

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

By: Murphy, Button, Sanford, Noble, Shaheen,  
et al.

H.B. No. 3143

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the Property Redevelopment and Tax Abatement Act.

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

4 SECTION 1. Section 312.002, Tax Code, is amended by adding  
5 Subsections (c-1) and (c-2) to read as follows:

6 (c-1) Before the governing body of a taxing unit may adopt,  
7 amend, repeal, or reauthorize guidelines and criteria, the body  
8 must hold a public hearing regarding the proposed adoption,  
9 amendment, repeal, or reauthorization at which members of the  
10 public are given the opportunity to be heard.

11 (c-2) A taxing unit that maintains an Internet website shall  
12 post the current version of the guidelines and criteria governing  
13 tax abatement agreements adopted under this section on the website.

14 SECTION 2. Section 312.005, Tax Code, is amended by adding  
15 Subsection (a-1) to read as follows:

16 (a-1) For each of the first three tax years following the  
17 expiration of a tax abatement agreement executed under this  
18 chapter, the chief appraiser shall deliver to the comptroller a  
19 report containing the appraised value of the property that was the  
20 subject of the agreement.

21 SECTION 3. Section 312.205(a), Tax Code, is amended to read  
22 as follows:

23 (a) An agreement made under Section 312.204 or 312.211 must:  
24 (1) list the kind, number, and location of all

1 proposed improvements of the property;

2 (2) provide access to and authorize inspection of the  
3 property by municipal employees to ensure that the improvements or  
4 repairs are made according to the specifications and conditions of  
5 the agreement;

6 (3) limit the uses of the property consistent with the  
7 general purpose of encouraging development or redevelopment of the  
8 zone during the period that property tax exemptions are in effect;

9 (4) provide for recapturing property tax revenue lost  
10 as a result of the agreement if the owner of the property fails to  
11 make the improvements or repairs as provided by the agreement;

12 (5) contain each term agreed to by the owner of the  
13 property;

14 (6) require the owner of the property to certify  
15 annually to the governing body of each taxing unit that the owner is  
16 in compliance with each applicable term of the agreement; ~~and~~

17 (7) provide that the governing body of the  
18 municipality may cancel or modify the agreement if the property  
19 owner fails to comply with the agreement; and

20 (8) if the agreement provides for the creation of at  
21 least 25 new jobs within the boundaries of the municipality,  
22 contain a fiscal impact statement describing the potential costs  
23 and benefits of the agreement to the municipality.

24 SECTION 4. Section 312.207, Tax Code, is amended by adding  
25 Subsections (c) and (d) to read as follows:

26 (c) In addition to any other requirement of law, the public  
27 notice of a meeting at which the governing body of a municipality

1 will consider the approval of a tax abatement agreement with a  
2 property owner must contain:

3 (1) the name of the property owner;

4 (2) the name and location of the reinvestment zone in  
5 which the property subject to the agreement is located;

6 (3) a general description of the nature of the  
7 improvements or repairs included in the agreement; and

8 (4) the estimated cost of the improvements or repairs.

9 (d) The notice of a meeting required by this section must be  
10 given in the manner required by Chapter 551, Government Code,  
11 except that the notice must be provided at least 30 days before the  
12 scheduled time of the meeting.

13 SECTION 5. Subchapter C, Chapter 312, Tax Code, is amended  
14 by adding Section 312.404 to read as follows:

15 Sec. 312.404. APPROVAL BY COMMISSIONERS COURT. To be  
16 effective, an agreement made under this subchapter must be approved  
17 by the commissioners court in the manner that the governing body of  
18 a municipality authorizes an agreement under Section 312.207.

19 SECTION 6. Section 312.002(c-1), Tax Code, as added by this  
20 Act, applies only to the adoption, amendment, repeal, or  
21 reauthorization of guidelines and criteria under Section 312.002,  
22 Tax Code, on or after the effective date of this Act.

23 SECTION 7. Section 312.005(a-1), Tax Code, as added by this  
24 Act, applies only to a tax abatement agreement entered into under  
25 Chapter 312 of that code that expires on or after the effective date  
26 of this Act.

27 SECTION 8. Section 312.205(a), Tax Code, as amended by this

H.B. No. 3143

1 Act, and Sections 312.207(c) and (d) and 312.404, Tax Code, as added  
2 by this Act, apply only to a tax abatement agreement entered into on  
3 or after the effective date of this Act.

4 SECTION 9. This Act takes effect September 1, 2019.

ADOPTED

MAY 20 2019

*Letay Spaul*  
Secretary of the Senate

By: *Royce West*

H.B. No. 3143

Substitute the following for \_\_\_B. No. \_\_\_\_\_:

By: *Beverly Powell*

C.S. \_\_\_B. No. \_\_\_\_\_

A BILL TO BE ENTITLED

AN ACT

relating to the Property Redevelopment and Tax Abatement Act.

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

SECTION 1. Section 312.002, Tax Code, is amended by adding Subsections (c-1) and (c-2) to read as follows:

(c-1) Before the governing body of a taxing unit may adopt, amend, repeal, or reauthorize guidelines and criteria, the body must hold a public hearing regarding the proposed adoption, amendment, repeal, or reauthorization at which members of the public are given the opportunity to be heard.

