

PUBLIC COMMENTS

HB 1556

HOUSE COMMITTEE ON WAYS & MEANS

---

Hearing Date: March 29, 2021 10:00 AM

---

James Klein

Clean Economy Coalition

Corpus Christi, TX

I ask members of this committee to oppose all bills like HB 1556 by Rep Murphy that would extend and expand the Chapter 313 school property tax abatements. Oversight of these extravagant corporate giveaways is woefully inadequate, and most of the benefits go to multinational firms and out-of-state shareholders. We need to ensure working people can make ends meet — not hand out tax breaks to corporations.

Craig Campbell

self retired

Austin, TX

Please don't renew this tax giveaway to out-of-state corporations.

Raul Chavarria

Crockett County Consolidated Common School District - Superintendent of Schools

Ozona, TX

In opposition of HB 1556

HB 1556 will have a negative impact on our schools by removing any incentive to attract windfarms/solar farms from locating in our county. Our students have benefited from 313 agreements by providing much needed revenue for our schools and programs through the lost revenue protection provided by the 313 agreements. Our tax payers have benefited because revenue from 313 agreements have allowed us to keep our taxes to a minimum.

As a superintendent of schools, I see firsthand the many benefits that 313 agreements have allowed for our schools. I don't want our board to lose the local control in application fees, negotiating agreements, and the ability to keep our taxes low

Mark Goloby

Self

Houston, TX

Against HB 1556

Having unelected school superintendents run Texas' Economic Development is wrong.  
It should be the elected County Commissioners and City Councils

Mark Ramsey, P.E.

self / engineer

Spring, TX

Printed on: April 5, 2021 7:30 PM

I strongly OPPOSE HB 1556. Do NOT RENEW this unconscionable Chapter 313--which at it's heart, makes already overburdened property taxpayers pay other wealthy corporations' taxes! BOTH PARTIES PLATFORMS have condemned this abominable practice enabled by Chapter 313 for years now. DO NOT RENEW OR IN ANY WAY EXTEND CHAPTER 313. - Mark S. Ramsey, P.E. Texas Electoral College, Texas State Platform committee chair, Texas state legislative priorities committee chair.

Tommy Thomas

Self

Tomball, TX

I oppose HB 1556 AND do NOT renew Chapter 313

Teresa Thomas

Self

Tomball, TX

I oppose HB 1556 AND do NOT renew Chapter 313

Kristin Cobb

Self

Spring, TX

I oppose HB 1556 do NOT renew Chapter 313.

The testimonies given by the proponents of this bill are self-serving. They actually think they are doing us a favor by getting us to pay their school district property taxes. Apparently, the people affected (those you represent) are not paying enough of their school district property taxes. Further, these groups that support Chapter 313 seem very proud that they are creating jobs that pay up to \$85,000 per year. Of course they can afford to create \$85,000 per year jobs... The Texas Comptroller notes the Texas Taxpayers are paying them \$200,000 per job per year.

Chapter 313 only hurts taxpayers. Greater Houston Partnership testified abatements are critical for economic development and they bring in support companies that come without abatements. I do not want to pay more school district property taxes for corporations with Billion dollar market capitalizations. HB 1556 only makes Chapter 313 worse.

Tom Kowalski

Texas Healthcare and Bioscience Institute (THBI)

Austin, TX

Dear Chairman Meyer and Honorable Committee Members,

The Texas Healthcare and Bioscience Institute (THBI) is the Texas public policy voice for the healthcare and bioscience industry. Our membership consists of biopharmaceutical companies, research institutions, medical device companies, economic development entities and service companies providing unparalleled networking and synergy to effectively address the public policy needs of Texas' growing life sciences community.

The Texas life sciences industry is committed to expanding the boundaries of science by discovering, developing and delivering innovative and needed medications to patients. It is the patient that is the ultimate beneficiary of such advances. The membership of THBI is dedicated to creating an environment where such discoveries flourish and thrive.

Printed on: April 5, 2021 7:30 PM

On behalf of the member companies of THBI and as members of Texas' business community, we write to express our support of the renewal of the Texas Economic Development Act, the Chapter 313 program, and State Representative Jim Murphy's House Bill 1556. The passing of HB 1556 is essential to providing economic incentives that would attract manufacturing companies to Texas.

Thank you for your consideration and leadership. We look forward to continuing our collaboration with you during the 87th Legislative Session.

Sincerely,

Tom Kowalski  
President & CEO

Lourdes Sierra

SELF

Edinburg, TX

Dear committee members

My name is Lourdes Sierra and my grandchildren go to IDEA Edinburg District School.

HB1502 HB1556

To recover from the pandemic, our schools need more funds so that our children have a safe, well-airconditioned school so that they can have a healthy distance and good purified air.

We also need more school transportation so that our children are not crowded.

We especially need more teachers prepared for our special children.

So, thank you very much for reading my comments..

- Lourdes Sierra

8005 Jessica Lane Edinburg TX, 78542

Esther Gomez

SELF

Edinburg, TX

Dear members of the committee:

My name is Esther Cortez. I live in Edinburg. I am the mother of a student in the Donna District. My 2 oldest children have already graduated and they were very happy with their work. I am grateful because they had a lot of support in High School.

My comments are on the proposed bills are that no cuts of funds should be made for schools. Those funds are needed to support the teachers because they are also spending out of their own pocket. Instead, give them more incentives.

More funds are needed to recover from the pandemic and for the students to have good hygiene measures. We need more resources for our bilingual students in Texas schools. It is very important us as parents that our children master the minimum two languages of English - Spanish and for the future of our children and the state of Texas.

Claudia Garcia

SELF

Pharr, TX

To whom it may concern

Representative members of the committee, I am very honored to greet you and write these notes regarding a certain part of the

Printed on: April 5, 2021 7:30 PM

law extension HB 1556 and 1502 of economic development.

