

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 15, 2019

TO: Honorable Brian Birdwell, Chair, Senate Committee on Natural Resources & Economic Development

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: **HB3143** by Murphy (Relating to the Property Redevelopment and Tax Abatement Act.),
Committee Report 2nd House, Substituted

No fiscal implication to the State is anticipated.

The bill would amend Chapter 312 of the Tax Code, regarding the Property Redevelopment and Tax Abatement Act (Act) by amending Sections 312.002, 312.005, 312.006, and 312.207.

SECTION 1 of the bill would amend Section 312.002 to require a public hearing at which the public is given the opportunity to be heard before a taxing unit may adopt, amend, repeal, or reauthorize guidelines and criteria for tax abatement agreements.

SECTION 2 of the bill would amend Section 312.005 to require the chief appraiser to deliver to the Comptroller a report for three consecutive years after an abatement agreement expires containing the appraised value of the property that was subject to the agreement.

SECTION 3 of the bill would amend Section 312.006 by extending the date of expiration of Chapter 312 to 2029.

SECTION 4 of the bill would add Subsections 312.207 (c) and (d), to require that a public notice of certain meetings related to the approval of a tax abatement agreement must contain the name of the property owner, name and location of the reinvestment zone in which the property subject to the agreement is located, a general description of the nature of improvements or repairs included in the agreement; and the estimated cost of improvements or repairs. Notice of the meeting must conform to Government Code, Chapter 551 except that the notice must be provided at least 120 hours before the scheduled time of the meeting.

SECTION 5 of the bill would add section 312.404 to the Tax Code, requiring a commissioners court that approves an abatement agreement to do so in the manner that a governing body of a municipality authorizes an agreement under section 312.207.

SECTION 6 would stipulate that Section 312.002(c-1) of the Tax Code, as added by this bill, applies only to the adoption, amendment, repeal or reauthorization of guidelines and criteria under Tax Code 312.002 on or after the effective date of this bill.

SECTION 7 would stipulate that Section 312.005(a-1) of the Tax Code, as added by this bill,

applies only to a tax abatement agreement entered into after, or expiring on or after, the effective date of this bill.

SECTION 8 would stipulate that Sections 312.207(c) and (d) and 312.404 of the Tax Code, as added by this bill, apply only to a tax abatement agreement entered into on or after the effective date of this bill.

The bill would have no state revenue implications.

The bill would take effect September 1, 2019.

Local Government Impact

The bill would affect any local governmental entity that has or uses reinvestment zones and abatements. The fiscal implications of the bill cannot be determined at this time.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: WP, SZ, KK, SD, SJS