, including  
8-46 the impact on jobs and income, direct and otherwise, during the  
8-47 construction and operation of the facility, including [~~qualifying~~  
8-48 time period,] the limitation period[~~7~~] and a period of time after  
8-49 the limitation period considered appropriate by the comptroller;

8-50 (10) [~~(11)~~] the economic condition of the region of  
8-51 the state at the time the person's application is being considered;

8-52 (11) [~~(12)~~] the number of new facilities built or  
8-53 expanded in the region during the two years preceding the date of  
8-54 the application that were eligible to apply for a limitation on  
8-55 appraised value under this subchapter;

8-56 [~~(13)~~] the effect of the applicant's proposal, if  
8-57 approved, on the number or size of the school district's  
8-58 instructional facilities, as defined by Section 46.001, Education  
8-59 Code;

8-60 (12) [~~(14)~~] the projected market value of the  
8-61 qualified property of the applicant as determined by the  
8-62 comptroller;

8-63 (13) [~~(15)~~] the proposed limitation on appraised  
8-64 value for the qualified property of the applicant;

8-65 (14) [~~(16)~~] the projected dollar amount of the taxes  
8-66 that would be imposed on the qualified property, for each year of  
8-67 the agreement, if the property does not receive a limitation on  
8-68 appraised value with assumptions of the projected appreciation or  
8-69 depreciation of the investment and projected tax rates clearly



9-1 stated;

9-2 (15) [~~(17)~~] the projected dollar amount of the taxes

9-3 that would be imposed on the qualified property, for each tax year

9-4 of the agreement, if the property receives a limitation on

9-5 appraised value with assumptions of the projected appreciation or

9-6 depreciation of the investment clearly stated;

9-7 (16) [~~(18)~~] the projected effect on the Foundation

9-8 School Program of payments to the district for each year of the

9-9 agreement; and

9-10 (17) [~~(19)~~] ~~the projected future tax credits if the~~

9-11 ~~applicant also applies for school tax credits under Section~~

9-12 ~~313.103; and~~

9-13 [~~(20)~~] the total amount of taxes projected to be lost

9-14 or gained by the district over the life of the agreement computed by

9-15 subtracting the projected taxes stated in Subdivision (15) [~~(17)~~]

9-16 from the projected taxes stated in Subdivision (14) [~~(16)~~].

9-17 (b) The comptroller's recommendations shall be based on the

9-18 criteria listed in Subsection (a) [~~Subsections (a)(5)-(20)~~] and on

9-19 any other information available to the comptroller, including

9-20 information provided by the governing body of the school district

9-21 under Section 313.012(b) [~~313.025(b)~~].

9-22 Sec. 313.0135 [~~313.0265~~]. DISCLOSURE OF APPRAISED VALUE

9-23 LIMITATION INFORMATION. (a) The comptroller shall post on the

9-24 comptroller's Internet website each document or item of information

9-25 the comptroller designates as substantive before the 15th day after

9-26 the date the document or item of information was received or

9-27 created. Each document or item of information must continue to be

9-28 posted until the appraised value limitation expires.

9-29 (b) The comptroller shall designate the following as

9-30 substantive:

9-31 (1) each application requesting a limitation on

9-32 appraised value; and

9-33 (2) the economic impact evaluation made in connection

9-34 with the application[~~, and~~

9-35 [~~(3) each application requesting school tax credits~~

9-36 ~~under Section 313.103].~~

9-37 (c) If a school district maintains a generally accessible

9-38 Internet website, the district shall maintain a link on its

9-39 Internet website to the area of the comptroller's Internet website

9-40 where information on each of the district's agreements to limit

9-41 appraised value is maintained.

9-42 Sec. 313.014 [~~313.027~~]. LIMITATION ON APPRAISED VALUE;

9-43 AGREEMENT. (a) If the person's application is approved by the

9-44 governing body of the school district, [~~for each of the first eight~~

9-45 ~~tax years that begin after the applicable qualifying time period,~~]

9-46 the appraised value for school district maintenance and operations

9-47 ad valorem tax purposes of the person's qualified property as

9-48 described in the agreement between the person and the district

9-49 entered into under this section in the school district may not

9-50 exceed the lesser of:

9-51 (1) the market value of the property; or

9-52 (2) [~~subject to Subsection (b),~~] the amount agreed to

9-53 by the governing body of the school district under Subchapter B or

9-54 C, as applicable.

