

By: Blanco

H.B. No. 2998

A BILL TO BE ENTITLED

AN ACT

relating to defense economic readjustment zones.

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

SECTION 1. Section 2310.001, Government Code, is amended by amending Subdivision (7) and adding Subdivision (8) to read as follows:

(7) "Readjustment zone" means a municipality or county ~~[an area]~~ designated as a defense economic readjustment zone under this chapter.

(8) "Veteran" has the meaning assigned by Section 2308.251.

SECTION 2. Section 2310.002, Government Code, is amended to read as follows:

Sec. 2310.002. JURISDICTION OF MUNICIPALITY. (a) For the purposes of this chapter, territory in the extraterritorial jurisdiction of a municipality is considered to be in the jurisdiction of the municipality.

(b) Notwithstanding Subsection (a), the governing body of a county may apply to the bank for designation as a defense readjustment project a project or activity of a qualified business that is located within the jurisdiction of a municipality located in the county.

(c) Before a county makes an application as provided by Subsection (b), the applying county must enter into an interlocal

1 agreement with the municipality that has jurisdiction of the
2 territory in which the project or activity described by Subsection
3 (b) will be located. The interlocal agreement must specify that
4 either the applying county or the municipality that has
5 jurisdiction of the territory in which the project or activity
6 described by Subsection (b) will be located is the governmental
7 body having administration authority under Section 2310.201 and
8 that both the applying county and municipality approve the
9 application. For purposes of this subsection, a county during any
10 biennium may use the maximum number of designations the county is
11 permitted under Section 2310.306(e) within the territory described
12 by this subsection.

13 SECTION 3. Section 2310.051(b), Government Code, is amended
14 to read as follows:

15 (b) The bank shall establish criteria and procedures [~~for~~
16 ~~designating a qualified area as a readjustment zone and~~] for
17 designating a defense readjustment project.

18 SECTION 4. Section 2310.052(b), Government Code, is amended
19 to read as follows:

20 (b) The bank must include the following information
21 regarding the defense readjustment zone program in the report
22 required by Section 489.107 [~~On or before December 1 of each year,~~
23 ~~the office shall submit to the governor, the legislature, and the~~
24 ~~Legislative Budget Board a report that~~]:

25 (1) an evaluation of [~~evaluates~~] the effectiveness of
26 the readjustment zone program;

27 (2) a description of [~~describes~~] the use of state and

1 local incentives under this chapter and their effect on revenue;
2 and

3 (3) suggestions for ~~[suggests]~~ legislation for the
4 program, as appropriate.

5 SECTION 5. Section 2310.101, Government Code, is amended to
6 read as follows:

7 Sec. 2310.101. [~~CRITERIA~~ ~~FOR~~] READJUSTMENT ZONE
8 DESIGNATION. (a) A municipality or county automatically qualifies
9 for designation [~~To be designated~~] as a readjustment zone if the
10 municipality or county is a defense-dependent community as
11 described by Section 2310.102 [~~an area must:~~

12 [~~(1) have a continuous boundary;~~

13 [~~(2) be at least one square mile but not larger than 20~~
14 ~~square miles, excluding lakes, waterways, and transportation~~
15 ~~arteries, of the municipality, county, or combination of~~
16 ~~municipalities or counties nominating the area as a readjustment~~
17 ~~zone;~~

18 [~~(3) be located in an adversely affected~~
19 ~~defense-dependent community;~~

20 [~~(4) have at least 50 percent of its area located in an~~
21 ~~existing or former United States Department of Defense facility;~~
22 ~~and~~

23 [~~(5) be nominated as a readjustment zone by an~~
24 ~~ordinance or order adopted by the nominating body].~~

25 (b) A municipality or county designated as [~~An area is not~~
26 ~~prohibited from being included in]~~ a readjustment zone under this
27 section is not prohibited from having an area of the municipality or

1 county [~~because the area is~~] also included in an enterprise zone
2 designated under Chapter 2303.