My name is Claudia Garcia. I am the mother of four students in the PSJA school district, currently studying at Raiders High School, LBJ Middle School and DR Long Elementary Respectively we reside in the city of Pharr TX, 78577

My comment is to ask you not to reduce the economic resources for our schools since now more than ever we need more maintenance in the facilities to disinfect the areas and have sufficient measures for the safety and health of our students as well as all staff and collaborators.

Also, we need more incentives or better salary for teachers since they sometimes have to contribute from their pocket for virtual classes.

Thank you very much in advance.

Aurelio Montemayor

Self

San Antonio, TX

Included in the wording of HB 1556 are items that will reduce the money that goes to our public schools. Shamefully, the COVID crisis is driving some legislators to propose that state funds for schools be reduced. These proposed acts seek to spend Texas public money in ways that are not for the critical needs in our schools, our students and our families.

Before the pandemic, Texas schools were already inequitably funded. A much greater portion of the school funding had been transferred to local tax efforts. The communities with low tax bases had to contribute more money with less positive growth for their schools.

For quite a while the attempts to make funding more equitable, labeled with the incorrect and stigmatizing phrase 'Robin Hood', closed the gaps through the early 90s. Funding formulas have consistently moved back toward inequity and funding gaps. Now with the critical needs caused by the Pandemic, the inequities are glaringly present and being suffered by many poor communities in our wealthy state.

More funds are needed for teachers, classes and students.

The teachers need added pay, resources, training and general support.

The classes need to be re-designed and re-structured for health safety.

The students need equipment for safety, special support for the mental health suffering caused by the separation and isolation and the limitations of computer-based classes.

Students with special needs need teachers with special preparation and skills beyond basic certification. The year of physical separation combined with the limitations of virtual education have taken a heavy toll on students with special needs.

All the challenges the COVID crisis presented and presents to our schools, our children and our families merit extra resources from the state.

It's not a plea for using a rainy-day fund but the survival of a hurricane-hit school system.

Please, please give our schools the extra funds they need. The state's economic future will be a bankruptcy if this legislature doesn't act rationally and justly.

Mary Corbin

swe

Houston, TX

I strongly object to the renewal of Chapter 313 and the 312 abatement.

Beverly Roberts, Mrs.

Self, retired teacher

Printed on: April 5, 2021 7:30 PM

Houston, TX

Dear Rep. Murphy, usually you and I are on the same page on issues but not this one. Stop cheating Texas homeowners and oppose HB 1556 AND do NOT renew Chapter 313 of the Texas tax code. This code does not benefit the majority of our citizens who must pay every-increasing taxes.

Sheryl Moore

School Superintendent - Retired

Sealy, TX

I don't know one superintendent that would recommend to their board to pass another 313 agreement under HB 1556. It asks school boards, THE GATEKEEPERS for 313 agreements, to make financial decisions without any representation and no promise of a benefit. They simply will not do it. Too much risk. To pass HB 1556 is to end the economic development act. Business thinks they want this bill to pass...but they do not. This is a lopsided piece of legislation that takes away all incentives for school districts to pass 313s. Even more outrageous is the amount of money it would take from the state of Texas by moving from a value limitation to an abatement. It's a bad bill for all concerned and should be withdrawn.

Mackenzie Walters

Self -- Attorney for Public Schools

Austin, TX

This bill is bad for school districts and bad for the State of Texas. Districts with existing agreements that contemplate future revenue protection payments (“RPPs”) will lose those payments because the bill strikes HB 3 language that permits us to use prior year property values to calculate RPPs (page 39 of bill). HB 1556 prohibits future revenue protection payments as well as supplemental payments (currently \$100 per ADA or \$50,000). Revenue protection payments and supplemental payments under current law are negotiable and enforceable. HB 1556 replaces contractual payments with “voluntary” payments that cannot be enforced by including them in the agreement. If the legislature wants to do away with benefits under existing agreements, they should allow local school boards to terminate and re-negotiate those agreements. If the legislature wants to do away with RPPs going forward, there needs to be flexibility on the \$100 per student cap payable to school districts. If school districts cannot negotiate some benefit from a 313 agreement, they are unlikely to sign an agreement. HB 1556 bypasses the school districts for the applications and puts the responsibility on the Comptroller office. This should not happen. It takes away all ability for the school districts to negotiate for something that could have a large financial impact on the community and school. This bill helps only industry and does not help the State or the local communities.

Dick Lavine

Every Texan (formerly the Center for Public Policy Priorities)

AUSTIN, TX

Every Texas opposes HB 1556.

A full explanation of our position is at <https://everytexan.org/2021/03/23/opposing-hb-1556-end-chapter-313-abatements-and-free-up-future-state-revenue/>

The highlights include:

#### HB 1556 DOUBLES DOWN ON THE EXTRAVAGANCE OF THE CURRENT PROGRAM

Companies signing a Chapter 313 agreement with a school district routinely agree to give back a substantial part of their tax savings to the district through a “payment in lieu of taxes” (PILT) or a “revenue protection payment.” These payments may indicate that companies were attracted to Texas for other reasons and many would have located in the state with a much smaller incentive or no tax break at all.

Printed on: April 5, 2021 7:30 PM

HB 1556 would eliminate these supplemental payments. But instead of offsetting this windfall to companies by reducing the size of the tax benefit, the bill would simultaneously make the tax break even more lucrative. The bill would change the investment needed to qualify for a tax break, allowing many more companies, which would not be eligible under current law, to now receive a hefty tax break. More importantly, projects would receive a 100% abatement on all but “golden pennies” and debt service taxes.

HB 1556 would further expand the type of project that could qualify for this total exemption from most school taxes, exploding the potential cost to the state. The bill would allow renovations, expansions or other improvements in existing buildings to be included in an abatement – a much larger number of projects.

The bottom line would be a two-tier property tax system, in which large manufacturing properties receive long-term exemptions, while smaller businesses and homeowners pick up the difference.

#### HB 1556 WOULD ELIMINATE ALL JOB CREATION AND WAGE REQUIREMENTS

Chapter 313 of the Tax Code states explicitly, “The purposes of this chapter are to... create new, high-paying jobs in this state.” Over time both the minimum job creation and wage requirements have been weakened, but at least some framework remained.