9-55 (b) The agreement must:

9-56 (1) provide that the limitation under Subsection (a)

9-57 applies for a period of 10 years; and

9-58 (2) specify the beginning date of the limitation,

9-59 which must be January 1 of the first tax year that begins after:

9-60 (A) the application date;

9-61 (B) the qualifying time period; or

9-62 (C) the date commercial operations begin at the

9-63 site of the project. [amount agreed to by the governing body of a

9-64 school district under Subsection (a)(2) must be an amount in

9-65 accordance with the following, according to the category

9-66 established by Section 313.022 to which the school district

9-67 belongs:

9-68 CATEGORY	MINIMUM AMOUNT OF LIMITATION
9-69 ±	\$100 million

10-1	<del>II</del>	<del>\$80 million</del>
10-2	<del>III</del>	<del>\$60 million</del>
10-3	<del>IV</del>	<del>\$40 million</del>
10-4	<del>V</del>	<del>\$20 million]</del>

10-5 (c) The limitation amounts prescribed under Subchapter B or  
 10-6 C, as applicable, [listed in Subsection (b)] are minimum amounts. A  
 10-7 school district, regardless of category, may agree to a greater  
 10-8 amount than those amounts.

10-9 (d) The governing body of the school district and the  
 10-10 property owner shall enter into a written agreement for the  
 10-11 implementation of the limitation on appraised value under this  
 10-12 chapter [subchapter] on the owner's qualified property.

10-13 (e) The agreement must describe with specificity the  
 10-14 qualified investment that the person will make on or in connection  
 10-15 with the person's qualified property that is subject to the  
 10-16 limitation on appraised value under this chapter [subchapter].  
 10-17 Other property of the person that is not specifically described in  
 10-18 the agreement is not subject to the limitation unless the governing  
 10-19 body of the school district, by official action, provides that the  
 10-20 other property is subject to the limitation.

10-21 (f) In addition, the agreement:

10-22 (1) must incorporate each relevant provision of this  
 10-23 chapter [subchapter] and, to the extent necessary, include  
 10-24 provisions for the protection of future school district revenues  
 10-25 through the adjustment of the minimum valuations, the payment of  
 10-26 revenue offsets, and other mechanisms agreed to by the property  
 10-27 owner and the school district;

10-28 (2) may provide that the property owner will protect  
 10-29 the school district in the event the district incurs extraordinary  
 10-30 education-related expenses related to the project that are not  
 10-31 directly funded in state aid formulas, including expenses for the  
 10-32 purchase of portable classrooms and the hiring of additional  
 10-33 personnel to accommodate a temporary increase in student enrollment  
 10-34 attributable to the project;

10-35 (3) must require the property owner to maintain a  
 10-36 viable presence in the school district for at least five [three]  
 10-37 years after the date the limitation on appraised value of the  
 10-38 owner's property expires;

10-39 (4) must provide for the termination of the agreement,  
 10-40 the recapture of ad valorem tax revenue lost as a result of the  
 10-41 agreement if the owner of the property fails to comply with the  
 10-42 terms of the agreement, and payment of a penalty or interest, or  
 10-43 both, on that recaptured ad valorem tax revenue;

10-44 (5) may specify any conditions the occurrence of which  
 10-45 will require the district and the property owner to renegotiate all  
 10-46 or any part of the agreement; and

10-47 (6) must specify the ad valorem tax years covered by  
 10-48 the agreement.

10-49 (g) When appraising a person's qualified property subject  
 10-50 to a limitation on appraised value under this section, the chief  
 10-51 appraiser shall determine the market value of the property and  
 10-52 include both the market value and the appropriate value under  
 10-53 Subsection (a) in the appraisal records.

