

By: Burton

S.B. No. 600

A BILL TO BE ENTITLED

AN ACT

relating to the repeal of the Texas Economic Development Act.

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

SECTION 1. The following provisions of the Tax Code are repealed:

(1) Section 312.0025; and

(2) Chapter 313.

SECTION 2. The heading to Section 42.2515, Education Code, is amended to read as follows:

Sec. 42.2515. ADDITIONAL STATE AID FOR AD VALOREM TAX CREDITS UNDER FORMER TEXAS ECONOMIC DEVELOPMENT ACT.

SECTION 3. Sections 403.302(d) and (m), Government Code, are amended to read as follows:

(d) For the purposes of this section, "taxable value" means the market value of all taxable property less:

(1) the total dollar amount of any residence homestead exemptions lawfully granted under Section 11.13(b) or (c), Tax Code, in the year that is the subject of the study for each school district;

(2) one-half of the total dollar amount of any residence homestead exemptions granted under Section 11.13(n), Tax Code, in the year that is the subject of the study for each school district;

(3) the total dollar amount of any exemptions granted

1 before May 31, 1993, within a reinvestment zone under agreements  
2 authorized by Chapter 312, Tax Code;

3 (4) subject to Subsection (e), the total dollar amount  
4 of any captured appraised value of property that:

5 (A) is within a reinvestment zone created on or  
6 before May 31, 1999, or is proposed to be included within the  
7 boundaries of a reinvestment zone as the boundaries of the zone and  
8 the proposed portion of tax increment paid into the tax increment  
9 fund by a school district are described in a written notification  
10 provided by the municipality or the board of directors of the zone  
11 to the governing bodies of the other taxing units in the manner  
12 provided by former Section 311.003(e), Tax Code, before May 31,  
13 1999, and within the boundaries of the zone as those boundaries  
14 existed on September 1, 1999, including subsequent improvements to  
15 the property regardless of when made;

16 (B) generates taxes paid into a tax increment  
17 fund created under Chapter 311, Tax Code, under a reinvestment zone  
18 financing plan approved under Section 311.011(d), Tax Code, on or  
19 before September 1, 1999; and

20 (C) is eligible for tax increment financing under  
21 Chapter 311, Tax Code;

22 (5) the total dollar amount of any captured appraised  
23 value of property that:

24 (A) is within a reinvestment zone:

25 (i) created on or before December 31, 2008,  
26 by a municipality with a population of less than 18,000; and

27 (ii) the project plan for which includes

1 the alteration, remodeling, repair, or reconstruction of a  
2 structure that is included on the National Register of Historic  
3 Places and requires that a portion of the tax increment of the zone  
4 be used for the improvement or construction of related facilities  
5 or for affordable housing;

6 (B) generates school district taxes that are paid  
7 into a tax increment fund created under Chapter 311, Tax Code; and

8 (C) is eligible for tax increment financing under  
9 Chapter 311, Tax Code;

10 (6) the total dollar amount of any exemptions granted  
11 under Section 11.251 or 11.253, Tax Code;

12 (7) the difference between the comptroller's estimate  
13 of the market value and the productivity value of land that  
14 qualifies for appraisal on the basis of its productive capacity,  
15 except that the productivity value estimated by the comptroller may  
16 not exceed the fair market value of the land;

17 (8) the portion of the appraised value of residence  
18 homesteads of individuals who receive a tax limitation under  
19 Section 11.26, Tax Code, on which school district taxes are not  
20 imposed in the year that is the subject of the study, calculated as  
21 if the residence homesteads were appraised at the full value  
22 required by law;

23 (9) a portion of the market value of property not  
24 otherwise fully taxable by the district at market value because of:

25 (A) action required by statute or the  
26 constitution of this state, other than Section 11.311, Tax Code,  
27 that, if the tax rate adopted by the district is applied to it,

1 produces an amount equal to the difference between the tax that the  
2 district would have imposed on the property if the property were  
3 fully taxable at market value and the tax that the district is  
4 actually authorized to impose on the property, if this subsection  
5 does not otherwise require that portion to be deducted; or

6 (B) action taken by the district under Subchapter  
7 B or C, Chapter 313, Tax Code, before the repeal [~~expiration~~] of  
8 that [~~the~~] subchapter;

9 (10) the market value of all tangible personal  
10 property, other than manufactured homes, owned by a family or  
11 individual and not held or used for the production of income;

12 (11) the appraised value of property the collection of  
13 delinquent taxes on which is deferred under Section 33.06, Tax  
14 Code;

15 (12) the portion of the appraised value of property  
16 the collection of delinquent taxes on which is deferred under  
17 Section 33.065, Tax Code; and

18 (13) the amount by which the market value of a  
19 residence homestead to which Section 23.23, Tax Code, applies  
20 exceeds the appraised value of that property as calculated under  
21 that section.