(c-2) A taxing unit that maintains an Internet website shall post the current version of the guidelines and criteria governing tax abatement agreements adopted under this section on the website.

SECTION 2. Section 312.005, Tax Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) For each of the first three tax years following the expiration of a tax abatement agreement executed under this chapter, the chief appraiser shall deliver to the comptroller a report containing the appraised value of the property that was the subject of the agreement.

SECTION 3. Section 312.006, Tax Code, is amended to read as follows:

Sec. 312.006. EXPIRATION DATE. If not continued in effect, this chapter expires September 1, 2029 [~~2019~~].

1 SECTION 4. Section 312.207, Tax Code, is amended by adding  
2 Subsections (c) and (d) to read as follows:

3 (c) In addition to any other requirement of law, the public  
4 notice of a meeting at which the governing body of a municipality or  
5 other taxing unit will consider the approval of a tax abatement  
6 agreement with a property owner must contain:

7 (1) the name of the property owner;

8 (2) the name and location of the reinvestment zone in  
9 which the property subject to the agreement is located;

10 (3) a general description of the nature of the  
11 improvements or repairs included in the agreement; and

12 (4) the estimated cost of the improvements or repairs.

13 (d) The notice of a meeting required by this section must be  
14 given in the manner required by Chapter 551, Government Code,  
15 except that the notice must be provided at least 30 days before the  
16 scheduled time of the meeting.

17 SECTION 5. Subchapter C, Chapter 312, Tax Code, is amended  
18 by adding Section 312.404 to read as follows:

19 Sec. 312.404. APPROVAL BY GOVERNING BODY. To be effective,  
20 an agreement made under this subchapter must be approved by the  
21 governing body of the county or other taxing unit in the manner that  
22 the governing body of a municipality authorizes an agreement under  
23 Section 312.207.

24 SECTION 6. Section 312.002(c-1), Tax Code, as added by this  
25 Act, applies only to the adoption, amendment, repeal, or  
26 reauthorization of guidelines and criteria under Section 312.002,  
27 Tax Code, on or after the effective date of this Act.

1           SECTION 7. Section 312.005(a-1), Tax Code, as added by this  
2 Act, applies only to a tax abatement agreement entered into under  
3 Chapter 312 of that code that expires on or after the effective date  
4 of this Act.

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

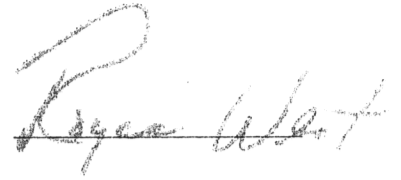
8           SECTION 9. This Act takes effect September 1, 2019.

FLOOR AMENDMENT NO. 1

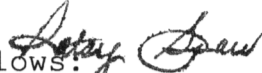
**ADOPTED**

✓ ✓  
MAY 20 2019

BY:



1 Amend H.B. No. 3143 as follows:

  
Secretary of the Senate

2 In SECTION 4 of the bill, in added Sec. 312.207(c)(1),  
3 Tax Code, strike "the name of the property owner" and substitute  
4 "the name of the property owner and the name of the applicant for  
5 the tax abatement agreement".



**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**May 21, 2019**

**TO:** Honorable Dennis Bonnen, Speaker of the House, House of Representatives

**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. ),  
**As Passed 2nd House**

<b>No fiscal implication to the State is anticipated.</b>
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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 and the name of the applicant for the tax abatement agreement, 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

**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**

<b>No fiscal implication to the State is anticipated.</b>
---

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

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**May 6, 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.),  
**As Engrossed**

<b>No fiscal implication to the State is anticipated.</b>
---

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 312.202.

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 extend the date of expiration of Chapter 312 to 2029.

SECTION 4 of the bill would amend Sub-sections 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 312.4004 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

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**April 8, 2019**

**TO:** Honorable Dustin Burrows, Chair, House Committee on Ways & Means

**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 1st House, Substituted**

<p><b>No fiscal implication to the State is anticipated.</b></p>
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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 312.202.

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 extend the date of expiration of Chapter 312 to 2029.

SECTION 4 of the bill would amend Sub-sections 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 312.4004 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, KK, SD, SJS



**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**March 19, 2019**

**TO:** Honorable Dustin Burrows, Chair, House Committee on Ways & Means

**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.),  
**As Introduced**

<b>No fiscal implication to the State is anticipated.</b>
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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 312.202.

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 a abatement agreement expires containing the appraised value of the property that was subject to the agreement.

SECTION 3 of the bill would extend the date of expiration of Chapter 312 to 2029.

SECTION 4 of the bill would amend Section 312.202 to state that, in addition to current requirements, to receive designation as a reinvestment zone, an area must be reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or attract major investment in the zone that would benefit the property in the zone and that would contribute to the economic development of the city.

The bill would have no state revenue implications.

The bill would affect any local governmental entity that has or uses reinvestment zones and abatements.

The bill would take effect September 1, 2019.

**Local Government Impact**

The fiscal implications of the bill cannot be determined at this time.

**Source Agencies:** 304 Comptroller of Public Accounts

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