10-54 (h) The agreement between the governing body of the school  
 10-55 district and the applicant may provide for a deferral of the date on  
 10-56 which the qualifying time period for the project is to commence or,  
 10-57 subsequent to the date the agreement is entered into, be amended to  
 10-58 provide for such a deferral. The agreement may not provide for the  
 10-59 deferral of the date on which the qualifying time period is to  
 10-60 commence to a date later than January 1 of the fourth tax year that  
 10-61 begins after the date the application is approved except that if the  
 10-62 agreement is one of a series of agreements related to the same  
 10-63 project, the agreement may provide for the deferral of the date on  
 10-64 which the qualifying time period is to commence to a date not later  
 10-65 than January 1 of the sixth tax year that begins after the date the  
 10-66 application is approved. This subsection may not be construed to  
 10-67 permit a qualifying time period that has commenced to continue for  
 10-68 more than the number of years applicable to the project under  
 10-69 Section 313.0045(a)(4) [313.021(4)].

11-1 (i) A person and the school district may not enter into an  
 11-2 agreement under which the person agrees to provide supplemental  
 11-3 payments to a school district or any other entity on behalf of a  
 11-4 school district in an amount that exceeds an amount equal to \$100  
 11-5 per student per year in average daily attendance, as defined by  
 11-6 Section 42.005, Education Code, or for a period that exceeds the  
 11-7 period beginning with the period described by Section  
 11-8 313.0045(a)(4) [313.021(4)] and ending December 31 of the third tax  
 11-9 year after the date the person's eligibility for a limitation under  
 11-10 this chapter expires [with the period described by Section  
 11-11 313.104(2)(B) of this code]. This limit does not apply to amounts  
 11-12 described by Subsection (f)(1) or (2) [~~of this section~~].

11-13 (j) An agreement under this chapter must disclose any  
 11-14 consideration promised in conjunction with the application and the  
 11-15 limitation.

11-16 Sec. 313.0145 [313.0275]. RECAPTURE OF AD VALOREM TAX  
 11-17 REVENUE LOST. (a) Notwithstanding any other provision of this  
 11-18 chapter to the contrary, a person with whom a school district enters  
 11-19 into an agreement under this chapter [subchapter] must make the  
 11-20 minimum amount of qualified investment [~~during the qualifying time~~  
 11-21 ~~period~~] and create the required number of qualifying jobs during  
 11-22 each year of the agreement.

11-23 (b) If in any tax year a property owner fails to comply with  
 11-24 Subsection (a), the property owner is liable to this state for a  
 11-25 penalty equal to the amount computed by subtracting from the market  
 11-26 value of the property for that tax year the value of the property as  
 11-27 limited by the agreement and multiplying the difference by the  
 11-28 maintenance and operations tax rate of the school district for that  
 11-29 tax year.

11-30 (c) A penalty imposed under Subsection (b) becomes  
 11-31 delinquent if not paid on or before February 1 of the following tax  
 11-32 year. Section 33.01 applies to the delinquent penalty in the manner  
 11-33 that section applies to delinquent taxes.

11-34 (d) In the event of a casualty loss, a person with whom a  
 11-35 school district enters into an agreement under this chapter may  
 11-36 request and the school district may grant a waiver of the  
 11-37 requirements of this section.

11-38 Sec. 313.015 [313.028]. CERTAIN BUSINESS INFORMATION  
 11-39 CONFIDENTIAL. Information provided to a school district in  
 11-40 connection with an application for a limitation on appraised value  
 11-41 under this chapter [subchapter] that describes the specific  
 11-42 processes or business activities to be conducted or the specific  
 11-43 tangible personal property to be located on real property covered  
 11-44 by the application shall be segregated in the application from  
 11-45 other information in the application and is confidential and not  
 11-46 subject to public disclosure unless the governing body of the  
 11-47 school district approves the application. Other information in the  
 11-48 custody of a school district or the comptroller in connection with  
 11-49 the application, including information related to the economic  
 11-50 impact of a project or the essential elements of eligibility under  
 11-51 this chapter, such as the nature and amount of the projected  
 11-52 investment, employment, wages, and benefits, may not be considered  
 11-53 confidential business information if the governing body of the  
 11-54 school district agrees to consider the application. Information in  
 11-55 the custody of a school district or the comptroller if the governing  
 11-56 body approves the application is not confidential under this  
 11-57 section.

