BILL ANALYSIS

C.S.H.B. 4242
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Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

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. C.S.H.B. 4242 seeks to postpone the expiration of these provisions and continue the authorization to enter into Chapter 313 agreements.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 4242 amends the Tax Code to postpone until December 31, 2024, the expiration of the provisions of the Texas Economic Development Act providing for Chapter 313 agreements between a qualifying public school district and a taxpayer subject to the franchise tax 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.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2021.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 4242 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

Whereas the original postponed the expiration of the provisions until December 31, 2026, the substitute advances the expiration to December 31, 2024.