| **House Bill 3390**Senate AmendmentsSection-by-Section Analysis |
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| HOUSE VERSION | SENATE VERSION (IE) | CONFERENCE |
| No equivalent provision.No equivalent provision.No equivalent provision.No equivalent provision.No equivalent provision.No equivalent provision.No equivalent provision.No equivalent provision.No equivalent provision.No equivalent provision.No equivalent provision.No equivalent provision. | SECTION \_\_. Subtitle B, Title 3, Government Code, is amended by adding Chapter 320A to read as follows:CHAPTER 320A. REVIEW OF STATE AND LOCAL TAX PREFERENCESSUBCHAPTER A. GENERAL PROVISIONSSec. 320A.001. DEFINITION. In this chapter, "tax preference" means a credit, discount, exclusion, exemption, refund, special valuation, special accounting treatment, special rate, or special method of reporting authorized by state law that relates to a state or local tax imposed in this state.SUBCHAPTER B. SCHEDULE FOR PERIODIC REVIEWOF STATE AND LOCAL TAX PREFERENCESSec. 320A.051. DEVELOPMENT AND BIENNIAL MODIFICATION OF STATE AND LOCAL TAX PREFERENCE REVIEW SCHEDULE. (a) The comptroller shall:(1) identify each state tax preference and each type of local tax preference;(2) develop a state and local tax preference review schedule under which each identified tax preference is reviewed once during each 12-year period; and(3) specifically identify on the schedule each of the tax preferences the Legislative Budget Board must review for purposes of the next report due under Section 320A.151.(b) Except as provided in Subsection (c), in developing the schedule, the comptroller shall give priority to scheduling for review the tax preferences that result in the greatest reduction in revenue derived from the taxes to which the tax preferences relate.(c) In developing the schedule, the comptroller may:(1) schedule for review at the same time all tax preferences authorized in the same chapter of the Tax Code; and(2) schedule the initial review of a tax preference that has an expiration date for any date the comptroller determines is appropriate.(d) The comptroller shall revise the schedule biennially only to:(1) add to the schedule a tax preference that was enacted after the comptroller developed the most recent schedule;(2) delete from the schedule a tax preference that was repealed or that expired after the comptroller developed the most recent schedule;(3) update the review dates of the tax preferences for which reviews were conducted after the comptroller developed the most recent schedule; and(4) update the tax preferences identified under Subsection (a)(3).Sec. 320A.052. PUBLIC COMMENT. The comptroller shall provide a process by which the public may comment on the state and local tax preference review schedule under Section 320A.051. The comptroller shall consider those comments in developing or revising the schedule.Sec. 320A.053. SCHEDULE PROVIDED TO LEGISLATIVE BUDGET BOARD. Not later than December 1 of each odd-numbered year, the comptroller shall provide the state and local tax preference review schedule to the Legislative Budget Board.SUBCHAPTER C. CONDUCT OF REVIEW OF STATEAND LOCAL TAX PREFERENCESSec. 320A.101. PERIODIC REVIEW OF TAX PREFERENCES. The Legislative Budget Board shall periodically review each state tax preference and each type of local tax preference according to the state and local tax preference review schedule provided by the comptroller under Section 320A.053. In reviewing a tax preference, the board shall:(1) summarize the legislative history of the tax preference;(2) estimate the amount of lost tax revenue attributable to the tax preference during the preceding 12-year period, including the percent reduction in the tax revenue of the related state or local tax, using amounts reported by the comptroller under Section 403.014, if available;(3) determine the effect of the tax preference on the distribution of the tax burden by income class and industry or business class during the preceding 12-year period, using amounts reported and data analyzed by the comptroller under Sections 403.014 and 403.0141, if available; and(4) evaluate, for a tax preference that reduces by more than one percent the total revenue of the related state or local tax, the fiscal impact of the tax preference during the preceding and following 12-year periods, based on a cost-benefit analysis of the general effects of the tax preference on the overall state economy, including the effects on:(A) job creation by industry sector;(B) average wage by industry sector;(C) gross state product by industry sector;(D) business expenditures by industry sector; and(E) personal consumption by income class.Sec. 320A.102. COOPERATION BY OTHER STATE ENTITIES. (a) The Legislative Budget Board may request assistance from the comptroller or any other state agency, department, or office if the board needs assistance to perform the review required by Section 320A.101. The comptroller or other agency, department, or office shall provide the requested assistance.(b) Notwithstanding Section 111.006, Tax Code, or other law, the comptroller shall provide to the Legislative Budget Board complete electronic access to tax files maintained by the comptroller, as the staff of the board determines necessary to perform a review required by Section 320A.101. An employee of the board that accesses tax files maintained by the comptroller is subject to the same duties and requirements regarding confidentiality as an employee of the comptroller who accesses the files.SUBCHAPTER D. REPORT ON TAX PREFERENCESSec. 320A.151. REPORT. Not later than September 1 of each even-numbered year, the Legislative Budget Board shall provide to the presiding officers of the senate finance committee, or its successor, and the house ways and means committee, or its successor, a report on the reviews of tax preferences identified under Section 320A.051(a)(3). The board shall post the report on the board's Internet website as soon as possible after the board provides the report to the presiding officers under this section. [FA8] |  |
| No equivalent provision. | SECTION \_\_. Notwithstanding Section 320A.053, Government Code, as added by this Act, the comptroller of public accounts shall submit the initial state and local tax preference review schedule required by that section not later than January 15, 2014. [FA8] |  |
| No equivalent provision. | SECTION \_\_. The Legislative Budget Board shall submit the initial report required by Section 320A.151, Government Code, as added by this Act, not later than September 1, 2014. [FA8] |  |
| 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.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 should 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 [~~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 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 1. Sections 313.002 and 313.004, 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 some kind of temporary limit on 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; and(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 property tax system of this state does not favor capital-intensive businesses such as manufacturers~~].No equivalent provision.Sec. 313.004. LEGISLATIVE INTENT. It is the intent of the legislature in enacting this chapter that:(1) economic development decisions should occur at the local level 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 franchise tax imposed by Chapter 171 because of its form of business [~~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 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 as identified by the Texas Strategic Economic Development Planning Commission or its successor. |  |
| Sec. 313.007. EXPIRATION. Subchapters B and [~~,~~] C [~~, and D~~] expire December 31, 2024 [~~2014~~]. | SECTION 4. Section 313.007, Tax Code, is amended to read as follows:Sec. 313.007. EXPIRATION. Subchapters A-1, B, and C [~~, and D~~] expire December 31, 2020 [~~2014~~]. |  |
