

## **BILL ANALYSIS**

Senate Research Center  
87R20443 RDS-F

H.B. 4242  
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Natural Resources & Economic Development  
5/18/2021  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Provisions of the Texas Economic Development Act providing for Chapter 313 agreements between a qualifying public school district and a taxpayer in which the appraised value of certain qualified property is limited for purposes of public school district maintenance and operations property taxes in exchange for a qualifying investment that produces a minimum number of new jobs in the district are set to expire at the end of 2022. Because school district property taxes are the largest portion of the property tax bill in Texas, this is an important tool to incentivize economic development activity in Texas. H.B. 4242 seeks to postpone the expiration of these provisions and continue the authorization to enter into Chapter 313 agreements.

H.B. 4242 amends current law relating to the extension of the expiration of certain parts of the Texas Economic Development Act.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 313.007, Tax Code, to provide that Subchapters B (Limitation on Appraised Value of Certain Property Used to Create Jobs) and C (Limitation on Appraised Value of Property in Strategic Investment Area or Certain Rural School Districts) expire December 31, 2024, rather than December 31, 2022.

SECTION 2. Effective date: upon passage or September 1, 2021.