3 SECTION 6. Section 2310.102, Government Code, is amended to
4 read as follows:

5 Sec. 2310.102. [~~ADVERSELY AFFECTED~~] DEFENSE-DEPENDENT
6 COMMUNITY. A municipality or county is a [~~an adversely affected~~]
7 defense-dependent community if, as applicable, the municipality or
8 county [~~the bank determines that~~]:

9 (1) contains a defense base development authority
10 created under Chapter 379B, Local Government Code; or

11 (2) has the power of a defense base development
12 authority created under Chapter 379B, Local Government Code [~~the~~
13 ~~municipality or county requires assistance because of:~~

14 [~~(A) the proposed or actual establishment,~~
15 ~~realignment, or closure of a defense facility;~~

16 [~~(B) the cancellation or termination of a United~~
17 ~~States Department of Defense contract or the failure of the~~
18 ~~department of defense to proceed with an approved major weapon~~
19 ~~system program;~~

20 [~~(C) a publicly announced planned major~~
21 ~~reduction in department of defense spending that would directly and~~
22 ~~adversely affect the municipality or county; or~~

23 [~~(D) the closure or a significant reduction of~~
24 ~~the operations of a defense facility as the result of a merger,~~
25 ~~acquisition, or consolidation of a defense contractor operating the~~
26 ~~facility; and~~

27 [~~(2) the municipality or county is expected to~~

1 ~~experience, during the period between the beginning of the federal~~
2 ~~fiscal year during which an event described by Subdivision (1) is~~
3 ~~finally approved and the date that the event is to be substantially~~
4 ~~completed, a direct loss of:~~

5 ~~[(A) 2,500 or more defense worker jobs in any~~
6 ~~area of the municipality or county that is located in an urbanized~~
7 ~~area of a metropolitan statistical area;~~

8 ~~[(B) 1,000 or more defense worker jobs in any~~
9 ~~area of the municipality or county that is not located in an~~
10 ~~urbanized area of a metropolitan statistical area; or~~

11 ~~[(C) one percent of the civilian jobs in the~~
12 ~~municipality or county].~~

13 SECTION 7. Section 2310.109, Government Code, is amended to
14 read as follows:

15 Sec. 2310.109. PERIOD OF DESIGNATION. A ~~[An area may be~~
16 ~~designated as a]~~ readjustment zone ~~[for a maximum of seven years.~~
17 ~~A]~~ designation remains in effect indefinitely so long as the
18 municipality or county, as applicable, continues to qualify for
19 designation as a readjustment zone under this chapter ~~[until~~
20 ~~September 1 of the final year of the designation].~~

21 SECTION 8. Section 2310.111(a), Government Code, is amended
22 to read as follows:

23 (a) The bank may remove the designation of an area
24 designated as a readjustment zone before September 1, 2017, if:

25 (1) the area no longer meets the criteria for
26 designation under this chapter, as this chapter existed on January
27 1, 2017, or by rule of the office adopted under this chapter before

1 September 1, 2017; or

2 (2) the bank determines that the governing body of the
3 readjustment zone has not complied with commitments made in the
4 ordinance or order nominating the area as a readjustment zone
5 before September 1, 2017.

6 SECTION 9. Section 2310.201, Government Code, is amended to
7 read as follows:

8 Sec. 2310.201. ADMINISTRATION BY GOVERNING BODY. (a) The
9 governing body of a readjustment zone is the governing body of the
10 municipality or county [~~, or the governing bodies of the combination~~
11 ~~of municipalities or counties, that applied to have the area]~~
12 designated as a readjustment zone.

13 (b) The governing body with administration authority over a
14 defense readjustment project for which a designation is sought
15 under Section 2310.002(c) is determined under the terms of an
16 interlocal agreement required by that subsection.

17 SECTION 10. Section 2310.204(c), Government Code, is
18 amended to read as follows:

19 (c) The report must include for the year preceding the date
20 of the report:

21 (1) a list of local incentives for community
22 development available in the zone;

23 (2) the use of local incentives [~~for which the~~
24 ~~governing body provided in the ordinance or order nominating the~~
25 ~~readjustment zone]~~ and the effect of those incentives on revenue;

26 (3) the number of businesses assisted, located, and
27 retained in the zone since its designation due to the existence of

1 the readjustment zone;

2 (4) a summary of all industrial revenue bonds issued
3 to finance projects located in the zone; and

4 (5) a description of all efforts made to attain
5 revitalization goals for the zone.

6 SECTION 11. Section 2310.301, Government Code, is amended
7 to read as follows:

8 Sec. 2310.301. DEFINITIONS [~~DEFINITION~~]. In this
9 subchapter: ~~[7]~~

10 (1) "New [~~"new~~] permanent job" means a new employment
11 position created by a qualified business as described by Section
12 2310.302 that:

13 (A) [~~(1)~~] has provided at least 1,820 hours of
14 employment a year to a qualified employee; and

15 (B) [~~(2)~~] is intended to exist during the period
16 that the qualified business is designated as a defense readjustment
17 project under Section 2310.306.