| No equivalent provision. | SECTION \_\_. (a) Section 311.005(a), Tax Code, is amended to read as follows:(a) To be designated as a reinvestment zone, an area must:(1) substantially arrest or impair the sound growth of the municipality or county designating the zone, retard the provision of housing accommodations, or constitute an economic or social liability and be a menace to the public health, safety, morals, or welfare in its present condition and use because of the presence of:(A) a substantial number of substandard, slum, deteriorated, or deteriorating structures;(B) the predominance of defective or inadequate sidewalk or street layout;(C) faulty lot layout in relation to size, adequacy, accessibility, or usefulness;(D) unsanitary or unsafe conditions;(E) the deterioration of site or other improvements;(F) tax or special assessment delinquency exceeding the fair value of the land;(G) defective or unusual conditions of title;(H) conditions that endanger life or property by fire or other cause; or(I) structures, other than single-family residential structures, less than 10 percent of the square footage of which has been used for commercial, industrial, or residential purposes during the preceding 12 years, if the municipality has a population of 100,000 or more;(2) be predominantly open or undeveloped and, because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impair or arrest the sound growth of the municipality or county;(3) be in a federally assisted new community located in the municipality or county or in an area immediately adjacent to a federally assisted new community; [~~or~~](4) be an area described in a petition requesting that the area be designated as a reinvestment zone, if the petition is submitted to the governing body of the municipality or county by the owners of property constituting at least 50 percent of the appraised value of the property in the area according to the most recent certified appraisal roll for the county in which the area is located; or(5) be substantially undeveloped and be located in:(A) a municipality with a population of less than 20,000; and(B) a county with a population of more than 660,000 and less than 690,000 that borders a county with a population of two million or more.(b) This section takes effect immediately if this Act 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 section takes effect September 1, 2013. [FA7] |  |
| SECTION 2. Subchapter A, Chapter 313, Tax Code, is amended by adding Section 313.010 to read as follows:Sec. 313.010. AUDIT OF AGREEMENTS BY STATE AUDITOR. (a) Each year, the state auditor shall review at least three major agreements, as determined by the state auditor, under this chapter to determine whether:(1) each agreement accomplishes the purposes of this chapter as expressed in Section 313.003;(2) each agreement complies with the intent of the legislature in enacting this chapter as expressed in Section 313.004; and(3) the terms of each agreement were executed in compliance with the terms of this chapter.(b) As part of the review, the state auditor shall make recommendations relating to increasing the efficiency and effectiveness of the administration of this chapter. | SECTION \_\_. Substantially the same as House version.[FA6] |  |
| No equivalent provision.No equivalent provision.No equivalent provision. | SECTION \_\_. Subchapter A-1, Tax Code, as added by this Act, is amended by adding Sections 313.0146 and 313.019 to read as follows:Sec. 313.0146. PENALTY FOR FAILURE TO COMPLY WITH JOB-CREATION REQUIREMENTS. (a) The comptroller shall conduct an annual review and issue a determination as to whether a person with whom a school district has entered into an agreement under this chapter satisfied in the preceding year the requirements of this chapter regarding the creation of the required number of qualifying jobs. If the comptroller makes an adverse determination in the review:(1) the comptroller shall notify the person of the cause of the adverse determination and the corrective measures necessary to remedy the determination; and(2) the person must submit to the comptroller a plan for remedying the determination and certify the person's intent to fully implement the plan not later than December 31 of the year in which the determination is made.(b) If a person who receives an adverse determination fails to comply with Subsection (a)(2) following notification of the determination and receives an adverse determination in the following year, the comptroller shall impose a penalty on the person. The penalty is in an amount equal to the amount computed by:(1) subtracting from the number of qualifying jobs required to be created the number of qualifying jobs actually created; and(2) multiplying the amount computed under Subdivision (1) by:(A) the average annual wage for all jobs in the county during the most recent four quarters for which data is available, if the penalty is being imposed on the person for the first time; or(B) twice the average annual wage for all jobs in the county during the most recent four quarters for which data is available, if the penalty has previously been imposed on the person.(c) Notwithstanding Subsection (b), the penalty may not exceed an amount equal to the difference between the amount of the ad valorem tax benefit received by the person under the agreement in the preceding year and the amount of any supplemental payments made to the school district in that year.(d) A job created by a person that is not a qualifying job because the job does not meet a numerical requirement of Section 313.0045(a)(3)(A), (D), or (E) is considered for purposes of this section to be a nonqualifying job only if the job fails to meet the numerical requirement by at least 10 percent. (e) An adverse determination under this section is a deficiency determination under Section 111.008. A penalty imposed under this section is an amount the comptroller is required to collect, receive, administer, or enforce, and the determination is subject to the payment and redetermination requirements of Sections 111.0081 and 111.009.(f) A redetermination under Section 111.009 of an adverse determination under this section is a contested case as defined by Section 2001.003, Government Code.(g) If a person on whom a penalty is imposed under this section contends that the amount of the penalty is unlawful or that the comptroller may not legally demand or collect the penalty, the person may challenge the determination of the comptroller under Subchapters A and B, Chapter 112.(h) If the comptroller imposes a penalty on a person under this section three times, the comptroller may rescind the agreement between the person and the school district under this chapter.(i) A determination by the comptroller to rescind an agreement between a person and a school district under this chapter pursuant to Subsection (h) is a contested case as defined by Section 2001.003, Government Code.(j) If a person appeals a final decision of the comptroller to rescind an agreement between a person and a school district under this chapter pursuant to Subsection (h) and that decision is upheld on appeal, the person shall pay to the comptroller any tax that would have been due and payable to the school district during the pendency of the appeal, including statutory interest and penalties imposed on delinquent taxes under Sections 111.060 and 111.061.(k) The comptroller shall deposit a penalty collected under this section, including any interest and penalty applicable to the penalty, to the credit of the foundation school fund.Sec. 313.019. REPORT ON COMPLIANCE WITH JOB-CREATION REQUIREMENTS. Each recipient of a limitation on appraised value under this chapter shall submit to the comptroller an annual report on a form provided by the comptroller that provides information sufficient for the comptroller to determine whether the applicant is creating the number of new qualifying jobs required by this chapter. [FA5] |  |