11-58 Sec. 313.016 [313.030]. PROPERTY NOT ELIGIBLE FOR TAX  
 11-59 ABATEMENT. Property subject to a limitation on appraised value in a  
 11-60 tax year under this chapter [subchapter] is not eligible for tax  
 11-61 abatement by a school district under Chapter 312 in that tax year.

11-62 Sec. 313.017 [313.031]. RULES AND FORMS; FEES. (a) The  
 11-63 comptroller shall:

11-64 (1) adopt rules and forms necessary for the  
 11-65 implementation and administration of this chapter, including rules  
 11-66 for determining whether a property owner's property qualifies as a  
 11-67 qualified investment under Section 313.0045(a)(1) [313.021(1)];  
 11-68 and

11-69 (2) provide without charge one copy of the rules and

12-1 forms to any school district and to any person who states that the  
 12-2 person intends to apply for a limitation on appraised value under  
 12-3 this chapter [~~subchapter or a tax credit under Subchapter D~~].

12-4 (b) The governing body of a school district by official  
 12-5 action shall establish reasonable nonrefundable application fees  
 12-6 to be paid by property owners who apply to the district for a  
 12-7 limitation on the appraised value of the person's property under  
 12-8 this chapter [~~subchapter~~]. The amount of an application fee must be  
 12-9 reasonable and may not exceed the estimated cost to the district of  
 12-10 processing and acting on an application, including the cost of the  
 12-11 economic impact evaluation required by Sections 313.012 [~~313.025~~]  
 12-12 and 313.013 [~~313.026~~].

12-13 Sec. 313.018 [~~313.032~~]. REPORT ON COMPLIANCE WITH  
 12-14 AGREEMENTS. (a) Before the beginning of each regular session of  
 12-15 the legislature, the comptroller shall submit to the lieutenant  
 12-16 governor, the speaker of the house of representatives, and each  
 12-17 other member of the legislature a report on the agreements entered  
 12-18 into under this chapter that includes:

12-19 (1) an assessment of the following with regard to the  
 12-20 agreements entered into under this chapter, considered in the  
 12-21 aggregate:

12-22 (A) the total number of jobs created, direct and  
 12-23 otherwise, in this state;

12-24 (B) the total effect on personal income, direct  
 12-25 and otherwise, in this state;

12-26 (C) the effect, direct and otherwise, on the  
 12-27 total amount of investment in this state;

12-28 (D) the effect, direct and otherwise, on the  
 12-29 total taxable value of property on the tax rolls in this state,  
 12-30 including property for which the limitation period has expired;

12-31 (E) the total value of property not on the tax  
 12-32 rolls in this state as a result of agreements entered into under  
 12-33 this chapter; and

12-34 (F) the total fiscal effect, direct and  
 12-35 otherwise, on the state and local governments; and

12-36 (2) an assessment of [~~assessing~~] the progress of each  
 12-37 agreement made under this chapter that states [~~The report must be~~  
 12-38 ~~based on data certified to the comptroller by each recipient of a~~  
 12-39 ~~limitation on appraised value under this subchapter and state]~~ for  
 12-40 each agreement:

12-41 (A) [~~(1)~~] the number of new qualifying jobs each  
 12-42 recipient of a limitation on appraised value committed to create;

12-43 (B) [~~(2)~~] the number of new qualifying jobs each  
 12-44 recipient created;

12-45 (C) [~~(3)~~] the total amount of wages [~~median wage~~]  
 12-46 of the new jobs each recipient created;

12-47 (D) [~~(4)~~] the amount of the qualified investment  
 12-48 each recipient committed to spend or allocate for each project;