18 (2) "Retained job" means a job that:

19 (A) existed with a qualified business on the 91st
20 day before the date the business's project or activity is
21 designated as a defense readjustment project;

22 (B) has provided and will continue to provide
23 employment to a qualified employee of at least 1,820 hours
24 annually; and

25 (C) will be or has been an employment position
26 for the longer of:

27 (i) the duration of the project's

1 designation period; or
2 (ii) three years after the expiration date
3 of the claim period for receipt of a state benefit authorized by
4 this chapter.

5 SECTION 12. Section 2310.302(a), Government Code, is
6 amended to read as follows:

7 (a) A person is a qualified business if the bank, for the
8 purpose of state benefits under this chapter, or the governing body
9 of a readjustment zone, for the purpose of local benefits,
10 certifies that:

11 (1) the person is engaged in or has provided
12 substantial commitment to initiate the active conduct of a trade or
13 business in the readjustment zone; and

14 (2) at least 25 percent of the person's new employees
15 in the readjustment zone are:

16 (A) residents of the governing jurisdiction;

17 (B) economically disadvantaged individuals, as
18 defined by Section 2303.402(c); ~~or~~

19 (C) dislocated defense workers; or

20 (D) veterans.

21 SECTION 13. Section 2310.305(b), Government Code, is
22 amended to read as follows:

23 (b) An application must:

24 (1) describe the procedures and efforts of the
25 governmental entity or entities ~~[that applied to have the area~~
26 ~~designated as a readjustment zone]~~ to facilitate and encourage
27 participation by and negotiation among affected entities in the

1 zone in which the qualified business is located;

2 (2) contain an economic analysis of the plans of the
3 qualified business for expansion, revitalization, or other
4 activity in the readjustment zone, including:

5 (A) the number of anticipated new permanent jobs
6 the business will create during the designation period presented in
7 the form of a tabular listing of:

8 (i) the classification titles of those
9 jobs; and

10 (ii) the number of jobs and salary range for
11 each classification title;

12 (B) the anticipated number of permanent jobs the
13 business will retain during the designation period presented in the
14 form of a tabular listing of:

15 (i) the classification titles of those
16 jobs; and

17 (ii) the number of jobs and salary range for
18 each classification title;

19 (C) the amount of investment to be made in the
20 zone; ~~and~~

21 (D) other information the bank requires;

22 (E) the number of employment positions in
23 existence at the qualified business site on the 91st day before the
24 application deadline; and

25 (F) if the application is for a double or triple
26 jumbo defense adjustment project, as defined by Section 2310.307,
27 an indication of which level of designation is being sought; and

1 (3) describe the local effort made by the governmental
2 entity or entities [~~that applied to have the area designated as a~~
3 ~~readjustment zone~~], the administrative authority, if one exists,
4 the qualified business, and other affected entities to develop and
5 revitalize the zone.

6 SECTION 14. Section 2310.306, Government Code, is amended
7 by adding Subsection (e) to read as follows:

8 (e) The maximum number of defense readjustment projects
9 that the bank may designate for each readjustment zone during any
10 biennium is:

11 (1) six, if the readjustment zone is a municipality or
12 county with a population of less than 250,000; or

13 (2) nine, if the readjustment zone is a municipality
14 or county with a population of 250,000 or more.

15 SECTION 15. Section 2310.307, Government Code, is amended
16 to read as follows:

17 Sec. 2310.307. ALLOCATION OF JOBS ELIGIBLE FOR TAX REFUND.

18 (a) The [~~When the bank designates a business as a defense~~
19 ~~readjustment project, the~~] bank shall allocate to a defense
20 readjustment [~~the~~] project the maximum number of new permanent jobs
21 or retained jobs eligible based on the amount of capital investment
22 made in the project, the project's designation level, and the
23 refund per job with a maximum refund to be included in a computation
24 of a tax refund for the project.