| SECTION 3. 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 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.(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:(a) 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; or(b) expand an existing building as described by Subdivision (1)(G);(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, or expanded building 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 qualifying jobs;(B) the new building, [~~or~~] other new improvement, or expanded building 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, or in the expanded building described by Paragraph (A)(ii), or on the land on which that new building, [~~or~~] new improvement, or expanded building is located, if the personal property is ancillary and necessary to the business conducted in that new building, [~~or~~] in or on that new improvement, or in that expanded building.(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 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~~].No equivalent provision.(F) In determining whether a property owner has created the number of qualifying jobs required under this chapter, operations, services and other related jobs created in connection with the project, including those employed by third parties under contract, may satisfy the minimum qualifying jobs requirement for the project if the Texas Workforce Commission determines that the cumulative economic benefits to the state of these jobs is the same or greater than that associated with the minimum number of qualified jobs required to be created under this chapter. The Texas Workforce Commission may adopt rules to implement this subsection. | SECTION 2. Section 313.021, Tax Code, is transferred to Subchapter A, Chapter 313, Tax Code, redesignated as Section 313.0045, Tax Code, and amended to read as follows:Sec. 313.0045 [~~313.021~~]. DEFINITIONS. (a) In this chapter [~~subchapter~~]:(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 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 [FA1(1)](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), or (E). [FA1(2)](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 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 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 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 [FA1(3)](E) pays at least 110 percent of the lesser 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.(4) "Qualifying time period" means:(A) the period that begins on the date that a person's application for a limitation on appraised value under this chapter [~~subchapter~~] is approved by the governing body of the school district and ends on December 31 of the second tax year that begins after that date, except as provided by Paragraph (B) or (C) of this subdivision or Section 313.014(h) [~~313.027(h)~~];(B) in connection with a nuclear electric power generation facility, the first seven tax years that begin on or after the third anniversary of the date the school district approves the property owner's application for a limitation on appraised value under this chapter [~~subchapter~~], unless a shorter time period is agreed to by the governing body of the school district and the property owner; or(C) in connection with an advanced clean energy project, as defined by Section 382.003, Health and Safety Code, the first five tax years that begin on or after the third anniversary of the date the school district approves the property owner's application for a limitation on appraised value under this chapter [~~subchapter~~], unless a shorter time period is agreed to by the governing body of the school district and the property owner.(5) "County average weekly wage for manufacturing jobs" means:(A) the average weekly wage in a county for manufacturing jobs during the most recent four quarterly periods for which data is available at the time a person submits an application for a limitation on appraised value under this chapter [~~subchapter~~], as computed by the Texas Workforce Commission; or(B) 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 county is located during the most recent four quarterly periods for which data is available at the time a person submits an application for a limitation on appraised value under this chapter [~~subchapter~~], as computed by the Texas Workforce Commission.(6) [Deleted by FA1(4)](b) Unless this chapter defines a word or phrase used in this chapter, Section 1.04 or any other section of Title 1 or this title that defines the word or phrase or ascribes a meaning to the word or phrase applies to the word or phrase used in this chapter.No equivalent provision. |  |
| No equivalent provision. | SECTION 3. Section 313.006(a), Tax Code, is amended to read as follows:(a) In this section, "impact fee" means a charge or assessment imposed against a qualified property [~~, as defined by Section 313.021,~~] in order to generate revenue for funding or recouping the costs of capital improvements or facility expansions for water, wastewater, or storm water services or for roads necessitated by or attributable to property that receives a limitation on appraised value under this chapter. |  |
| No equivalent provision. | SECTION 5. Chapter 313, Tax Code, is amended by adding Subchapter A-1, and a heading is added to that subchapter to read as follows:SUBCHAPTER A-1. ELIGIBILITY, APPLICATION, AND REPORTING |  |
| *(See SECTIONS 5, 7, 8, 9, 10, 11, 12, and 13.)* | SECTION 6. Sections 313.024, 313.025, 313.026, 313.0265, 313.027, 313.0275, 313.028, 313.030, 313.031, and 313.032, Tax Code, are transferred to Subchapter A-1, Chapter 313, Tax Code, as added by this Act, redesignated as Sections 313.011, 313.012, 313.013, 313.0135, 313.014, 313.0145, 313.015, 313.016, 313.017, and 313.018, Tax Code, and amended to read as follows: |  |
| No equivalent provision. | Sec. 313.015 [~~313.028~~]. CERTAIN BUSINESS INFORMATION CONFIDENTIAL. Information provided to a school district in connection with an application for a limitation on appraised value under this chapter [~~subchapter~~] that describes the specific processes or business activities to be conducted or the specific tangible personal property to be located on real property covered by the application shall be segregated in the application from other information in the application and is confidential and not subject to public disclosure unless the governing body of the school district approves the application. Other information in the custody of a school district or the comptroller in connection with the application, including information related to the economic impact of a project or the essential elements of eligibility under this chapter, such as the nature and amount of the projected investment, employment, wages, and benefits, may not be considered confidential business information if the governing body of the school district agrees to consider the application. Information in the custody of a school district or the comptroller if the governing body approves the application is not confidential under this section. |  |
| No equivalent provision. | Sec. 313.016 [~~313.030~~]. PROPERTY NOT ELIGIBLE FOR TAX ABATEMENT. Property subject to a limitation on appraised value in a tax year under this chapter [~~subchapter~~] is not eligible for tax abatement by a school district under Chapter 312 in that tax year. |  |
| No equivalent provision. | SECTION 7. The heading to Subchapter B, Chapter 313, Tax Code, is amended to read as follows:SUBCHAPTER B. GENERAL LIMITATION ON APPRAISED VALUE OF CERTAIN PROPERTY USED TO CREATE JOBS |  |
