

By: Murphy

H.B. No. 386

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the requirements regarding creation of qualifying jobs
3 for the purpose of eligibility for a limitation on appraised value
4 of property for ad valorem tax purposes under the Texas Economic
5 Development Act.

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

7 SECTION 1. Section 313.021, Tax Code, is amended by
8 amending Subdivisions (3) and (5) and adding Subdivision (6) to
9 read as follows:

10 (3) "Qualifying job" means a permanent full-time job
11 that:

12 (A) requires at least 1,600 hours of work a year;

13 (B) is not transferred from one area in this
14 state to another area in this state, unless the transfer represents
15 a net new job in this state;

16 (C) is not created to replace a previous
17 employee;

18 (D) is covered by a group health benefit plan for
19 which the business offers to pay at least 80 percent of the premiums
20 or other charges assessed for employee-only coverage under the
21 plan, regardless of whether an employee may voluntarily waive the
22 coverage; and

23 (E) pays at least 110 percent of the lesser of:
24 (i) the state median annual wage for

1 manufacturing jobs in the state; or

2 (ii) the county average annual [~~weekly~~]
3 wage for manufacturing jobs in the county where the job is located.

4 (F) In determining whether a property owner has
5 created the number of qualifying jobs required under this chapter,
6 operations, services and other related jobs created in connection
7 with the project, including those employed by third parties under
8 contract, may satisfy the minimum qualifying jobs requirement for
9 the project if the Texas Workforce Commission determines that the
10 cumulative economic benefits to the state of these jobs is the same
11 or greater than that associated with the minimum number of
12 qualified jobs required to be created under this chapter. The
13 Texas Workforce Commission shall [~~may~~] adopt rules to implement
14 this subsection.

15 (5) "County average annual [~~weekly~~] wage for
16 manufacturing jobs" and "county average annual wage for all jobs"
17 mean [~~means~~]:

18 (A) the average weekly wage in a county for
19 manufacturing jobs or for all jobs, as applicable, during the most
20 recent four quarterly periods for which data is available at the
21 time a person submits an application for a limitation on appraised
22 value under this subchapter, as computed by the Texas Workforce
23 Commission, multiplied by 52; or

24 (B) the average weekly wage for manufacturing
25 jobs or for all jobs, as applicable, in the region designated for
26 the regional planning commission, council of governments, or
27 similar regional planning agency created under Chapter 391, Local

1 Government Code, in which the county is located during the most
2 recent four quarterly periods for which data is available at the
3 time a person submits an application for a limitation on appraised
4 value under this subchapter, as computed by the Texas Workforce
5 Commission, multiplied by 52.

6 (6) "State median annual wage for manufacturing jobs"
7 and "state median annual wage for all jobs" mean the median annual
8 wage in the state for manufacturing jobs or for all jobs, as
9 applicable, during the most recent period for which data is
10 available at the time a person submits an application for a
11 limitation on appraised value under this subchapter, as computed by
12 the Texas Workforce Commission.

13 SECTION 2. Section 313.024(d), Tax Code, is amended to read
14 as follows:

15 (d) To be eligible for a limitation on appraised value under
16 this subchapter, the property owner must create the required number
17 of new qualifying jobs as defined by Section 313.021(3) and the
18 average annual [~~weekly~~] wage for all jobs created by the owner that
19 are not qualifying jobs must exceed the lesser of:

20 (1) the state median annual wage for all jobs in the
21 state; or

22 (2) the county average annual [~~weekly~~] wage for all
23 jobs in the county where the jobs are located.

24 SECTION 3. Section 313.032(c), Tax Code, is amended to read
25 as follows:

26 (c) The portion of the report described by Subsection (a)(2)
27 must be based on data certified to the comptroller by each recipient

1 or former recipient of a limitation on appraised value under this
2 chapter. The comptroller shall verify the data on which the portion
3 of the report described by Subsections (a)(2)(A), (B), and (C) is
4 based using information from the Texas Workforce Commission, the
5 chief appraiser of the applicable appraisal district, or other
6 sources the comptroller considers reliable.

7 SECTION 4. As soon as practicable after the effective date
8 of this Act, the Texas Workforce Commission shall adopt rules to
9 implement Section 313.021(3)(F), Tax Code, as amended by this Act.

10 SECTION 5. Sections 313.021 and 313.024, Tax Code, as
11 amended by this Act, apply only to an agreement entered into under
12 Chapter 313, Tax Code, on or after the effective date of this Act.
13 An agreement entered into under that chapter before the effective
14 date of this Act is governed by the law in effect on the date the
15 agreement was entered into, and the former law is continued in
16 effect for that purpose.

17 SECTION 6. This Act takes effect September 1, 2017.