25 (b) A capital investment in a project of:

26 (1) \$40,000 to \$399,999 will result in a refund of up
27 to \$2,500 per job with a maximum refund of \$25,000 for the creation

1 or retention of 10 jobs;

2 (2) \$400,000 to \$999,999 will result in a refund of up
3 to \$2,500 per job with a maximum refund of \$62,500 for the creation
4 or retention of 25 jobs;

5 (3) \$1,000,000 to \$4,999,999 will result in a refund
6 of up to \$2,500 per job with a maximum refund of \$312,500 for the
7 creation or retention of 125 jobs;

8 (4) \$5,000,000 or more will result in a refund of up to
9 \$2,500 per job with a maximum refund of \$1,250,000 for the creation
10 or retention of 500 jobs, except as provided by Subdivision (5) or
11 (6);

12 (5) \$150,000,000 to \$249,999,999 will result in a
13 refund of up to \$5,000 per new permanent job with a maximum refund
14 of \$2,500,000 for the creation of 500 new permanent jobs if the bank
15 designates the project as a double jumbo defense readjustment
16 project; or

17 (6) \$250,000,000 or more will result in a refund of up
18 to \$7,500 per new permanent job with a maximum refund of \$3,750,000
19 for the creation of at least 500 new permanent jobs if the bank
20 designates the project as a triple jumbo defense readjustment
21 project.

22 (c) A defense readjustment project for which a commitment
23 for a capital investment in the range amount and the creation of the
24 number of new permanent jobs specified by Subsection (b)(5) is made
25 is considered a double jumbo defense readjustment project if the
26 project is so designated by the bank.

27 (d) A defense readjustment project for which a commitment

1 for a capital investment in the range amount and the creation of the
2 number of new permanent jobs specified by Subsection (b)(6) is made
3 is considered a triple jumbo defense readjustment project if the
4 project is so designated by the bank. [The number may not exceed
5 500 or a number equal to 110 percent of the number of anticipated
6 new permanent jobs or retained jobs specified in the application
7 for designation of the business as a defense readjustment project
8 under Section 2310.305, whichever is less.]

9 SECTION 16. Subchapter E, Chapter 2310, Government Code, is
10 amended by adding Section 2310.3071 to read as follows:

11 Sec. 2310.3071. MAXIMUM TAX REFUND. (a) In this section,
12 "double jumbo defense readjustment project" and "triple jumbo
13 defense readjustment project" have the meanings assigned by Section
14 2310.307.

15 (b) A defense readjustment project is eligible for a maximum
16 refund of \$250,000 in each state fiscal year.

17 (c) A double jumbo defense readjustment project is eligible
18 for a maximum refund of \$500,000 in each state fiscal year.

19 (d) A triple jumbo defense readjustment project is eligible
20 for a maximum refund of \$750,000 in each state fiscal year.

21 SECTION 17. Section 2310.405(a), Government Code, is
22 amended to read as follows:

23 (a) To encourage economic ~~[the]~~ development in the
24 municipality ~~[of areas designated as readjustment zones]~~, the
25 governing body of a municipality designated as a readjustment zone
26 under this chapter, through a program, may refund its local sales
27 and use taxes paid by a qualified business on all taxable items

1 purchased for use at the qualified business site related to the
2 project or activity[+]

3 ~~[(1) the purchase, lease, or rental of equipment or~~
4 ~~machinery for use in a readjustment zone,~~

5 ~~[(2) the purchase of material for use in remodeling,~~
6 ~~rehabilitating, or constructing a structure in a readjustment zone,~~

7 ~~[(3) labor for remodeling, rehabilitating, or~~
8 ~~constructing a structure in a readjustment zone; and~~

9 ~~[(4) electricity and natural gas purchased and~~
10 ~~consumed in the normal course of business in the readjustment~~
11 ~~zone].~~

12 SECTION 18. Section 2310.409, Government Code, is amended
13 to read as follows:

14 Sec. 2310.409. OTHER LOCAL INCENTIVES. (a) The governing
15 body of a municipality or county that is the governing body of a
16 readjustment zone may:

17 (1) defer compliance in the zone with the subdivision
18 and development ordinances or rules, other than those relating to
19 streets and roads or sewer or water services, of the municipality or
20 county, as appropriate;

21 (2) ~~[give priority to the zone for the receipt of:~~

22 ~~[(A) community development block grant money,~~

23 ~~[(B) industrial revenue bonds, or~~

24 ~~[(C) funds received for job training,~~

25 ~~[(3) adopt and implement a plan for police protection~~
26 ~~in the zone,~~

27 ~~[(4)] amend the zoning ordinances of the municipality~~

1 or county, as appropriate, to promote economic development in the
2 zone;

3 (3) [~~(5)~~] establish permitting preferences for
4 businesses in the zone;

5 (4) [~~(6)~~] establish simplified, accelerated, or other
6 special permit procedures for businesses in the zone;

7 (5) [~~(7)~~] waive development fees for projects in the
8 zone;

9 (6) [~~(8)~~] create a local readjustment zone fund for
10 funding bonds or other programs or activities to develop or
11 revitalize the zone;

12 (7) [~~(9)~~] for qualified businesses in the zone, reduce
13 rates charged by:

14 (A) a utility owned by the municipality or
15 county, as appropriate; or

16 (B) a cooperative corporation or utility owned by
17 private investors, subject to the requirements of Subsection (b);

18 (8) [~~(10)~~] in issuing housing finance bonds, give
19 priority to persons or projects in the zone;

20 (9) [~~(11)~~] in providing services, give priority to
21 local economic development, educational, job training, or
22 transportation programs that benefit the zone; or

23 (10) [~~(12)~~] sell real property owned by the
24 municipality or county, as appropriate, and located in the
25 readjustment zone in accordance with Section [2310.410](#).