| No equivalent provision. | SECTION 8. Section 313.022(b), Tax Code, is amended to read as follows:(b) For purposes of determining the required minimum amount of a qualified investment under Section 313.0045(a)(2)(A)(iv)(a) [~~313.021(2)(A)(iv)(a)~~], and the minimum amount of a limitation on appraised value under this subchapter [~~Section 313.027(b)~~], school districts to which this subchapter applies are categorized according to the taxable value of property in the district for the preceding tax year determined under Subchapter M, Chapter 403, Government Code, as follows: CATEGORY TAXABLE VALUE OF PROPERTY  I $10 billion or more  II $1 billion or more but less than $10 billion  III $500 million or more but less than $1 billion  IV $100 million or more but less than $500 million  V less than $100 million  |  |
| SECTION 4. Section 313.023, Tax Code, is amended to read as follows:Sec. 313.023. MINIMUM AMOUNTS OF QUALIFIED INVESTMENT AND NUMBER OF NEW QUALIFYING JOBS TO BE CREATED. (a) For each category of school district established by Section 313.022, the minimum amount of a qualified investment under Section 313.021(2)(A)(iv)(a) is as follows:CATEGORY MINIMUM QUALIFIED INVESTMENT  I $100 million  II $80 million  III $60 million  IV $40 million  V $20 million (b) Notwithstanding Section 313.021(2)(A)(iv)(b), if the property owner makes a qualified investment in an amount equal to at least:(1) two times the minimum qualified investment for the applicable category of school district but less than three times that amount, the number of new qualifying jobs the property owner is required to create is equal to 75 percent of the number required by that sub-subparagraph;(2) three times the minimum qualified investment for the applicable category of school district but less than four times that amount, the number of new qualifying jobs the property owner is required to create is equal to 50 percent of the number required by that sub-subparagraph;(3) four times the minimum qualified investment for the applicable category of school district but less than five times that amount, the number of new qualifying jobs the property owner is required to create is equal to 25 percent of the number required by that sub-subparagraph; and(4) five times the minimum qualified investment for the applicable category of school district, the property owner is not required to create any new qualifying jobs. | SECTION 9. Section 313.023, Tax Code, is amended to read as follows:Sec. 313.023. MINIMUM AMOUNTS OF QUALIFIED INVESTMENT. For each category of school district established by Section 313.022, the minimum amount of a qualified investment under Section 313.0045(a)(2)(A)(iv)(a) [~~313.021(2)(A)(iv)(a)~~] is as follows: CATEGORY MINIMUM QUALIFIED INVESTMENT  I $100 million  II $80 million  III $60 million  IV $40 million  V $20 million No equivalent provision. |  |
| SECTION 5. Section 313.024, Tax Code, is amended by amending Subsections (a), (b), and (d) and adding Subsection (d-2) 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 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; [~~or~~](8) a data [~~computer~~] center; or [~~primarily used in connection with one or more activities described by Subdivisions (1) through (7) conducted by the entity~~](9) a Texas priority project.No equivalent provision.(d) To be eligible for a limitation on appraised value under this subchapter, the property owner must create the required number of new [~~at least 80 percent of all the new jobs created by the property owner must be~~] qualifying jobs as defined by Section 313.021(3).(d-2) For purposes of determining whether a property owner has created the number of new qualifying jobs required for eligibility for a limitation on appraised value under this subchapter, the new qualifying jobs created under an agreement between the property owner and another school district may be included in the total number of new qualifying jobs created in connection with the project if the Texas Economic Development and Tourism Office determines that the projects covered by the agreements constitute a single unified project. The Texas Economic Development and Tourism Office may adopt rules to implement this subsection. | SECTION 6. *(part.)*Sec. 313.011 [~~313.024~~]. ELIGIBLE PROPERTY. (a) This chapter applies [~~subchapter and Subchapters C and D apply~~] only to property owned by an entity to which Chapter 171 applies.(b) To be eligible for a limitation on appraised value under this chapter [~~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; or [FA1(5)](8) a computer center primarily used in connection with one or more activities described by Subdivisions (1) through (7) conducted by the entity. [FA1(6)](c) For purposes of determining an applicant's eligibility for a limitation under this chapter [~~subchapter~~]:(1) the land on which a building or component of a building described by Section 313.0045(a)(1)(E) [~~313.021(1)(E)~~] is located is not considered a qualified investment;(2) property that is leased under a capitalized lease may be considered a qualified investment;(3) property that is leased under an operating lease may not be considered a qualified investment; and(4) property that is owned by a person other than the applicant and that is pooled or proposed to be pooled with property owned by the applicant may not be included in determining the amount of the applicant's qualifying investment.(d) To be eligible for a limitation on appraised value under this chapter [~~subchapter~~], at least 80 percent of all the new jobs created by the property owner must be qualifying jobs [~~as defined by Section 313.021(3)~~].No equivalent provision. |  |
| SECTION 6. Section 313.024(e), Tax Code, is amended by amending Subdivision (6) and adding Subdivision (7) to read as follows:(6) "Data [~~Computer~~] center" means an establishment primarily engaged in:(A) data processing, hosting, and related services described by industry code 518210 of the North American Industry Classification System;(B) an Internet activity described by industry code 519130 of the North American Industry Classification System; or(C) computer software publishing and reproduction described by industry code 511210 of the North American Industry Classification System; or(D) on-site management and operation of clients' computer systems or data processing facilities described by industry code 541513 of the North American Industry Classification System;(E) primarily used in connection with one or more activities described by Subdivisions (1) through (7) conducted by the entity [~~providing electronic data processing and information storage~~].(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. | (e) In this section:(1) "Manufacturing" means an establishment primarily engaged in activities described in sectors 31-33 of the 2007 North American Industry Classification System.(2) "Renewable energy electric generation" means an establishment primarily engaged in activities described in category 221119 of the 1997 North American Industry Classification System.(3) "Integrated gasification combined cycle technology" means technology used to produce electricity in a combined combustion turbine and steam turbine application using synthetic gas or another product produced from the gasification of coal or another carbon-based feedstock, including related activities such as materials-handling and gasification of coal or another carbon-based feedstock.(4) "Nuclear electric power generation" means activities described in category 221113 of the 2002 North American Industry Classification System.(5) "Research and development" means an establishment primarily engaged in activities described in category 541710 of the 2002 North American Industry Classification System.(6) "Computer center" means an establishment primarily engaged in providing electronic data processing and information storage. |  |