Under HB 1556, projects would qualify for a 100% tax exemption based only on the amount of expenditure, without regard to the number or quality of jobs that might be created. The only minor check would be that wages paid to employee and construction contractors would have to exceed 10% of the company’s tax savings each year – a very low hurdle.

#### HB 1556 LEAVES IN PLACE MANY OF THE DEFECTS OF CHAPTER 313

- These tax giveaways are outmoded.
- These tax giveaways are unnecessary.
- These agreements bring less taxable value than anticipated.
- These agreements are a costly way to create new jobs.
- These agreements are subject to little oversight.
- The benefits of Chapter 313 abatements go to out-of-state shareholders and high-income Texans.

Susana Marez

SELF

Hargill, TX

Susana Marez

My name is Susana Marez. I have four kids in the Edinburg District. I live in Hargill TX, 78549.

I believe that every school is in need of more funding so that the Teachers are more willing to put in the extra work to help those kids who stayed behind in their education during the pandemic. So The schools and places zoned rural, have a better internet connection and quality so that they are able to be connected without any interruptions. I hope that schl funds aren't cut out because these funds are an important aspect in your children's education

David Hayward

Damon ISD

Rosharon, TX

As the superintendent of Damon ISD, a small rural school district, I completely oppose HB 1556. This bill has been written by the industry and will have an enormous negative impacts on school districts including my own.

Jocelyn Resendez

SELF

Edinburg, TX

Dear Member of Committee My name is Jocelyn Resendez I live in Edinburg TX I have a daughter in Pre-k who attends Betts

Printed on: April 5, 2021 7:30 PM

Elementary in Edinburg Consolidated Independent School District. It is important that our schools have more financial funds available so whenever the schools start fully reopening more teachers can be hired and that way our childrens won't all be so crowded in the classrooms and they can maintain a healthy distance during this pandemic.

Anne Meng

Concerned citizen, Nurse

Houston, TX

Oppose HB 1556 AND do NOT renew Chapter 313!!!

Virginia Santana

Self

Pharr, TX

As a parent I protest the idea of cutting the education budget at the federal or state levels, especially during this pandemic.

We need the budget to fund better training for teachers in Texas, whom still have not perfected the art of educating via zoom. As a result, children are not able to capture much of the lesson plans and end up confused and lost under mountains of homework, like my former straight A child.

We need the current budget to address these issues.

Lucy Hernandez

Self

Pharr, TX

As a grandparent I protest the idea of cutting the education budget at the federal or state levels, especially during this pandemic.

We need the budget to fund a 1st World Menu for k-12 students in Texas.

My grandchild for instance needs better choices like 'organic food'. Our school district should be smart and start an organic program to support less chemicals in our food supply. Chemicals that studies show impair cognition, growth and intellect. Check the labels of these packaged foods yourselves. What would you give these pre packaged foods to your grandkids?

My grandchild does and quickly chooses not to put these foodstuffs in her mouth!!

The Education budget should allow for this 1st class Menu. Our children's health should be our number one priority.

Fabio Angell

Self

Pharr, TX

Fabio

As a parent I protest the idea of cutting the education budget at the federal or state levels, especially during this pandemic.

We need the budget to fund education costs borne by parents at home in Texas.

Homes like mine need to be retrofitted so children have a classroom-setting in order to be prepared to attend internet classes. I don't have the finances in place to do this. Things like paper, earphones, supplies, a chair, a desk, a small library as well as a whiteboard (with markers) so my daughter can do her own modeling and self-teaching (or review modules with me or her

Printed on: April 5, 2021 7:30 PM

brother). These are education costs for which I and millions of us need assistance.

In all, I find mind boggling that our leaders are threatening to decrease the education budget at state or federal levels.

Why would the government rather spend money on building tanks, ammunition or airplanes when it is more important to train children properly rather than training them later as soldiers that might already suffer from ?cognitive limitations? due to lack of access to proper education and proper food during their growing years?

Is this deliberate ? To cut the education budget that would finance our children's proper growth to become the best they can be ?

We in low income neighborhoods feel treated like we are idiots unable to understand these larger issues. We elected you to leadership positions so you can help us make better choices as a community, in the collective.

If you can not do this, then please get out of the way !!

Veronica Arredondo

Damon ISD

Damon, TX

I Opposed HB 1556

Julie Ybarra, Teacher

Damon ISD

Bay city, TX

I oppose.

Juan Flores

Retired

San Antonio, TX

Honorable Committee Members: I urge you to vote NO to HB 1502 and HB 1556. These 2 Chapter 313 programs related to property tax abatements short-change our state economic growth opportunities during a critical period of recovery from the Covid-19 pandemic. If enacted they will substantially reduce human capital investments in public and higher education, health and human services, and infrastructure. These are areas in which we continually fall short demonstrated by the suffering, lives lost, financial cost, and endless legal entanglements that are well documented. Examples include Foster Care, Mental Health, Public Education, and Public Health Infrastructure. I implore you to focus on the immediate economic recovery needs of our fellow Texans and our state. Recovery will take time and must be systematic – address immediate needs while investing in equitable economic mobility opportunities. Texas already had an inequitable tax system that places a greater burden on low-income residents, limits opportunities for economic mobility, and simply continues to perpetuate high poverty rates among too many Texas families. Chapter 313 abatements are unduly extravagant for a select few, brings less taxable value than anticipated, costly way to create new jobs, and their benefits to out-of-state shareholders and high-income Texans.

Please vote No to HB1556

Juan H. Flores, M.U.P.

July Beal

Damon ISD

Lake Jackson, TX

Printed on: April 5, 2021 7:30 PM

I am completely opposed to HB 1556.