12-49 (E) [~~(5)~~] the amount of the [~~qualified~~]  
 12-50 investment each recipient spent or allocated for each project;

12-51 (F) [~~(6)~~] the market value of the qualified  
 12-52 property of each recipient as determined by the applicable chief  
 12-53 appraiser, including property for which the limitation period has  
 12-54 expired;

12-55 (G) [~~(7)~~] the limitation on appraised value for  
 12-56 the qualified property of each recipient;

12-57 (H) [~~(8)~~] the dollar amount of the taxes that  
 12-58 would have been imposed on the qualified property if the property  
 12-59 had not received a limitation on appraised value; and

12-60 (I) [~~(9)~~] the dollar amount of the taxes imposed  
 12-61 on the qualified property [~~+~~]

12-62 [~~(10)~~] the number of new jobs created by each recipient  
 12-63 in each sector of the North American Industry Classification  
 12-64 System; and

12-65 [~~(11)~~] of the number of new jobs each recipient  
 12-66 created, the number of jobs created that provide health benefits  
 12-67 for employees].

12-68 (b) The report may not include information that is  
 12-69 confidential by law.

13-1 (b-1) In preparing the portion of the report described by  
13-2 Subsection (a)(1), the comptroller may use standard economic  
13-3 estimation techniques, including economic multipliers.

13-4 (c) The portion of the report described by Subsection (a)(2)  
13-5 must be based on data certified to the comptroller by each recipient  
13-6 of a limitation on appraised value under this chapter. The  
13-7 comptroller may require a recipient to submit, on a form the  
13-8 comptroller provides, information required to prepare [complete]  
13-9 the portion of the report described by that subdivision.

13-10 SECTION 7. The heading to Subchapter B, Chapter 313, Tax  
13-11 Code, is amended to read as follows:

13-12 SUBCHAPTER B. GENERAL LIMITATION ON APPRAISED VALUE OF CERTAIN  
13-13 PROPERTY USED TO CREATE JOBS

13-14 SECTION 8. Subsection (b), Section 313.022, Tax Code, is  
13-15 amended to read as follows:

13-16 (b) For purposes of determining the required minimum amount  
13-17 of a qualified investment under Section 313.0045(a)(2)(A)(iv)(a)  
13-18 [~~313.021(2)(A)(iv)(a)~~], and the minimum amount of a limitation on  
13-19 appraised value under this subchapter [~~Section 313.027(b)~~], school  
13-20 districts to which this subchapter applies are categorized  
13-21 according to the taxable value of property in the district for the  
13-22 preceding tax year determined under Subchapter M, Chapter 403,  
13-23 Government Code, as follows:

13-24	CATEGORY	TAXABLE VALUE OF PROPERTY
13-25	I	\$10 billion or more
13-26	II	\$1 billion or more but less than \$10 billion
13-27	III	\$500 million or more but less than \$1 billion
13-28	IV	\$100 million or more but less than \$500 million
13-29	V	less than \$100 million

13-30 SECTION 9. Section 313.023, Tax Code, is amended to read as  
13-31 follows:

13-32 Sec. 313.023. MINIMUM AMOUNTS OF QUALIFIED INVESTMENT. For  
13-33 each category of school district established by Section 313.022,  
13-34 the minimum amount of a qualified investment under Section  
13-35 313.0045(a)(2)(A)(iv)(a) [~~313.021(2)(A)(iv)(a)~~] is as follows:

13-36	CATEGORY	MINIMUM QUALIFIED INVESTMENT
13-37	I	\$100 million
13-38	II	\$80 million
13-39	III	\$60 million
13-40	IV	\$40 million
13-41	V	\$20 million

13-42 SECTION 10. Subchapter B, Chapter 313, Tax Code, is amended  
13-43 by adding Section 313.0235 to read as follows:

13-44 Sec. 313.0235. LIMITATION ON APPRAISED VALUE. For a school  
13-45 district to which this subchapter applies, the amount agreed to by  
13-46 the governing body of the school district must be an amount in  
13-47 accordance with the following, according to the category  
13-48 established by Section 313.022 to which the school district  
13-49 belongs:

