

1-1 By: Hunter, et al. (Senate Sponsor - Schwertner) H.B. No. 5
 1-2 (In the Senate - Received from the House May 8, 2023;
 1-3 May 9, 2023, read first time and referred to Committee on Business
 1-4 & Commerce; May 22, 2023, reported adversely, with favorable
 1-5 Committee Substitute by the following vote: Yeas 6, Nays 2, 3
 1-6 present not voting; May 22, 2023, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14				X
1-15		X		
1-16				X
1-17		X		
1-18	X			
1-19				X

1-20 COMMITTEE SUBSTITUTE FOR H.B. No. 5 By: Schwertner

1-21 A BILL TO BE ENTITLED
 1-22 AN ACT

1-23 relating to agreements authorizing a limitation on taxable value of
 1-24 certain property to provide for the creation of jobs and the
 1-25 generation of state and local tax revenue; authorizing a fee;
 1-26 authorizing penalties.

1-27 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-28 SECTION 1. Chapter 403, Government Code, is amended by
 1-29 adding Subchapter T to read as follows:

1-30 SUBCHAPTER T. TEXAS JOBS, ENERGY, TECHNOLOGY, AND INNOVATION ACT

1-31 Sec. 403.601. PURPOSES. The purposes of this subchapter
 1-32 are to:

1-33 (1) create new, high-paying permanent jobs and
 1-34 construction jobs in this state;

1-35 (2) encourage financially positive economic
 1-36 development in this state;

1-37 (3) provide a temporary competitive economic
 1-38 incentive for attracting certain large-scale economic development
 1-39 projects to this state that, in the absence of this subchapter,
 1-40 would likely locate in another state or nation;

1-41 (4) encourage energy and water infrastructure
 1-42 development, including new and expanded dispatchable electric
 1-43 generation facilities;

1-44 (5) make this state a national and international
 1-45 leader in new and innovative technologies;

1-46 (6) encourage the establishment of certain advanced
 1-47 manufacturing industry sectors critical to national defense and
 1-48 health care;

1-49 (7) create new wealth, raise personal income, and
 1-50 foster long-term expansion of state and local tax bases;

1-51 (8) provide growing and sustainable economic
 1-52 opportunity for the residents of this state; and

1-53 (9) incentivize the preceding objectives in a
 1-54 balanced, transparent, and accountable manner.

1-55 Sec. 403.602. DEFINITIONS. In this subchapter:

1-56 (1) "Additional job" means a full-time job in
 1-57 connection with an eligible project that is not a required job for
 1-58 the same project.

1-59 (2) "Agreement" means an agreement entered into under
 1-60 Section 403.612.

- 2-1 (3) "Applicant" means a person that applies for, or
 2-2 enters into an agreement providing for, a limitation on the taxable
 2-3 value of eligible property used as part of an eligible project,
 2-4 including the person's assignees or successors-in-interest.
- 2-5 (4) "Appraised value," "tax year," and "taxing unit"
 2-6 have the meanings assigned by Section 1.04, Tax Code.
- 2-7 (5) "Construction completion date" means the date on
 2-8 which an eligible project is first capable of being used for the
 2-9 purposes for which it is constructed.
- 2-10 (6) "Construction job" means an otherwise full-time
 2-11 job that is temporary in nature and is performed before the start of
 2-12 the incentive period applicable to an eligible project to perform
 2-13 construction, maintenance, remodeling, or repair work for an
 2-14 applicant in connection with the project.
- 2-15 (7) "Construction period" means the period prescribed
 2-16 by an agreement as the construction period of the eligible project
 2-17 that is the subject of the agreement.
- 2-18 (8) "Eligible project" means a project to construct a
 2-19 new facility or expand an existing facility:
- 2-20 (A) that is:
- 2-21 (i) an electric generation facility that is
 2-22 considered to be dispatchable because the facility's output can be
 2-23 controlled primarily by forces under human control;
- 2-24 (ii) a petrochemical manufacturing
 2-25 facility;
- 2-26 (iii) a semiconductor fabrication
 2-27 facility;
- 2-28 (iv) a seawater or brackish groundwater
 2-29 desalination facility;
- 2-30 (v) a natural gas terminal or storage
 2-31 facility;
- 2-32 (vi) a gas processing plant, including a
 2-33 plant used in the processing, treatment, or fractionation of
 2-34 natural gas;
- 2-35 (vii) a facility to produce or store
 2-36 hydrogen or hydrogen-derived fuel;
- 2-37 (viii) a carbon capture facility;
- 2-38 (ix) a petroleum refinery;
- 2-39 (x) a pharmaceutical manufacturing
 2-40 facility;
- 2-41 (xi) a facility to manufacture emerging or
 2-42 innovative technologies, including aerospace products and parts;
- 2-43 (xii) an automotive manufacturing
 2-44 facility; or
- 2-45 (xiii) a facility that will serve as the
 2-46 headquarters of a for-profit, publicly traded company with more
 2-47 than \$5 billion in annual revenue; and
- 2-48 (B) that is not:
- 2-49 (i) a nondispatchable electric generation
 2-50 facility; or
- 2-51 (ii) an electric energy storage facility.
- 2-52 (9) "Eligible property" means property that is used as
 2-53 part of an eligible project that is wholly owned by an applicant or
 2-54 leased by an applicant under a capitalized lease and consists of:
- 2-55 (A) a new building or expansion of an existing
 2-56 building, including a permanent, nonremovable component of a
 2-57 building, that is:
- 2-58 (i) constructed after the date the
 2-59 agreement pertaining to the project is entered into; and
- 2-60 (ii) located in an area designated as a
 2-61 reinvestment zone under Chapter 311 or 312, Tax Code, or as an
 2-62 enterprise zone under Chapter 2303 of this code, at the time the
 2-63 agreement pertaining to the project is entered into; or
- 2-64 (B) tangible personal property, other than
 2-65 inventory, first located in the zone described by Paragraph (A)(ii)
 2-66 after the date the agreement pertaining to the project is entered
 2-67 into.
- 2-68 (10) "Full-time job" means a permanent full-time job
 2-69 that requires a total of at least 1,600 hours of work a year in

