

By: Geren, Bohac

H.B. No. 2709

Substitute the following for H.B. No. 2709:

By: Button

C.S.H.B. No. 2709

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the eligibility of property used for a large data center  
3 project for ad valorem tax benefits under the Texas Economic  
4 Development Act.

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

6 SECTION 1. Section 313.021(2), Tax Code, is amended to read  
7 as follows:

8 (2) "Qualified property" means:

9 (A) land:

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

13 (ii) on which a person proposes to  
14 construct a new building or erect or affix a new improvement that  
15 does not exist before the date the person submits a complete  
16 application for a limitation on appraised value under this  
17 subchapter;

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

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

24 (a) make a qualified investment in an

1 amount equal to at least the minimum amount required by Section  
2 313.023; and

3 (b) create at least 25 new qualifying  
4 jobs;

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

7 (C) tangible personal property:

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

10 (ii) for which a sales and use tax refund is  
11 not claimed under Section 151.3186; and

12 (iii) except for new equipment described in  
13 Section 151.318(q) or (q-1), that:

14 (a) is first placed in service in the  
15 new building, in the newly expanded building, or in or on the new  
16 improvement described by Paragraph (A)(ii), or on the land on which  
17 that new building or new improvement is located, if the personal  
18 property is ancillary and necessary to the business conducted in  
19 that new building or in or on that new improvement; or

20 (b) is first placed in service in the  
21 new building, in the newly expanded building, or in or on the new  
22 improvement described by Paragraph (A)(ii), or on the land on which  
23 that new building or new improvement is located to replace personal  
24 property described by Sub-subparagraph (a) that has a useful life  
25 of less than five years.

26 SECTION 2. Section 313.024(b), Tax Code, is amended to read  
27 as follows:

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

3 (1) manufacturing;

4 (2) research and development;

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

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

9 (5) renewable energy electric generation;

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

12 (7) nuclear electric power generation;

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

16 (9) a Texas priority project; or

17 (10) a large data center project as defined by Section  
18 151.3595.

19 SECTION 3. This Act takes effect immediately if it receives  
20 a vote of two-thirds of all the members elected to each house, as  
21 provided by Section 39, Article III, Texas Constitution. If this  
22 Act does not receive the vote necessary for immediate effect, this  
23 Act takes effect September 1, 2015.