22 (m) Subsection (d)(9) does not apply to property that was  
23 the subject of an application under former Subchapter B or C,  
24 Chapter 313, Tax Code, made after May 1, 2009, that the comptroller  
25 recommended should be disapproved.

26 SECTION 4. Section 2303.507, Government Code, is amended to  
27 read as follows:

1           Sec. 2303.507. TAX INCREMENT FINANCING AND ABATEMENT[~~+~~  
2 ~~LIMITATIONS ON APPRAISED VALUE~~]. Designation of an area as an  
3 enterprise zone is also designation of the area as a reinvestment  
4 zone for:

5                   (1) tax increment financing under Chapter 311, Tax  
6 Code; and

7                   (2) tax abatement under Chapter 312, Tax Code[~~+~~~~and~~  
8 ~~[(3) limitations on appraised value under Chapter 313,~~  
9 ~~Tax Code]~~].

10          SECTION 5. Section 23.03, Tax Code, is amended to read as  
11 follows:

12          Sec. 23.03. COMPILATION OF LARGE PROPERTIES AND PROPERTIES  
13 SUBJECT TO LIMITATION ON APPRAISED VALUE. Each year the chief  
14 appraiser shall compile and send to the Texas [~~Department of~~  
15 Economic Development and Tourism Office] a list of properties in the  
16 appraisal district that in that tax year:

17                   (1) have a market value of \$100 million or more; or

18                   (2) are subject to a limitation on appraised value  
19 under former Chapter 313.

20          SECTION 6. Section 26.012(6), Tax Code, is amended to read  
21 as follows:

22                   (6) "Current total value" means the total taxable  
23 value of property listed on the appraisal roll for the current year,  
24 including all appraisal roll supplements and corrections as of the  
25 date of the calculation, less the taxable value of property  
26 exempted for the current tax year for the first time under Section  
27 11.31 or 11.315, except that:

(A) the current total value for a school district excludes:

(i) the total value of homesteads that qualify for a tax limitation as provided by Section 11.26; and

(ii) new property value of property that is subject to an agreement entered into under former Chapter 313; and

(B) the current total value for a county, municipality, or junior college district excludes the total value of homesteads that qualify for a tax limitation provided by Section 11.261.

SECTION 7. Section 151.359(k), Tax Code, is amended to read as follows:

(k) A data center is not eligible to receive an exemption under this section if the data center is subject to an agreement limiting the appraised value of the data center's property under former Subchapter B or C, Chapter 313.

SECTION 8. Section 151.3595(j), Tax Code, is amended to read as follows:

(j) A data center is not eligible to receive an exemption under this section if the data center is subject to an agreement limiting the appraised value of the data center's property under former Subchapter B or C, Chapter 313.

SECTION 9. Section 171.602(f), Tax Code, is amended to read as follows:

(f) The comptroller may not issue a credit under this section before the later of:

(1) September 1, 2018; or

1           (2) the expiration of an agreement under former  
2 Chapter 313 regarding the clean energy project for which the credit  
3 is issued.

4           SECTION 10. Section 312.403(a), Tax Code, is amended to  
5 read as follows:

6           (a) In this section, "nuclear electric power generation"  
7 means activities described in category 221113 of the 2002 North  
8 American Industry Classification System [~~has the meaning assigned~~  
9 ~~by Section 313.024(e)~~].

10          SECTION 11. Chapter 320, Tax Code, is amended by adding  
11 Section 320.002 to read as follows:

12          Sec. 320.002. SAVING PROVISIONS AFTER REPEAL OF CHAPTER  
13 313. (a) An agreement limiting the appraised value of property  
14 approved under Subchapter B or C, Chapter 313, before the repeal of  
15 that subchapter continues in effect according to that subchapter as  
16 that subchapter existed immediately before its repeal, and that law  
17 is continued in effect for purposes of the agreement.

18          (b) The repeal of Subchapter D, Chapter 313, does not affect  
19 a property owner's entitlement to a tax credit granted under that  
20 subchapter if the property owner qualified for the tax credit  
21 before the repeal of that subchapter.

22          SECTION 12. This Act takes effect immediately if it  
23 receives a vote of two-thirds of all the members elected to each  
24 house, as provided by Section 39, Article III, Texas Constitution.  
25 If this Act does not receive the vote necessary for immediate  
26 effect, this Act takes effect September 1, 2017.