| SECTION 7. Sections 313.025(a), (a-1), (b), (b-1), (c), (d), (d-1), (e), (f-1), (g), and (i), Tax Code, are amended to read as follows:(a) The owner or lessee of, or the holder of another possessory interest in, any qualified property described by Section 313.021(2)(A), (B), or (C) may apply to the governing body of the school district in which the property is located for a limitation on the appraised value for school district maintenance and operations ad valorem tax purposes of the person's qualified property. An application must be made on the form prescribed by the comptroller and include the information required by the comptroller, and it must be accompanied by:(1) the application fee established by the governing body of the school district;(2) information sufficient to show that the real and personal property identified in the application as qualified property meets the applicable criteria established by Section 313.021(2); and(3) any information required by the comptroller for the purposes of [~~relating to each applicable criterion listed in~~] Section 313.026.(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. 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. 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), 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 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 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 [~~submit a recommendation to the governing body of the school district as to whether the 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 any criteria considered by the comptroller in conducting the economic impact evaluation under [~~each criterion listed in~~] Section 313.026. The governing body shall deliver a copy of those findings to the applicant.No equivalent provision.(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 qualifying jobs creation requirement in Section 313.021(2)(A)(iv)(b) or 313.051(b) only [~~and approve an application~~] if the Texas Workforce Commission 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. The governing body of a school district may request that the Texas Workforce Commission provide a recommendation as to whether the new qualifying jobs creation requirement should be reduced or waived and, if reduced, the number of new qualifying jobs that should be required to be created. If the Texas Workforce Commission receives a request from the governing body of a school district under this subsection, not later than the 60th day after the date of receipt of the request the commission shall submit to the governing body a recommendation as to whether the new qualifying jobs creation requirement should be reduced or waived and, if reduced, the number of new qualifying jobs that should be required to be created.(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 consider any recommendation made by the Texas [~~Department of~~] Economic Development and Tourism Office or its successor.No equivalent provision.(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. *(part.)*Sec. 313.012 [~~313.025~~]. APPLICATION; ACTION ON APPLICATION. (a) The owner or lessee of, or the holder of another possessory interest in, any qualified property [~~described by Section 313.021(2)(A), (B), or (C)~~] may apply to the governing body of the school district in which the property is located for a limitation on the appraised value for school district maintenance and operations ad valorem tax purposes of the person's qualified property. An application must be made on the form prescribed by the comptroller and include the information required by the comptroller, and it must be accompanied by:(1) the application fee established by the governing body of the school district;(2) information sufficient to show that the real and personal property identified in the application as qualified property meets the applicable criteria established by Section 313.0045(a)(2) [~~313.021(2)~~]; and(3) information relating to each applicable criterion listed in Section 313.013 [~~313.026~~].(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 agreement between the applicant and the school district. If 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. This subsection does not require the comptroller to post information that is confidential under Section 313.015 [~~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 does elect to consider an application, the governing body shall deliver three copies of the application to the comptroller and request that the comptroller provide an economic impact evaluation of the application to the school district. 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. The governing body shall provide to the comptroller or third person 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 evaluation to the applicant on request. The comptroller may charge 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 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 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 313.013(a)(11) [~~313.026(a)(9)~~], and submit a written report containing the agency's determination to the 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 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 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) 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 as to whether the application should be approved or disapproved. (d-1) The governing body of a school district may not approve an application unless [~~that~~] the comptroller recommends approval of the application [~~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~~]. [FA3(1)](e) Before approving or disapproving an application under this chapter [~~subchapter~~] that the governing body elects to consider, the governing body of the school district must make a written finding as to each criterion listed in Section 313.013 [~~313.026~~]. The governing body shall deliver a copy of those findings to the applicant.(f) The governing body may approve an application only if the governing body finds that the information in the application is true and correct, finds that the applicant is eligible for the limitation on the appraised value of the person's qualified property, and determines that granting the application is in the best interest of the school district and this state.(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 the new jobs creation requirement in Section 313.0045(a)(2)(A)(iv)(b) [~~313.021(2)(A)(iv)(b)~~] or 313.051(b) and approve an application if the 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.(g) The Texas [~~Department of~~] Economic Development and Tourism Office or its successor may recommend that a school district grant a person a limitation on appraised value under this chapter. In determining whether to grant an application, the governing body of the school district shall consider any recommendation made by the Texas [~~Department of~~] Economic Development and Tourism Office or its successor.(h) After receiving a copy of the application, the comptroller shall determine whether the property meets the requirements of Section 313.011 [~~313.024~~] for eligibility for a limitation on appraised value under this chapter [~~subchapter~~]. The comptroller shall notify the governing body of the school district of the comptroller's determination and provide the applicant an opportunity for a hearing before the determination becomes final. A hearing under this subsection is a contested case hearing and shall be conducted by the State Office of Administrative Hearings in the manner provided by Section 2003.101, Government Code. The applicant has the burden of proof on each issue in the hearing. The applicant may seek judicial review of the comptroller's determination in a Travis County district court under the substantial evidence rule as provided by Subchapter G, Chapter 2001, Government Code.