13-50	<u>CATEGORY</u>	<u>MINIMUM AMOUNT OF LIMITATION</u>
13-51	<u>I</u>	<u>\$100 million</u>
13-52	<u>II</u>	<u>\$80 million</u>
13-53	<u>III</u>	<u>\$60 million</u>
13-54	<u>IV</u>	<u>\$40 million</u>
13-55	<u>V</u>	<u>\$20 million</u>

13-56 SECTION 11. The heading to Subchapter C, Chapter 313, Tax  
13-57 Code, is amended to read as follows:

13-58 SUBCHAPTER C. LIMITATION ON APPRAISED VALUE OF PROPERTY IN CERTAIN  
13-59 [RURAL] SCHOOL DISTRICTS

13-60 SECTION 12. Subsections (a) and (b), Section 313.051, Tax  
13-61 Code, are amended to read as follows:

13-62 (a) This subchapter applies only to a school district that  
13-63 has territory in:

- 13-64 (1) an area located in:
  - 13-65 (A) a county with unemployment above the state
  - 13-66 average and per capita income below the state average;
  - 13-67 (B) a federally designated urban enterprise
  - 13-68 community or an urban enhanced enterprise community; or
  - 13-69 (C) a defense economic readjustment zone

14-1 designated under Chapter 2310, Government Code [~~that qualified as a~~  
14-2 ~~strategic investment area under Subchapter O, Chapter 171,~~  
14-3 ~~immediately before that subchapter expired]; or~~

14-4 (2) a county:  
14-5 (A) that has a population of less than 50,000;  
14-6 and  
14-7 (B) in which, during the decade preceding [~~from~~  
14-8 ~~1990 to 2000, according to~~] the most recent federal decennial  
14-9 census, the population:

14-10 (i) remained the same;  
14-11 (ii) decreased; or  
14-12 (iii) increased, but at a rate of not more  
14-13 than three percent per annum.

14-14 (b) [~~The governing body of a school district to which this~~  
14-15 ~~subchapter applies may enter into an agreement in the same manner as~~  
14-16 ~~a school district to which Subchapter B applies may do so under~~  
14-17 ~~Subchapter B, subject to Sections 313.052-313.054.] Except as~~  
14-18 ~~otherwise provided by this subchapter, the provisions of Subchapter~~  
14-19 ~~A-1 [B] apply to a school district to which this subchapter~~  
14-20 ~~applies. For purposes of this subchapter, a property owner is~~  
14-21 ~~required to create only at least 10 new jobs on the owner's~~  
14-22 ~~qualified property. At least 80 percent of all the new jobs created~~  
14-23 ~~must be qualifying jobs [as defined by Section 313.021(3)], except~~  
14-24 ~~that, for a school district described by Subsection (a)(2), each~~  
14-25 ~~qualifying job must pay at least 110 percent of the average weekly~~  
14-26 ~~wage for manufacturing jobs in the region designated for the~~  
14-27 ~~regional planning commission, council of governments, or similar~~  
14-28 ~~regional planning agency created under Chapter 391, Local~~  
14-29 ~~Government Code, in which the district is located.~~

14-30 SECTION 13. Sections 313.052 and 313.053, Tax Code, are  
14-31 amended to read as follows:

14-32 Sec. 313.052. CATEGORIZATION OF SCHOOL DISTRICTS. For  
14-33 purposes of determining the required minimum amount of a qualified  
14-34 investment under Section 313.0045(a)(2)(A)(iv)(a)  
14-35 [~~313.021(2)(A)(iv)(a)~~] and the minimum amount of a limitation on  
14-36 appraised value under this subchapter, school districts to which  
14-37 this subchapter applies are categorized according to the taxable  
14-38 value of industrial property in the district for the preceding tax  
14-39 year determined under Subchapter M, Chapter 403, Government Code,  
14-40 as follows:

14-41	CATEGORY	TAXABLE VALUE OF INDUSTRIAL PROPERTY
14-42	I	\$200 million or more
14-43	II	\$90 million or more but less than \$200 million
14-44	III	\$1 million or more but less than \$90 million
14-45	IV	\$100,000 or more but less than \$1 million
14-46	V	less than \$100,000