Sonny Cruse, Superintendent- Graham ISD  
Graham Independent School District  
Graham, TX

HB 1556 appears to be problematic for school districts as it eliminates Revenue Protection Payments, Supplemental Payments, and Application Fees. Additionally, it will place a \$50K - \$75K burden on the school district to receive legal counsel regarding 313 agreements. If HB 1556 becomes law it will likely end the era of 313 agreements for economic development in Texas.

Chris Wigington, Superintendent  
Bushland ISD  
Bushland, TX

This bill is very problematic for school districts across the state with concern to 313 Agreements. It does away with Revenue Protection Payments, Supplemental Payments, and Application fees. That will mean millions in savings for the applicant with little benefit to the district or the state. It also means that if a district wants to consider a 313 Agreement, the district must pay for their own attorney and financial analysis instead of the applicant funding these necessities. Currently that cost is usually between \$50,000-\$75,000, funds school districts do not have. This bill hopes superintendents and boards will enter into these complex negotiations without information, representation, and guidance from anyone. That scenario is unlikely to result in good outcomes for school districts. It's a bad bill and will likely end the era of 313 Agreements for economic development in Texas.

Rebecca Boaz  
Damon ISD  
DAMON, TX

I oppose

Kristin Brown, Superintendent  
Lyford CISD  
Lyford (WILLACY), TX

Bill 1556 is designed to cause great hardships on school districts in the rural areas of Texas. As a small rural school district, we are currently working with 6 different wind farm companies to assist in bringing alternate energy solutions to Texas.

We are small, less than 1500 students, less than 300 staff. As the Superintendent, I have no formal training in tax agreements, legalities of wind farm construction nor the expertise in negotiating tax agreements. As a Superintendent, I rely on experts in these areas to assist in representing our community and tax payers to ensure that the agreements put into place will be compliant with laws and regulations.

The funds collected from these organizations are used to pay experts in ensuring the District is compliant with regulations regarding tax agreements. There are supplemental funds that are paid to school districts, which are generally used to update infrastructure and facilities. The tax agreements allow for these companies to save money through reduced tax agreements, the supplemental funds paid to the District are still less than the full taxing amount.

I ask that the committee consider HB 1502 (Deshotel) as a bill that supports both school districts and wind farms and not approve Bill 1556 which will support wind farms but not schools.

Rena Graves, Assistant Superintendent

Printed on: April 5, 2021 7:30 PM

Mart ISD

Mart, TX

Currently our district has two Chapter 313 agreement and there is a possibility for a third. This is a windfall for our district. We are a small farming community with very little chance of economic growth. These agreements are going to allow us to update our infrastructure. We have some many needs and not enough tax base to meet those needs. We currently have 537 students enrolled and employee around 85 employees. We are the second largest employer in our town. TYC is the largest, which is also a tax free entity. Therefore, we need all of the incentives to get anything that would have an economic impact on our district to the area. We have a \$20m bond election in May with the hopes that we can get the windfarm and solar farm taxes to fund all of our needed upgrades. If this bond passes the current tax payers will not have their taxes increased at all and the businesses that went into the 313 will fund the much needed projects. Please think about what this will do to Texas. The employees that the business hire. The amount of money that these employees spend in our areas. It has been nothing but beneficial to our small district. While building the windfarm the employees did toy and food drives for our community. They made an effort to spend their salaries here in our small town. Please look at what they can do for the little areas that need so much.

Rick Hartley, Superintendent

Blooming Grove ISD

Blooming Grove, TX

This bill, as written, will very negatively affect the education of students across the State. The proposed changes to 313's presented in this bill not only shifts funds away form public schools, but it does so in a way that industry has the control. Schools will end us with less funding than before 313's were negotiated. The phrasing of voluntary payments, which will not be enforceable, will result in less funding for schools.

Liz Oaks

Lamesa ISD

LAMESA, TX

As a chief financial officer for a school district that has 313 agreements I would like to voice my concern over HB 1556. It is one thing for a 313 agreement to not cost the school district anything in an effort to help the economy overall or even benefit from the agreement. However, putting the burden of the attorney and financial analysis fees on an already tight school district budget is not in the best interest of students in the state of Texas. They come from families that are taxpayers. If school districts are expected to pay those fees I do not believe they will enter into the agreements in most situations. If the goal is to end 313 agreements then that is what this bill is accomplishing. That is bad for the economic development of Texas.

Ronald Segers, Dr.

Woodsboro ISD

Woodsboro, TX

I do not support this bill as it places the burden on school districts, and limits the possibility of economic growth in Texas.

Michael Valencia, Superintendent

McCamey ISD

McCamey, TX

HB 1556 is detrimental to school districts. With our experience in 313 agreements, we know the financial costs of application fees and attorney fees. We are also very familiar with Revenue Protection Payments and Supplement Payments and their benefit to the district. With knowledge of 313 agreements, HB 1556 will limit the number of 313 agreements which will then take away benefits to school districts and energy companies. I believe this bill is hoping that school districts enter an agreement with no

Printed on: April 5, 2021 7:30 PM

knowledge or representation and allows developers all the benefits while placing a financial burden on school districts. HB 1556 has no consideration for school districts or their communities.

Melanie Connally

Priddy ISD

Priddy, TX

Priddy ISD is a small school with 110 students, pk-12. Our M&O tax collections are around 226,000 - 240,000 a year. Although we are a small school we still have to follow the same mandates that large school districts follow but with a lot less staff and resources. Our staff wears many hats and we must make our budget stretch to provide for our students and staff. Without the fees and supplemental payments and the 313 agreements we could and probably would not be able to have the wind turbines in our district. These agreements have been a great benefit to our school and have provided opportunities for our students.

Donna Hale, Superintendent

Miami ISD

Miami, TX

Please do NOT support HB 1556. This bill is not in the best interest of school districts and communities. Only the companies benefit from HB 1556. Chapter 313 agreements are very important to continue to strong Texas economy and this bill will hurt communities, schools, and the state.

