BILL ANALYSIS

BACKGROUND AND PURPOSE

According to interested parties, current law allows municipalities to enter into tax abatement agreements to forgo taxes as part of efforts to improve underdeveloped property and stimulate economic development. The parties suggest that recent hurricanes have made it impossible for some of the developers granted abatements under these agreements to develop the areas involved. H.B. 1995 seeks to provide a method by which the abatement periods may be extended.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 1995 amends the Tax Code to authorize the parties to an agreement made under the Property Redevelopment and Tax Abatement Act as it relates to tax abatement in a municipal reinvestment zone to modify the agreement to extend the abatement period for a period not to exceed 10 years from the date the modified agreement is executed if the area in which the property that is the subject of the agreement is located is declared to be a disaster area by the governor, the owner of the property sustains a casualty loss to the property as a result of the disaster, and the casualty loss prevents the owner of the property from complying with the original agreement. This provision applies to the modification of a property tax abatement agreement regardless of whether the disaster prompting the modification of the agreement occurred before, on, or after the bill's effective date.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.

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