87R11270 LHC-D

By:  Cason H.B. No. 2971

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  The following provisions of the Tax Code are repealed: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 48.254, Education Code, is amended to read as follows:

Sec. 48.254.  ADDITIONAL STATE AID FOR AD VALOREM TAX CREDITS UNDER FORMER TEXAS ECONOMIC DEVELOPMENT ACT.

SECTION 3.  Section 48.2551(a), Education Code, is amended to read as follows:

(a)  In this section:

(1)  "DPV" has the meaning assigned by Section 48.256;

(2)  "E" is the expiration of the exclusion of appraised property value for the preceding tax year that is recognized as taxable property value for the current tax year, which is the sum of the following:

(A)  property value that is no longer subject to a limitation on appraised value under former Chapter 313, Tax Code; and

(B)  property value under Section 311.013(n), Tax Code, that is no longer excluded from the calculation of "DPV" from the preceding year because of refinancing or renewal after September 1, 2019;

(3)  "MCR" is the district's maximum compressed rate, which is the tax rate for the current tax year per $100 of valuation of taxable property at which the district must levy a maintenance and operations tax to receive the full amount of the tier one allotment to which the district is entitled under this chapter;

(4)  "PYDPV" is the district's value of "DPV" for the preceding tax year; and

(5)  "PYMCR" is the district's value of "MCR" for the preceding tax year.

SECTION 4.  Sections 48.256(d) and (e), Education Code, are amended to read as follows:

(d)  This subsection applies to a school district in which the board of trustees entered into a written agreement with a property owner under former Section 313.027, Tax Code, for the implementation of a limitation on appraised value under former Subchapter B or C, Chapter 313, Tax Code. For purposes of determining "DPV" under Subsection (a) for a school district to which this subsection applies, the commissioner shall exclude a portion of the market value of property not otherwise fully taxable by the district under Subchapter B or C, Chapter 313, Tax Code, before the repeal [~~expiration~~] of that [~~the~~] subchapter. The comptroller shall provide information to the agency necessary for this subsection. A revenue protection payment required as part of an agreement for a limitation on appraised value shall be based on the district's taxable value of property for the preceding tax year.

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

SECTION 5.  Section 2303.507, Government Code, is amended to read as follows:

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

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

(2)  tax abatement under Chapter 312, Tax Code[~~; and~~

[~~(3)  limitations on appraised value under Chapter 313, Tax Code~~].

SECTION 6.  Section 23.03, Tax Code, is amended to read as follows:

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

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

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

SECTION 7.  Section 26.012(6), Tax Code, is amended to read as follows:

(6)  "Current total value" means the total taxable value of property listed on the appraisal roll for the current year, including all appraisal roll supplements and corrections as of the date of the calculation, less the taxable value of property exempted for the current tax year for the first time under Section 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 8.  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 9.  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 10.  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

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

SECTION 11.  Section 312.403(a), Tax Code, is amended to read as follows:

(a)  In this section, "nuclear electric power generation" means activities described in category 221113 of the 2017 North American Industry Classification System [~~has the meaning assigned by Section 313.024(e)~~].

SECTION 12.  Chapter 320, Tax Code, is amended by adding Section 320.002 to read as follows:

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

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

SECTION 13.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2021.