

By: Springer

H.B. No. 1987

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the eligibility of property for a limitation on
3 appraised value for school district maintenance and operations ad
4 valorem tax purposes under the Texas Economic Development Act.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

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

8 (b) The governing body of a school district is not required
9 to consider an application for a limitation on appraised value. If
10 the governing body of the school district elects to consider an
11 application, the governing body shall deliver a copy of the
12 application to the comptroller and request that the comptroller
13 conduct an economic impact evaluation of the investment proposed by
14 the application. In addition, the governing body may request that
15 the comptroller submit a recommendation as to whether the new jobs
16 creation requirement should be reduced or waived and, if reduced,
17 the number of new jobs that should be required to be created. The
18 comptroller shall conduct or contract with a third person to
19 conduct the economic impact evaluation, which shall be completed
20 and provided to the governing body of the school district, along
21 with the comptroller's certificate or written explanation under
22 Subsection (d)(1) and recommendation under Subsection (d)(2), if
23 requested [~~(d)~~], as soon as practicable but not later than the 90th
24 day after the date the comptroller receives the application. The

1 governing body shall provide to the comptroller or to a third person
2 contracted by the comptroller to conduct the economic impact
3 evaluation any requested information. A methodology to allow
4 comparisons of economic impact for different schedules of the
5 addition of qualified investment or qualified property may be
6 developed as part of the economic impact evaluation. The governing
7 body shall provide a copy of the economic impact evaluation to the
8 applicant on request. The comptroller may charge the applicant a
9 fee sufficient to cover the costs of providing the economic impact
10 evaluation. The governing body of a school district shall approve
11 or disapprove an application not later than the 150th day after the
12 date the application is filed, unless the economic impact
13 evaluation has not been received or an extension is agreed to by the
14 governing body and the applicant.

15 (d) Not later than the 90th day after the date the
16 comptroller receives the copy of the application, the comptroller
17 shall:

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

23 (2) if requested by the governing body of the school
24 district, submit to the governing body a recommendation as to
25 whether the new jobs creation requirement should be reduced or
26 waived and, if reduced, the number of new jobs that should be
27 required to be created.

1 (f-1) Notwithstanding any other provision of this chapter
2 [~~to the contrary, including Section 313.003(2) or 313.004(3)(A) or~~
3 ~~(B)(iii)~~], the governing body of a school district may waive or
4 reduce the new jobs creation requirement in Section
5 313.021(2)(A)(iv)(b) or 313.051(b) only [~~and approve an~~
6 ~~application~~] if the comptroller determines [~~governing body makes a~~
7 ~~finding~~] that the jobs creation requirement exceeds the industry
8 standard for the number of employees reasonably necessary for the
9 operation of the facility of the property owner that is described in
10 the application and recommends waiving or reducing the requirement.

11 SECTION 2. Sections 313.026(a) and (b), Tax Code, are
12 amended to read as follows:

13 (a) The economic impact evaluation of the application must
14 include any information the comptroller determines is necessary or
15 helpful to:

16 (1) the governing body of the school district in
17 determining whether to approve the application under Section
18 313.025; or

19 (2) the comptroller in determining whether to:

20 (A) issue a certificate for a limitation on
21 appraised value of the property under Section 313.025; and

22 (B) if requested, submit a recommendation
23 regarding waiver or reduction of the new jobs creation requirement
24 under Section 313.025.

25 (b) Except as provided by Subsections (c) and (d), the
26 comptroller's determination whether to issue a certificate for a
27 limitation on appraised value under this chapter for property

1 described in the application and whether to, if requested, submit a
2 recommendation regarding waiver or reduction of the new jobs
3 creation requirement shall be based on the economic impact
4 evaluation described by Subsection (a) and on any other information
5 available to the comptroller, including information provided by the
6 governing body of the school district.

7 SECTION 3. Section 313.027(f), Tax Code, is amended to read
8 as follows:

9 (f) In addition, the agreement:

10 (1) must incorporate each relevant provision of this
11 subchapter and, to the extent necessary, include provisions for the
12 protection of future school district revenues through the
13 adjustment of the minimum valuations, the payment of revenue
14 offsets, and other mechanisms agreed to by the property owner and
15 the school district;

16 (2) may provide that the property owner will protect
17 the school district in the event the district incurs extraordinary
18 education-related expenses related to the project that are not
19 directly funded in state aid formulas, including expenses for the
20 purchase of portable classrooms and the hiring of additional
21 personnel to accommodate a temporary increase in student enrollment
22 attributable to the project;

23 (3) must require the property owner to maintain a
24 viable presence in the school district for at least five years after
25 the date the limitation on appraised value of the owner's property
26 expires;

27 (4) must provide for the termination of the agreement,

1 the recapture of ad valorem tax revenue lost as a result of the
2 agreement if the owner of the property fails to comply with the
3 terms of the agreement, and payment of a penalty or interest, or
4 both, on that recaptured ad valorem tax revenue;

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

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

10 (7) must provide for the recapture of ad valorem tax
11 revenue lost as a result of the agreement if, in the first tax year
12 after the date the limitation on appraised value of the owner's
13 property expires, the market value of the property is less than 80
14 percent of the market value of the property in the first tax year
15 after the date the qualifying time period expires; and

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

17 SECTION 4. Chapter 313, Tax Code, as amended by this Act,
18 applies only to an application filed under that chapter on or after
19 the effective date of this Act. An application filed under that
20 chapter before the effective date of this Act is governed by the law
21 in effect on the date the application was filed, and the former law
22 is continued in effect for that purpose.

23 SECTION 5. This Act takes effect January 1, 2016.