26 (b) A reduction in utility rates under Subsection (a)(7)(B)
27 [~~(a)(9)(B)~~] is subject to the agreement of the affected utility and

1 the approval of the appropriate regulatory authority under Title 2,
2 Utilities Code. The rates may be reduced up to but not more than
3 five percent below the lowest rate allowable for that customer
4 class. In making its determination under this section, the
5 regulatory authority shall consider revitalization goals for the
6 readjustment zone. In setting the rates of the utility the
7 appropriate regulatory authority shall allow the utility to recover
8 the amount of the reduction.

9 SECTION 19. Section [151.4291](#), Tax Code, is amended by
10 amending Subsections (a), (b), (c), and (e) and adding Subsection
11 (i) to read as follows:

12 (a) A defense readjustment project is eligible for a refund
13 in the amount provided by this section of the taxes imposed by this
14 chapter on purchases of all taxable items purchased for use at the
15 qualified business site related to the project or activity[+

16 ~~[(1) equipment or machinery sold to a defense~~
17 ~~readjustment project for use in a readjustment zone,~~

18 ~~[(2) building materials sold to a defense readjustment~~
19 ~~project for use in remodeling, rehabilitating, or constructing a~~
20 ~~structure in a readjustment zone,~~

21 ~~[(3) labor for remodeling, rehabilitating, or~~
22 ~~constructing a structure by a defense readjustment project in a~~
23 ~~readjustment zone, and~~

24 ~~[(4) electricity and natural gas purchased and~~
25 ~~consumed in the normal course of business in the readjustment~~
26 ~~zone].~~

27 (b) Subject to the limitations provided by Subsection (c)

1 ~~[of this section]~~, a defense readjustment project qualifies for a
2 refund of taxes under this section based on the amount of capital
3 investment made at the qualified business site, the project's
4 designation level, and the refund per job with a maximum refund to
5 be included in a computation of a tax refund for the project. A
6 capital investment at the qualified business site of:

7 (1) \$40,000 to \$399,999 will result in a refund of up
8 to \$2,500 per job with a maximum refund of \$25,000 for the creation
9 or retention of 10 jobs;

10 (2) \$400,000 to \$999,999 will result in a refund of up
11 to \$2,500 per job with a maximum refund of \$62,500 for the creation
12 or retention of 25 jobs;

13 (3) \$1,000,000 to \$4,999,999 will result in a refund
14 of up to \$2,500 per job with a maximum refund of \$312,500 for the
15 creation or retention of 125 jobs;

16 (4) \$5,000,000 or more will result in a refund of up to
17 \$2,500 per job with a maximum refund of \$1,250,000 for the creation
18 or retention of 500 jobs, except as provided by Subdivision (5) or
19 (6);

20 (5) \$150,000,000 to \$249,999,999 will result in a
21 refund of up to \$5,000 per new permanent job with a maximum refund
22 of \$2,500,000 for the creation of 500 new permanent jobs if the
23 Texas Economic Development Bank designates the project as a double
24 jumbo defense readjustment project; or

25 (6) \$250,000,000 or more will result in a refund of up
26 to \$7,500 per new permanent job with a maximum refund of \$3,750,000
27 for the creation of at least 500 new permanent jobs if the Texas

1 Economic Development Bank designates the project as a triple jumbo
2 defense readjustment project [~~of \$2,500 for each new permanent job~~
3 ~~or job that has been retained by the defense readjustment project~~
4 ~~for a qualified employee~~].