(i) If the comptroller's determination under Subsection (h) that the property does not meet the requirements of Section 313.011 [~~313.024~~] for eligibility for a limitation on appraised value under this chapter [~~subchapter~~] becomes final, the comptroller is not required to provide an economic impact evaluation of the application or to submit a 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 8. 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 any information the comptroller determines is necessary or helpful to:(1) the governing body of the school district in determining whether to approve the application under Section 313.025; or(2) the comptroller in determining whether to issue a certificate for a limitation on appraised value of the property under Section 313.025 [~~the following:~~[~~(1) the recommendations of the comptroller;~~[~~(2) the name of the school district;~~[~~(3) the name of the applicant;~~[~~(4) the general nature of the applicant's 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 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;~~[~~(15) the proposed limitation on appraised value for the qualified property of the applicant;~~[~~(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;~~[~~(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;~~[~~(18) the projected effect on the Foundation School Program of payments to the district for each year of the agreement;~~[~~(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 (17) from the projected taxes stated in Subdivision (16)~~].(b) Except as provided by Subsections (c) and (d), the [~~The~~] comptroller's determination whether to issue a certificate for a limitation on appraised value under this chapter for property described in the application [~~recommendations~~] shall be based on the economic impact evaluation described by Subsection (a) [~~criteria listed in Subsections (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. | SECTION 6. *(part.)*Sec. 313.013 [~~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 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 intended investment [~~per qualifying job to be created by the applicant~~];(6) [~~(7)~~] the number of qualifying, construction, and operations jobs to be created by the applicant;(7) [~~(8)~~] the wages, salaries, and benefits to be offered by the applicant to qualifying, construction, and operations job holders;(8) [~~(9)~~] the ability of the applicant to locate or relocate in another state or another region of this state;(9) [~~(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 and otherwise [~~or indirect~~], that would be realized during the construction and operation of the facility, including [~~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, direct and otherwise, during the construction and operation of the facility, including [~~qualifying time period,~~] the limitation period [~~,~~] and a period of time after the limitation period considered appropriate by the comptroller;(10) [~~(11)~~] the economic condition of the region of the state at the time the person's application is being considered;(11) [~~(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;(12) [~~(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; and(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) [~~(16)~~].(b) Except as provided by Subsection (c), the [~~The~~} comptroller's recommendations shall be based on the criteria listed in Subsection (a) [~~Subsections (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 313.012(b) [~~313.025(b)~~](c) The comptroller shall conduct a study to determine the net present value of any tax revenue anticipated to be generated, directly or otherwise, as a result of the project before the 25th anniversary of the beginning of the limitation period, including tax revenue anticipated to be generated during the construction of the project, and the net present value of the ad valorem tax benefit provided for the project under the proposed agreement. The comptroller may request that an applicant provide information necessary for the comptroller to make the determination. The comptroller may not recommend approval of the application unless the comptroller certifies that:(1) the net present value of any tax revenue anticipated to be generated, directly or otherwise, as a result of the project before the 25th anniversary of the beginning of the limitation period, including tax revenue anticipated to be generated during the construction of the project, is likely to exceed the net present value of the ad valorem tax benefit provided for the project under the proposed agreement; and [FA3(2)](2) on the basis of tangible evidence submitted by the applicant that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state. [FA3(2),FA4]No equivalent provision.No equivalent provision. |  |
| SECTION 9. 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. *(part.)* Substantially the same as House version. |  |
| SECTION 10. 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.No equivalent provision.No equivalent provision.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 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 for a period of more than 14 years [~~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 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~~].No equivalent provision. | SECTION 6. *(part.)*Sec. 313.014 [~~313.027~~]. LIMITATION ON APPRAISED VALUE; AGREEMENT. (a) If the person's application is approved by the governing body of the school district, [~~for each of the first 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 under Subchapter B or C, as applicable.(b) The agreement must:(1) provide that the limitation under Subsection (a) applies for a period of 10 years; and(2) specify the beginning date of the limitation, which must be January 1 of the first tax year that begins after:(A) the application date;(B) the qualifying time period; or(C) the date commercial operations begin at the site of the project. [~~amount agreed to by the governing body of a school district under Subsection (a)(2) must be an amount in accordance with the following, according to the category established by Section 313.022 to which the school district belongs:~~~~CATEGORYMINIMUM AMOUNT OF LIMITATION~~ ~~I$100 million~~ ~~II$80 million~~ ~~III$60 million~~ ~~IV$40 million~~ ~~V$20 million~~] (c) The limitation amounts prescribed under Subchapter B or C, as applicable, [~~listed in Subsection (b)~~] are minimum amounts. A school district, regardless of category, may agree to a greater amount than those amounts.(d) The governing body of the school district and the property owner shall enter into a written agreement for the implementation of the limitation on appraised value under this chapter [~~subchapter~~] on the owner's qualified property.(e) The agreement must describe with specificity the qualified investment that the person will make on or in connection with the person's qualified property that is subject to the limitation on appraised value under this chapter [~~subchapter~~]. Other property of the person that is not specifically described in the agreement is not subject to the limitation unless the governing body of the school district, by official action, provides that the other property is subject to the limitation.(f) In addition, the agreement:(1) must incorporate each relevant provision of this chapter [~~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 five [~~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.(g) When appraising a person's qualified property subject to a limitation on appraised value under this section, the chief appraiser shall determine the market value of the property and include both the market value and the appropriate value under Subsection (a) in the appraisal records.(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 fourth tax year that begins after the date the application is approved except that if the agreement is one of a series of agreements related to the same project, the agreement may provide for the deferral of the date on which the qualifying time period is to commence to a date not later than January 1 of the sixth tax year that begins 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 313.0045(a)(4) [~~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 or any other entity on behalf of a 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 313.0045(a)(4) [~~313.021(4)~~] and ending December 31 of the third tax year after the date the person's eligibility for a limitation under this chapter expires [~~with the period described by Section 313.104(2)(B) of this code~~]. This limit does not apply to amounts described by Subsection (f)(1) or (2) [~~of this section~~].(j) An agreement under this chapter must disclose any consideration promised in conjunction with the application and the limitation. |  |