David Edgar

Deer Park Independent School Dist

Deer Park, TX

HB 1556 prohibits future revenue protection payments as well as supplemental payments (currently \$100 per ADA or \$50,000). Revenue protection payments and supplemental payments under current law are negotiable and enforceable. That means that industries, with full knowledge of the consequences of agreeing to make certain contractual payments to the District, agree to make those payments. Those payments flow outside of the funding formulas. Given the phenomenal number of industries moving to Texas and taking advantage of 313 agreements, it seems that there are sufficient tax savings offered by Ch. 313 to allow both sides to benefit from an agreement. Instead, HB 1556 replaces contractual payments with “voluntary” payments that cannot be enforced by including them in the agreement and any payments must flow through the funding formulas.

Deer Park ISD will lose over \$4 million in existing negotiated future revenue protection payments (“RPPs”) payments because the bill strikes HB 3 language that permits us to use prior year property values to calculate RPPs. This change is found on p. 39 of the bill.

If the legislature wants to do away with benefits under existing agreements, they should allow local school boards to terminate and renegotiate those agreements;

If the legislature wants to do away with RPPs going forward, there needs to be flexibility on the \$100 per student cap payable to school districts. If school districts cannot negotiate some benefit from a 313 agreement, they are unlikely to sign an agreement that would essentially eliminate Ch 313 as an economic development tool.

Had HB 1556 been in effect in the 2019-2020 biennium, the net loss of school district M&O taxes to the school finance system as a whole for 313 agreements entered during those two years alone would have been \$1.5 Billion. The bill does not replace those lost revenues with additional state funding, nor is there a fiscal note to this bill. How does this work? Current law provides for a limitation on assessed value; industry pays M&O taxes that go through the formulas on the reduced assessed value. HB 1556 provides for a 100% tax abatement; the loss of M&O local tax \$\$ that would have gone into the school finance system is significant; that additional tax savings goes directly into the pockets of industry under HB 1556.

HB 1556 bypasses the local school board; applications for new tax abatements go directly to the Comptroller’s office. The

Printed on: April 5, 2021 7:30 PM

Comptroller's office then reviews the application and lets the local board know whether negotiations can take place. HB 1556 also prohibits the local school district to charge industry for the cost of contract negotiations and due diligence on the agreement. Please know that industry is well-represented by capable counsel; this change would mean that local school districts would pay the cost of legal fees to negotiate an agreement, or, the local board would have to accept an agreement drafted by industry counsel.

Marc Faulkner, Superintendent

China Spring ISD

China Spring, TX

This bill is bad for schools. It does away with the revenue protection payments, supplemental payments, and application fees for districts. That means millions in savings to the applicant and little to no benefit for schools and the state. It also makes where if school districts want to consider a 313 agreement, they must use their own district money to pay for financial analysis and attorney fees just to see if the project is beneficial. The cost of those fees alone is \$50,000-\$75,000 which in a school districts case that is a teacher salary we could use to educate our students. This bill is a bad bill and will likely end the era of 313 agreements for economic development in Texas. Please do not support this bill as it will have many ramifications not just for school districts but also for the state of Texas.

Vicki Adams

Hillsboro ISD/Superintendent

HILLSBORO, TX

This bill is very problematic for school districts in that it takes funding away from school districts which in turn takes away funds from staff and students. This would be the direct result of doing away with Revenue Protection Payments, Supplemental Payments and Application Fees. Additionally, this would mean millions of dollars in savings for applicants with little benefite to the District or State. It also would put the financial burden on the school district for paying the attorney and for funding a financial analysis if the District was considering a 313 agreement. Those costs are typically from \$50,000-\$75,000 which would fall upon the shoulders of school districts and/or the State of Texas. This bill would be the end of 313 Agreements and make businesses less likely to think of Texas when trying to find a business location.

Tyrodria Rowe

Damon ISD

Missouri City, TX

Completely opposed to HB 1556

Ben Pape, CFO

Needville ISD

Needville, TX

HB 1556 is very problematic to Needville ISD. We currently have 2 Chapter 313 agreements with the passage of HB 1556 Needville ISD would lose an estimated \$4 Million dollars in revenue protection payments during the next couple of years and an estimated 7 Million dollars in supplemental payments over the next 10 years. This lost revenue is not in the best interest of Public Education.

Shannon Allen, Dr.

Beaumont Independent School District

Beaumont, TX

Printed on: April 5, 2021 7:30 PM

As a the superintendent in Beaumont, this bill removes the revenue protection and supplemental payments that we depend on to support our budget. This bill would mean millions in savings for the applicant with little benefit to the district or the state. It also means that the district must pay for its own attorney and financial analysis instead of the applicant funding these necessities. Currently that cost is usually between \$50,000-\$75,000. This is a bad bill and will likely end the era of 313 Agreements for economic development in Texas. For a district such as Beaumont ISD, this truly impacts our ability to meet the needs of our students because of our high economically advantaged population. We depend our current 313 supplemental payments extensively (from 5-7 million annually) to meet the educational needs in a high poverty school district. Please do not support this bill.

Curtis Rhodes, Mr  
Needville ISD  
Needville, TX

We DO NOT support this bill. Bad for Texas and public schools, especially Needville ISD.

Curtis Rhodes  
Superintendent

janet roberts  
Damon ISD  
damon, TX

I am opposed to HB 1556 in its entirety.

Todd Wilson, Superintendent  
Chillicothe ISD  
Chillicothe, TX

DO NOT support HB1556. This bill will harm my school district tremendously. We are a rural school that has little opportunity for new monies to come to our districts to build with, hire with, or make academic change with. This bill, if passed, would take \$150,000 yearly from my district. On our small rural budget this would mean local jobs going away and budget cuts across the school. Please DO NOT support HB1556.

Jeff BALLARD, Superintendent  
Prairiland ISD  
Pattonville, TX

We have six 313 agreements in place which will help our school district tremendously. We are planning on using the revenue protection payments to add classrooms to our elementary school and middle school. If this bill passes, as written, we will not be able to provide for our students as planned. Also, I'm not sure our local board would have passed the agreements without the incentives that were in the contract when approved. Please vote against this bill or at least grandfather existing agreements that are in place.