14-47 Sec. 313.053. MINIMUM AMOUNTS OF QUALIFIED INVESTMENT. For  
14-48 each category of school district established by Section 313.052,  
14-49 the minimum amount of a qualified investment under Section  
14-50 313.0045(a)(2)(A)(iv)(a) [~~313.021(2)(A)(iv)(a)~~] is as follows:

14-51	CATEGORY	MINIMUM QUALIFIED INVESTMENT
14-52	I	\$30 million
14-53	II	\$20 million
14-54	III	\$10 million
14-55	IV	\$5 million
14-56	V	\$1 million

14-57 SECTION 14. Subsection (a), Section 313.054, Tax Code, is  
14-58 amended to read as follows:

14-59 (a) For a school district to which this subchapter applies,  
14-60 the amount agreed to by the governing body of the district [~~under~~  
14-61 ~~Section 313.027(a)(2)~~] must be an amount in accordance with the  
14-62 following, according to the category established by Section 313.052  
14-63 to which the school district belongs:

14-64	CATEGORY	MINIMUM AMOUNT OF LIMITATION
14-65	I	\$30 million
14-66	II	\$20 million
14-67	III	\$10 million
14-68	IV	\$5 million
14-69	V	\$1 million

15-1 SECTION 15. The heading to Subchapter E, Chapter 313, Tax  
15-2 Code, is amended to read as follows:

15-3 SUBCHAPTER E. EFFECT [~~AVAILABILITY~~] OF [~~TAX CREDIT AFTER~~] PROGRAM  
15-4 EXPIRATION OR REPEAL [~~EXPIRES~~]

15-5 SECTION 16. Section 313.171, Tax Code, is amended to read as  
15-6 follows:

15-7 Sec. 313.171. SAVING PROVISIONS. (a) A limitation on  
15-8 appraised value approved under Subchapter A-1, B, or C before the  
15-9 expiration of that subchapter continues in effect according to that  
15-10 subchapter as that subchapter existed immediately before its  
15-11 expiration, and that law is continued in effect for purposes of the  
15-12 limitation on appraised value.

15-13 (b) The repeal [~~expiration~~] of Subchapter D does not affect  
15-14 a property owner's entitlement to a tax credit granted under  
15-15 Subchapter D if the property owner qualified for the tax credit  
15-16 before the repeal [~~expiration~~] of Subchapter D.

15-17 SECTION 17. Subsection (a), Section 42.2515, Education  
15-18 Code, is amended to read as follows:

15-19 (a) For each school year, a school district, including a  
15-20 school district that is otherwise ineligible for state aid under  
15-21 this chapter, is entitled to state aid in an amount equal to the  
15-22 amount of all tax credits credited against ad valorem taxes of the  
15-23 district in that year under former Subchapter D, Chapter 313, Tax  
15-24 Code.

15-25 SECTION 18. Subsection (e), Section 42.302, Education Code,  
15-26 is amended to read as follows:

15-27 (e) For purposes of this section, school district taxes for  
15-28 which credit is granted under former Subchapter D, Chapter 313, Tax  
15-29 Code, are considered taxes collected by the school district as if  
15-30 the taxes were paid when the credit for the taxes was granted.

15-31 SECTION 19. The following provisions of the Tax Code are  
15-32 repealed:

- 15-33 (1) Sections 313.005, 313.008, and 313.009; and
- 15-34 (2) Subchapter D, Chapter 313.

15-35 SECTION 20. Chapter 313, Tax Code, as amended by this Act,  
15-36 applies only to an application filed under that chapter on or after  
15-37 the effective date of this Act. An application filed under that  
15-38 chapter before the effective date of this Act is governed by the law  
15-39 in effect on the date the application was filed, and the former law  
15-40 is continued in effect for that purpose.

15-41 SECTION 21. This Act takes effect January 1, 2014.

15-42 \* \* \* \* \*