5 (c) The total amount of tax refund that a defense
6 readjustment project may apply for in a state fiscal year may not
7 exceed \$250,000, at not more than \$2,500 per job. The total amount
8 of tax refund that a double jumbo defense readjustment project may
9 apply for in a state fiscal year may not exceed \$500,000, at not
10 more than \$5,000 per new permanent job. The total amount of tax
11 refund that a triple jumbo defense readjustment project may apply
12 for in a state fiscal year may not exceed \$750,000, at not more than
13 \$7,500 per new permanent job. If a defense readjustment project,
14 double jumbo defense readjustment project, or triple jumbo defense
15 readjustment project qualifies in a state fiscal year for a refund
16 of taxes in an amount in excess of the applicable limitation
17 provided by this subsection, it may apply for a refund of those
18 taxes in a subsequent year, subject to the applicable limitation
19 for each year. The total amount that may be refunded to:

20 (1) a defense readjustment project under this section
21 may not exceed the amount determined by multiplying \$250,000 by the
22 number of state fiscal years during which the defense readjustment
23 project created or retained one or more jobs for qualified
24 employees;

25 (2) a double jumbo defense readjustment project under
26 this section may not exceed the amount determined by multiplying
27 \$500,000 by the number of state fiscal years during which the double

1 jumbo defense readjustment project created one or more new
2 permanent jobs for qualified employees; or

3 (3) a triple jumbo defense readjustment project under
4 this section may not exceed the amount determined by multiplying
5 \$750,000 by the number of state fiscal years during which the triple
6 jumbo defense readjustment project created one or more new
7 permanent jobs for qualified employees. [~~If a defense readjustment~~
8 ~~project qualifies in a state fiscal year for a refund of taxes in an~~
9 ~~amount in excess of the limitation provided by this subsection, it~~
10 ~~may apply for a refund of those taxes in a subsequent year, subject~~
11 ~~to the \$250,000 limitation for each year. However, a defense~~
12 ~~readjustment project may not apply for a refund under this section~~
13 ~~after the end of the state fiscal year immediately following the~~
14 ~~state fiscal year in which the defense readjustment project's~~
15 ~~designation as a defense readjustment project expires or is~~
16 ~~removed. The total amount that may be refunded to a defense~~
17 ~~readjustment project under this section may not exceed the amount~~
18 ~~determined by multiplying \$250,000 by the number of state fiscal~~
19 ~~years during which the defense readjustment project created one or~~
20 ~~more jobs for qualified employees.]~~

21 (e) In this section:

22 (1) "Defense readjustment project" means a person
23 designated by the Texas Economic Development Bank as a defense
24 readjustment project under Chapter 2310, Government Code.

25 (2) "Readjustment zone" and "qualified employee" have
26 the meanings assigned to those terms by Section 2310.001,
27 Government Code.

1 (3) "New permanent job" means a new employment
2 position created by a qualified business as described by Section
3 [2310.302](#), Government Code, that:

4 (A) has provided at least 1,820 hours of
5 employment a year to a qualified employee; and

6 (B) is intended to exist during the period that
7 the qualified business is designated as a defense readjustment
8 project under Chapter [2310](#), Government Code.

9 (4) "Retained job" has the meaning assigned by Section
10 [2310.301](#), Government Code.

11 (5) "Double jumbo defense readjustment project" and
12 "triple jumbo defense readjustment project" have the meanings
13 assigned by Section [2310.307](#), Government Code.

14 (i) As provided by Subsection (c), a double jumbo defense
15 readjustment project is eligible for a maximum refund of \$500,000
16 and a triple jumbo defense readjustment project is eligible for a
17 maximum refund of \$750,000 in each state fiscal year.

18 SECTION 20. Sections [2310.001\(4\)](#), [2310.053\(d\)](#), [2310.103](#),
19 [2310.104](#), [2310.105](#), [2310.106](#), [2310.107](#), [2310.108](#), [2310.110](#), and
20 [2310.407](#), Government Code, are repealed.

21 SECTION 21. The changes in law made by this Act to Chapter
22 [2310](#), Government Code, apply only to an application for a
23 designation of a project or activity under the defense economic
24 readjustment zone program under Chapter [2310](#), Government Code, as
25 amended by this Act, that is filed on or after the effective date of
26 this Act. An application for designation of a project or activity
27 under the defense economic readjustment zone program that is filed

1 before the effective date of this Act is governed by the law in
2 effect on the date the application was filed, and the former law is
3 continued in effect for that purpose.

4 SECTION 22. The changes in law made by this Act to Section
5 [151.4291](#), Tax Code, apply only to an application for a tax refund
6 made on or after the effective date of this Act. An application for
7 a tax refund made before the effective date of this Act is governed
8 by the law in effect on the date the application was made, and the
9 former law is continued in effect for that purpose.

10 SECTION 23. This Act takes effect September 1, 2017.