Brenda Sanford  
Red Oak ISD  
Red Oak, TX

This will likely have a negative impact on school districts and stifle economic development. I ask that you oppose this bill.

Printed on: April 5, 2021 7:30 PM

Craig Campbell

RETIRED

Austin, TX

Please do not approve extending exemptions under Chapter 313.

Andy Reddock

Flatonia ISD

Flatonia, TX

My name is Andy Reddock, and I am a Texas public school superintendent who resides in your House district; serving Flatonia ISD. As a Texas public school superintendent and constituent, I urge you to oppose House Bill 1556 (“H.B. 1556”). This bill seeks to make changes to the Texas Economic Development Act (the “Act”) under Chapter 313 of the Texas Tax Code, including the following:

- Exempts eligible capital-intensive businesses from having to pay property taxes to the local school district;
- Eliminates supplemental payments, which school districts are entitled to receive under the current statute; and
- Eliminates a business’s responsibility to hold a school district harmless from potential future financial losses as a result of granting the property tax incentive.

Such changes to the Act would be detrimental to our Texas public schools. Since its inception, the Act has been an integral tool for school districts to compete for new capital investment projects. The Act has afforded additional revenue for school districts based on the increased M&O tax base, as well as through supplemental payments and revenue protection benefits. For these reasons, the Act has empowered Texas public schools by granting school districts the authority to offer competitive property tax incentives to capital-intensive businesses.

H.B. 1556 would handcuff our Texas public schools and deliberately eliminate any benefits that a school district may receive through the Texas Economic Development Act. While H.B. 1556 sustains the Act’s intended purpose to promote economic development in the State of Texas, it does so at the expense of our Texas public schools. Traditionally, supplemental payments have been a way for businesses to share a portion of their tax savings with the school districts—a way to give back to the local community. H.B. 1556 would erase the effort to create symbiotic partnerships between school districts and their corporate citizens.

As a Texas public school superintendent for over seven years, I have seen how the Texas Economic Development Act has been able to transform my community through its positive impact in my school district. An investment in Texas public schools is an investment in our future generations. If H.B. 1556 passes as it is currently written, it would no longer be in the best financial interest of school districts to grant property tax incentives to capital-intensive businesses. Again, I respectfully urge you to oppose H.B. 1556. Please make education a priority by continuing to invest in Texas public schools.

Thank you for your kind consideration.

Troi Johnson

Damon ISD

Manvel, TX

Completely oppose this bill

John O'Brien, Superintendent

Van Vleck ISD

Printed on: April 5, 2021 7:30 PM

Van Vleck, TX

HB 1556 does away with Revenue Protection Payments, Supplemental Payments, and Application fees. That will mean millions in savings for the applicant with little benefit to our Texas public school districts or the state. It also means that if you we want to consider a 313 Agreement, the district must pay for their own attorney and financial analysis instead of the applicant funding these necessities. Currently that cost is usually between \$50,000-\$75,000. This bill hopes schools will enter into these complex negotiations without information, representation, and guidance from anyone. The is a BAD BILL for schools and Texas.

Tim Little, Dr.

Baird Independent School District

Baird, TX

I am the superintendent of the Baird ISD, and urge the committee not to advance HB 1556. It is a complete disaster for public education, and would almost certainly be the end of 313 agreements by public schools, particularly smaller schools. The bill eliminates revenue protection payments, supplemental payments, and the ability of districts to recover application fees from industry. These are key factors in our decision as a district to enter into a 313 agreement. We just completed a 313 agreement last month with a wind company, and I assure you that if HB 1556 were in effect, we would not have considered it. Even worse, if HB 1556 is enacted, it will alter the agreement that we have already negotiated to the detriment of our district by eliminating the lost revenue calculation.

The only "winners" I can see in this bill are large oil companies who would be able to save millions of dollars on revenue protection payments and supplemental payments - the same companies who are already saving hundreds of millions of dollars on tax bills. This legislation is bad for public schools, bad for students, and bad for economic development in our state.

Steven Mickelson

Brookesmith ISD

Brookesmith, TX

Please do not vote for HB 1556. It does away with Revenue Protection Payments, Supplemental Payments, and Application fees. That will mean millions in savings for the applicant with little benefit to the district or the state. School districts will also have to pay for their own attorneys, which is a significant cost.

blair brown

Panhandle ISD

Panhandle, TX

Chapter 313 agreements especially for renewables has had a huge financial impact on the Panhandle ISD. We were able to pass a 30 million dollars bond and pay it of in 13 years which is something the community could not have done without the agreements. This seems to be a contest between the oil and gas companies and the renewable industry. Don't we have room for both?

Kenneth Brock

Baird ISD - Trustee

Baird, TX

Relating to the Texas Economic Development Act., HB 1556, would limit, especially for smaller rural schools, our ability to enter into 313 agreements that would be most school district friendly. This would eliminate another potential significant revenue stream and could harm our ability to stay afloat during periods of declining enrollment and decreasing revenues. Please consider voting against this HB 1556, especially for the sake of the smaller rural schools. Respectfully, Kenneth Brock, Trustee and Board President.

Printed on: April 5, 2021 7:30 PM

Ben Prowell, Superintendent

Wellman-Union ISD

Wellman, TX

Please take into consideration that this bill does away with Revenue Protection Payments, Supplemental Payments, and Application fees. This means millions in savings for the applicant with little benefit to the district or the state. Seems very one-sided, why help businesses while hurting school districts?

Richard Waterhouse, Superintendent of Schools

Skidmore-Tynan ISD

Skidmore, TX

Please vote "NO". This bill is nothing more than a special interest benefit for the applicant. The Bill would provide millions in savings to the applicant with little benefit to the State or the school districts. This bill must be defeated. School districts and our tax payers should not pay the bill for the energy companies.

Gail Molder, Business Manager

McCamey Independent School District

McCamey, TX

I am writing to let you know that I do not support the passage of HB 1556. Although I am in favor of extending Chapter 313 Agreements, I am NOT in favor of the changes included in this bill.