| SECTION 11. Section 313.0275, Tax Code, is amended by adding Subsection (d) to read as follows:No equivalent provision.No equivalent provision.No equivalent provision.(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 6. *(part.)*Sec. 313.0145 [~~313.0275~~]. RECAPTURE OF AD VALOREM TAX REVENUE LOST. (a) Notwithstanding any other provision of this chapter to the contrary, a person with whom a school district enters into an agreement under this chapter [~~subchapter~~] must make the minimum amount of qualified investment [~~during the qualifying time period~~] and create the required number of qualifying jobs during each year of the agreement.(b) If in any tax year a property owner fails to comply with Subsection (a), the property owner is liable to this state for a penalty equal to the amount computed by subtracting from the market value of the property for that tax year the value of the property as limited by the agreement and multiplying the difference by the maintenance and operations tax rate of the school district for that tax year.(c) A penalty imposed under Subsection (b) becomes delinquent if not paid on or before February 1 of the following tax year. Section 33.01 applies to the delinquent penalty in the manner that section applies to delinquent taxes.(d) In the event of a casualty loss, a person with whom a school district enters into an agreement under this chapter may request and the school district may grant a waiver of the requirements of this section. |  |
| SECTION 12. 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 cost to the school district associated with [~~the cost of~~] the economic impact evaluation required by Section [~~Sections~~] 313.025 [~~and 313.026~~]. | SECTION 6. *(part.)*Sec. 313.017 [~~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 313.0045(a)(1) [~~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 chapter [~~subchapter or a tax credit under Subchapter D~~].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 chapter [~~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 the cost of the economic impact evaluation required by Sections 313.012 [~~313.025~~] and 313.013 [~~313.026~~]. |  |
| SECTION 13. Section 313.032, Tax Code, is amended by amending Subsections (a) and (c) and adding Subsections (b-1) and (d) to read as follows:(a) Before the beginning of each regular session of the legislature, the comptroller shall submit to the lieutenant governor, the speaker of the house of representatives, and each 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 new qualifying 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~~].No equivalent provision.(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. | SECTION 6. *(part.)*Sec. 313.018 [~~313.032~~]. REPORT ON COMPLIANCE WITH AGREEMENTS. (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 effect, direct and otherwise, on the total amount of investment in this state;(D) the effect, direct and otherwise, on 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, direct and otherwise, 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 new qualifying jobs each recipient of a limitation on appraised value committed to create;(B) [~~(2)~~] the number of new qualifying jobs each recipient created;(C) [~~(3)~~] the total amount of wages [~~median wage~~] of the 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 for which the limitation period has expired;(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) The report may not include information that is confidential by law.(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 of a limitation on appraised value under this chapter. The comptroller may require a recipient to submit, on a form the comptroller provides, information required to prepare [~~complete~~] the portion of the report described by that subdivision. |  |
| No equivalent provision. | SECTION 10. Subchapter B, Chapter 313, Tax Code, is amended by adding Section 313.0235 to read as follows:Sec. 313.0235. LIMITATION ON APPRAISED VALUE. For a school district to which this subchapter applies, the amount agreed to by the governing body of the school district must be an amount in accordance with the following, according to the category established by Section 313.022 to which the school district belongs:CATEGORY MINIMUM AMOUNT OF LIMITATION I$100 million II$90 million III$80 million IV$70 million V$60 million [FA2(1)] |  |
| SECTION 14. 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 | SECTION 11. The heading to Subchapter C, Chapter 313, Tax Code, is amended to read as follows:SUBCHAPTER C. LIMITATION ON APPRAISED VALUE OF PROPERTY IN CERTAIN [~~RURAL~~] SCHOOL DISTRICTS |  |
| SECTION 15. 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.(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~~].(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.(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 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 qualifying jobs as defined by Section 313.021(3) on the owner's qualified property. Section 313.023(b) does not apply to a school district to which this subchapter applies. [~~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.~~] | SECTION 12. Sections 313.051(a) and (b), Tax Code, are amended to read as follows:(a) This subchapter applies only to a school district that has territory in:(1) an area located in:(A) a county with unemployment above the state average and per capita income below the state average;(B) a federally designated urban enterprise community or an urban enhanced enterprise community; or(C) a defense economic readjustment zone designated under Chapter 2310, Government Code [~~that 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, during the decade preceding [~~from 1990 to 2000, according to~~] the most recent federal decennial census, the population:(i) remained the same;(ii) decreased; or(iii) increased, but at a rate of not more than three percent per annum.No equivalent provision. No equivalent provision. (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 A-1 [~~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.No equivalent provision. | SECTION 13. Sections 313.052 and 313.053, Tax Code, are amended to read as follows:Sec. 313.052. CATEGORIZATION OF SCHOOL DISTRICTS. For purposes of determining the required minimum amount of a qualified investment under Section 313.0045(a)(2)(A)(iv)(a) [~~313.021(2)(A)(iv)(a)] and the minimum amount of a limitation on appraised value under this subchapter~~], school districts to which this subchapter applies are categorized according to the taxable value of industrial property in the district for the preceding tax year determined under Subchapter M, Chapter 403, Government Code, as follows: [FA2(2)] CATEGORY TAXABLE VALUE OF INDUSTRIAL PROPERTY  I $200 million or more  II $90 million or more but less than $200 million  III $1 million or more but less than $90 million  IV $100,000 or more but less than $1 million  V less than $100,000 Sec. 313.053. MINIMUM AMOUNTS OF QUALIFIED INVESTMENT. For each category of school district established by Section 313.052, the minimum amount of a qualified investment under Section 313.0045(a)(2)(A)(iv)(a) [~~313.021(2)(A)(iv)(a)~~] is as follows: CATEGORY MINIMUM QUALIFIED INVESTMENT  I $30 million  II $20 million  III $10 million  IV $5 million  V $1 million  |  |