As a school district that has several 313 Agreements, the Supplemental Payments and Revenue Protection Payments have helped us tremendously.

With the loss of ASATR funds and the recent tax rate compression, the payments we have received from our 313 Agreement have been very beneficial to us.

Please do not pass HB 1556! We do not want to lose any other revenue!

Thank you for consideration.

Diane Frost, Dr.

Corsicana ISD

Corsicana, TX

This Bill provides millions in financial benefits for the applicants (companies) with very little benefit to school districts or state. School districts, especially smaller and rural districts, do not have the funds to pay the significant attorney and financial analyst fees necessitated by the process. Superintendents and school boards cannot enter into these complex negotiations without this information, representation, and guidance. In effect, this bill would end the opportunity for school districts to participate in 313 Agreements, which would negatively impact the economic development opportunities across Texas.

Lori Higgins

Baird ISD - School Board

Baird, TX

As a member of the Baird ISD school board, I think this bill will be problematic for all school districts. With the complex nature of many of these agreements, us smaller schools need the guidance of attorneys and financial advisors to enter into these contracts. Please do not pass this bill as it favors the Windmill industry and not the schools.

Kayla Morrison

Printed on: April 5, 2021 7:30 PM

Lorenzo ISD - I am Superintendent

Lorenzo, TX

I am against HB 1556. As a very small West Texas rural school district it would be beneficial for us IF a company wanted to put in more windmills in our district. With this bill, there would be no chance of any additions of windmills. The addition of windmills is beneficial to the community - not just the school.

Stanley Jessee

Rivercrest ISD

Bogata, TX

My name is Stanley Jessee, I am Superintendent of Schools for Rivercrest ISD, and I urge you to oppose HB 1556. Texas public schools, especially Texas rural schools, are under continuous financial strain to provide even the most basic necessary resources to educate and properly care for our kids. Our school district is rich in history, rich in school pride, and is blessed with good students and staff, but, we are a poor Title 1 school district with aging facilities. Our original high school is over fifty-six years old and is in need of electrical, plumbing, sewer and ADA upgrades. These are areas that just keep getting pushed back because of tight budgets and no available money.

Rivercrest ISD recently entered into a Chapter 313 agreement for solar farms to be built in our district with the promise that it would be financially beneficial to our school and allow us to make the renovations which we so desperately need. We started a planning process on the best use of Revenue Protection Payments and Supplemental Payments for our upgrades, but have not received either of those at this point. If HB 1556 is supported, it will take away these funding sources and our ability to make necessary renovations and upgrades.

House Bill 1556 hurts Texas public schools and, as it is written, would not be in the best financial interest of school districts to grant property tax incentives to capital-intensive businesses.

In the best interest of Rivercrest ISD and all Texas public schools, I urge you to oppose HB 1556.

Thank You,  
Stanley Jessee  
Superintendent, Rivercrest ISD

Julie Seymore, Executive Director  
Canton Economic Development Corporation  
Canton, TX

This bill is very problematic and places a heavy cost burden of legal representation on the District rather than on the applicant, sometimes as high as \$50,000-\$70,000. Please consider this request to oppose HB1556. Julie Seymore - Canton Economic Development Corporation

Ruth Hancock  
Self  
Orange, TX

Please do not support this bill. It will take away an opportunity for school districts to encourage economic development. 313 agreements are vital to school districts.

Dana Schenck  
Bell Textron, Inc.

Printed on: April 5, 2021 7:30 PM

Fort Worth, TX

Chapter 313, along with Chapter 312, are powerful tools needed for attracting investment of key industries within the state. Reauthorization of this tool will enable municipalities to continue to compete as other states continue to ramp their economic incentives in pursuit of industry with a broad economic benefit. We fully support HB1556 a means to preserve Texas's business competitiveness.

Candi Haeffner

Damon isd

Angleton, TX

Completely oppose

Ralph Traynham

Fort Stockton Independent School District

Fort Stockton, TX

I oppose this bill and it's intentions. HB 1566 will limit industrial growth and the possibility of new jobs. If districts must pay for their own attorney and financial analysis instead of the applicant funding Revenue Protection Payments, Supplemental Payments, and Application fees, we will most likely not engage in tax agreements because of the complex adverse possibilities involved in such an agreement. It's a bad bill for economic development.

Susan Sloan

American Clean Power

Austin, TX

Using the Chapter 313 program, Texas has been able to attract more than \$60 billion in renewable energy investments. This is one of few tools rural Texas communities have to encourage large scale, capital investment. Please support this bill.

Heather Golden

Self

Houston, TX

Please do not extend the expiration date of the Texas Economic Development Act. At a minimum, there must be some adjustments made to how they are negotiated, governed, and considered in the state education funding formulas. These agreements should be negotiated and governed by economic development experts, not school boards. Locally elected school boards should not have the authority to spend tax dollars from the state's general fund. Not only that, school boards do not have the expertise needed to determine if an agreement will be beneficial to the whole state. The school boards also have a conflict of interest because they can negotiate supplemental payments from the companies involved for their district that are outside of the state's education funding formulas. While there is a limit on the size of each payment, there is no limit on how many agreements one district can negotiate and benefit from at a time. Therefore, many districts are receiving multiple payments each year. Barber's Hill ISD's payments equal over 50% of the Basic Allotment in the funding formula. That means the district is receiving 50% more funding than its neighbors but the revenue gap created by the agreement in the general revenue fund is filled by property taxes from across the state because the state ensures the district is kept whole with state aid. Again, the supplemental payments are NOT considered when that state aid is made up to the districts, those funds are a bonus to the district. Those payments must be included in the funding formulas to ensure a level playing field for all Texas students. Additionally, many of the companies are given waivers so they do not have to meet the job creation requirements in the law. These waivers completely undermine the spirit of the law, job creation. When a company does not create enough jobs to justify the tax relief given it is unfair to Texas homeowners. Property tax reform has been a big issue in Texas. Removing the waivers would go a long way to prevent further property tax increases in the future. Ultimately, the jobs created should not cost taxpayers

Printed on: April 5, 2021 7:30 PM

more than the employee will earn over the life of that job.

Economic development is vital to the health of our state. But it needs to make sense. Giving away money to the few at the expense of the many is not sustainable. People won't come here if they can't afford the property taxes. It is imperative that either the Texas Economic Development Act be allowed to expire or that it be overhauled so that it works for all Texans.

Vanessa Oakley

Trent Independent School District

Trent, TX

I do not believe this bill will benefit school districts in Texas

Kelley Brown McLaughlin

Baird ISD

Baird, TX

This bill is problematic and does not need to pass

Martin Gutierrez, Mr.

San Antonio Hispanic Chamber of Commerce

San Antonio, TX

For over 91 years, the San Antonio Hispanic Chamber of Commerce (SAHCC) has been San Antonio's leading advocate for Hispanic businesses and Hispanics in business. We pride ourselves on five pillars of success: small business, economic development, international trade, education, and leadership. On behalf of the Hispanic Chamber's more than 900 members, I write to you today to express our support for HB 1556, which reauthorizes and reforms Chapter 313 of the Texas Economic Development Act. One of our top fifteen legislative priorities this legislative session is maintaining and strengthening the availability of economic development incentives as a business recruitment tool that encourages significant jobs and capital investment including the ability for local governments to leverage economic development tools to encourage growth tailored to their region.

In a globally competitive economy, it is important that Texas has every economic development tool in the toolbox to recruit new businesses. School district property tax incentives keep Texas competitive with states which we compete for large capital investment projects. According to the most recent report by the Texas Comptroller, the 509 current and executed Chapter 313 agreements represent \$217 billion of investments. Chapter 313 is not perfect and needs reform; HB 1556 makes the necessary changes to increase Texas competitiveness with other states.

As we continue our economic recovery from the COVID-19 Pandemic, Texas needs all tools in the toolbox to attract large, capital-intensive projects to Texas. The San Antonio Hispanic Chamber of Commerce urges you to support HB 1556.

Zenobia Joseph, U.S. Citizen

Self

Austin, TX

Position: Against HB 1556

1. Eliminating Jobs Opposition: I oppose striking the requirement to "create at least 25 new qualifying jobs." Sec. 313.004. Legislative Intent specifies, in part, "(ii) improve the local public education system; (iii) create high-paying jobs;" (p. 4). However, the March 29, 2021 Legislative Budget Board Bill Analysis notes, "The bill would eliminate all job and wage requirements associated with the current limitation program[.]"

Printed on: April 5, 2021 7:30 PM

2. Recommendation: Restore the requirement to “create at least 25 new qualifying jobs” and add a public transportation requirement, too.

3. Travis County Problem: Jun 18, 2020 Austin American-Statesman reported, The Manor Independent School District has two ongoing Chapter 313 agreements with Samsung Austin Semiconductor — one created in 2005 and another in 2012 — that will give the technology company an estimated \$200 million in tax breaks over a 17-year period ending in 2023.” There is, however, no transportation. It’s a 3-mile walk to the bus stop from Route 392-Braker despite tax breaks for Samsung and revenue generated for Capital Metropolitan Transportation Authority.

Zenobia Joseph, U.S. Citizen

Self

Austin, TX

Update: Against HB 1556

1. Statutory Authority: Title VI of the Civil Rights Act of 1964 “prohibits discrimination based on race, color, or national origin” (DOJ, 2016). November 3, 2020 Austin voters approved \$7.1B Project Connect/rail permanent ad valorem increase based on “equity” propaganda, contingent on 45% Federal funding. Northeast Blacks wait 60 minutes for the bus compared to 6-15 minutes for South/West/Central whites. It’s a 3-mile walk to Samsung from Route 392 (Rotherham/Shropshire), off Dessau Rd. Manor ISD’s Samsung 313 Agreement and Del Valle ISD’s Tesla Agreement rely on minorities (Blacks, Hispanics) but without public transit these large corporations gain tax breaks while exacerbating racialized economic gaps and violate Title VI.

2. Job Elimination Opposition: I oppose striking the requirement to “create at least 25 new qualifying jobs.” Sec. 313.004. Legislative Intent specifies, in part, “(ii) improve the local public education system; (iii) create high-paying jobs;” (p. 4). However, the March 29, 2021 Legislative Budget Board Bill Analysis notes, “The bill would eliminate all job and wage requirements associated with the current limitation program[.]”

3. Recommendation: Restore the requirement to “create at least 25 new qualifying jobs” and add public transportation requirement, too.

4. Travis County Problem: Jun 18, 2020 Austin American-Statesman reported, The Manor Independent School District has two ongoing Chapter 313 agreements with Samsung Austin Semiconductor — one created in 2005 and another in 2012 — that will give the technology company an estimated \$200 million in tax breaks over a 17-year period ending in 2023.” The 1554-Manor-Project Silicon-Supplement I Executive Summary of the Economic Impact of in Austin, Texas dated February 26, 2021 estimates

—Facility Description: Project Silicon Silver is approximately 7 million square feet of new space at the Austin semiconductor site. Additional space for operations is proposed “to continue to be a manufacturing leader in the highly competitive electronics industry. The company will invest \$17 billion in the expansion: \$5,069,000,000 in buildings and other real property improvements and \$9,931,000,000 in machinery and equipment. The company will create 1,800 jobs over the first ten years, with initial average annual salaries of \$66,254.”

Estimated Economic Impact: Facility construction will support approx. \$8.9 billion in gross area product or economic activity, approx. 19,873 total construction and related jobs each year during construction of the project. Total construction salaries: approx. \$4.6 billion. The project is also projected to generate revenues for the City and Capital Metro during construction: Total \$102,245,215 [City: \$71,398,607; Capital Metro: \$30,846,607].” However, Austin Community College semiconductor training proves moot without public transit access. ~Thanks.