| No equivalent provision. | SECTION 14. Section 313.054, Tax Code, is amended to read as follows:Sec. 313.054. LIMITATION ON APPRAISED VALUE. (a) For a school district to which this subchapter applies, the amount agreed to by the governing body of the district [~~under Section 313.027(a)(2)~~] must be at least $60 million. [~~an amount in accordance with the following, according to the category established by Section 313.052 to which the school district belongs:~~ [~~CATEGORY MINIMUM AMOUNT OF LIMITATION~~ [~~I$30 million~~ [~~II$20 million~~ [~~III$10 million~~ [~~IV$5 million~~ [~~V$1 million~~] (b) The limitation amount[~~amounts~~] listed in Subsection (a) is a [~~are~~] minimum amount[~~amounts~~]. A school district[~~, regardless of category,~~] may agree to a greater amount than that amount [~~those amounts~~]. [FA2(3)] |  |
| SECTION 16. 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 | SECTION 15. The heading to Subchapter E, Chapter 313, Tax Code, is amended to read as follows:SUBCHAPTER E. EFFECT [~~AVAILABILITY~~] OF [~~TAX CREDIT AFTER~~] PROGRAM EXPIRATION OR REPEAL [~~EXPIRES~~] |  |
| SECTION 17. 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. | SECTION 16. Section 313.171, Tax Code, is amended to read as follows:Sec. 313.171. SAVING PROVISIONS. (a) A limitation on appraised value approved under Subchapter A-1, B, or C before the expiration of that subchapter continues in effect according to that subchapter as that subchapter existed immediately before its expiration, and that law is continued in effect for purposes of the limitation on appraised value.(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. |  |
| SECTION 18. Section 311.014, Tax Code, is amended by adding Subsection (f) to read as follows:(f) Money in the tax increment fund for a reinvestment zone may be transferred to the tax increment fund for an adjacent zone if:(1) the taxing units that participate in the zone from which the money is to be transferred participate in the adjacent zone and vice versa;(2) each participating taxing unit has agreed to deposit the same portion of its tax increment in the fund for each zone;(3) each participating taxing unit has agreed to the transfer; and(4) the holders of any tax increment bonds or notes issued for the zone from which the money is to be transferred have agreed to the transfer. | No equivalent provision. |  |
| SECTION 19. 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. | SECTION 17. Same as House version. |  |
| SECTION 20. 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 18. Same as House version. |  |
| No equivalent provision. | SECTION \_\_. Section 382.003(1-a), Health and Safety code, is amended to read as follows:(1-a) "Advanced clean energy project" means a project for which an application for a permit or for an authorization to use a standard permit under this chapter is received by the commission on or after January 1, 2008, and before January 1, 2020, and that:(A) involves the use of coal, biomass, petroleum coke, solid waste, natural gas, or fuel cells using hydrogen derived from such fuels, in the generation of electricity, or the creation of liquid fuels outside of the existing fuel production infrastructure while co-generating electricity, whether the project is implemented in connection with the construction of a new facility or in connection with the modification of an existing facility and whether the project involves the entire emissions stream from the facility or only a portion of the emissions stream from the facility;(B) with regard to the portion of the emissions stream from the facility that is associated with the project, is capable of achieving:(i) on an annual basis:(a) a 99 percent or greater reduction of sulfur dioxide emissions;(b) [~~or,~~] if the project is designed for the use of feedstock, substantially all of which is subbituminous coal, an emission rate of 0.04 pounds or less of sulfur dioxide per million British thermal units as determined by a 30-day average; or(c) if the project is designed for the use of one or more combustion turbines that burn natural gas, a sulfur dioxide emission rate that meets best available control technology requirements as determined by the commission;(ii) on an annual basis;(a) a 95 percent or greater reduction of mercury emissions; or(b) if the project is designed for the use of one or more combustion turbines that burn natural gas, a mercury emission rate that complies with applicable federal requirements;(iii) an annual average emission rate for nitrogen oxides of:(a) 0.05 pounds or less per million British thermal units; [~~or~~](b) if the project uses gasification technology, 0.034 pounds or less per million British thermal units; or(c) if the project is designed for the use of one or more combustion turbines that burn natural gas, two parts per million per volume; and(iv) an annual average emission rate for filterable particulate matter of 0.015 pounds or less per million British thermal units; and(C) captures not less than 50 percent of the carbon dioxide in the portion of the emissions stream from the facility that is associated with the project and sequesters that captured carbon dioxide by geologic storage or other means. [FA10] |  |
| No equivalent provision. | SECTION \_\_. Subchapter B, Chapter 35, Utilities Code, is amended by adding Section 35.004 (f) to read as follows:Sec. 35.004 (f) AMOUNTS PAID IN LIEU OF AD VALOREM TAX.(a) A municipally owned utility that owns and operates a transmission facility that is constructed under section 39.904(g)(2) may apply to the governing body of a school district, municipality, or county in which the utility owns or operates a transmission facility to make payments in lieu of ad valorem taxes on the transmission facility.(b) A school district, municipality, or county may approve the application and enter into an agreement under Subsection (a), provided that the amount paid may not exceed the amount the utility would have to pay on that transmission facility if the facility were subject to ad valorem taxation.(c) A municipally owned utility that agrees to make payments in lieu of ad valorem taxes under this section may recover, as part of the utility's cost of service, the amount paid to a municipality, county, or school district under the agreement.(d) A municipally owned utility that agrees to make payments in lieu of ad valorem taxes under this section shall provide a copy of the agreement to the commission. [FA9] |  |
| SECTION 21. 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. | SECTION 19. The following provisions of the Tax Code are repealed:(1) Sections 313.005, 313.008, and 313.009; and(2) Subchapter D, Chapter 313. |  |
| SECTION 22. (a) Except as provided by Subsection (b) of this section, 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.(b) An agreement entered into on or after January 1, 2013, pursuant to an application filed under Chapter 313, Tax Code, before the effective date of this Act may condition eligibility for a limitation on appraised value under Subchapter B or C of that chapter, as applicable, on compliance with the provisions of that chapter, as amended by this Act, relating to the creation of new qualifying jobs, including Section 313.021(3), Tax Code, and Section 313.024(d) or 313.051(b), Tax Code, as applicable. | SECTION 20. 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. |  |
| SECTION 23. 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. | No equivalent provision. |  |
| SECTION 24. This Act takes effect January 1, 2014. | SECTION 21. Same as House version. |  |