3-1 connection with an eligible project. The term does not include a
3-2 construction job.

3-3 (11) "Incentive period" for an eligible project means
3-4 the period prescribed by the agreement pertaining to the project
3-5 during which the eligible property used as part of the project is
3-6 subject to a limitation on taxable value.

3-7 (12) "Independent contractor" has the meaning
3-8 assigned by Section 406.121, Labor Code.

3-9 (13) "Investment" means the costs incurred by an
3-10 applicant to acquire or construct eligible property composing an
3-11 eligible project, other than the cost of land or inventory.

3-12 (14) "Oversight committee" means the Jobs, Energy,
3-13 Technology, and Innovation Act Oversight Committee established
3-14 under Section 403.611.

3-15 (15) "Required job" means a job that an applicant
3-16 commits to create or demonstrate in connection with an eligible
3-17 project as prescribed by Section 403.604.

3-18 (16) "Total jobs" means the sum of required jobs and
3-19 additional jobs in connection with an eligible project.

3-20 Sec. 403.603. EXPIRATION. This subchapter expires December
3-21 31, 2033.

3-22 Sec. 403.604. REQUIRED JOBS AND INVESTMENT. (a) A jobs
3-23 requirement prescribed by this section does not apply to an
3-24 eligible project that is an electric generation facility described
3-25 by Section 403.602(8)(A)(i).

3-26 (b) To be eligible to enter into an agreement, an applicant
3-27 for a limitation on taxable value of eligible property to be used
3-28 for a proposed eligible project must agree to:

3-29 (1) if the project is to be located in a county with a
3-30 population of at least 750,000:

3-31 (A) create at least 150 required jobs by the end
3-32 of the first tax year of the incentive period prescribed by the
3-33 agreement and demonstrate an average of at least that number of jobs
3-34 during each following tax year until the date the agreement
3-35 expires; and

3-36 (B) make an investment in the project in an
3-37 amount of at least \$200 million by the end of the first tax year of
3-38 the incentive period prescribed by the agreement;

3-39 (2) if the project is to be located in a county with a
3-40 population of at least 250,000 but less than 750,000:

3-41 (A) create at least 100 required jobs by the end
3-42 of the first tax year of the incentive period prescribed by the
3-43 agreement and demonstrate an average of at least that number of jobs
3-44 during each following tax year until the date the agreement
3-45 expires; and

3-46 (B) make an investment in the project in an
3-47 amount of at least \$100 million by the end of the first tax year of
3-48 the incentive period prescribed by the agreement;

3-49 (3) if the project is to be located in a county with a
3-50 population of at least 100,000 but less than 250,000:

3-51 (A) create at least 70 required jobs by the end of
3-52 the first tax year of the incentive period prescribed by the
3-53 agreement and demonstrate an average of at least that number of jobs
3-54 during each following tax year until the date the agreement
3-55 expires; and

3-56 (B) make an investment in the project in an
3-57 amount of at least \$50 million by the end of the first tax year of
3-58 the incentive period prescribed by the agreement; or

3-59 (4) if the project is to be located in a county with a
3-60 population of less than 100,000:

3-61 (A) create at least 20 required jobs by the end of
3-62 the first tax year of the incentive period prescribed by the
3-63 agreement and demonstrate an average of at least that number of jobs
3-64 during each following tax year until the date the agreement
3-65 expires; and

3-66 (B) make an investment in the project in an
3-67 amount of at least \$20 million by the end of the first tax year of
3-68 the incentive period prescribed by the agreement.

3-69 (c) For purposes of Subsection (b), each required job

4-1 created in connection with an eligible project:

4-2 (1) must be a new full-time job in this state:

4-3 (A) maintained in the usual course and scope of
 4-4 the applicant's business, which may be performed by an individual
 4-5 who is a trainee under the Texans Work program established under
 4-6 Chapter 308, Labor Code; or

4-7 (B) performed by an independent contractor and
 4-8 the independent contractor's employees at the site of the project;
 4-9 and

4-10 (2) may not be transferred by the applicant from an
 4-11 existing facility or location in this state or otherwise created to
 4-12 replace an existing job, unless the applicant fills the vacancy
 4-13 caused by the transfer.

4-14 (d) For purposes of Subsection (b), an applicant may
 4-15 demonstrate that the applicant has met the applicable minimum
 4-16 investment requirement by any reasonable means. The applicant is
 4-17 considered to have met the applicable minimum investment
 4-18 requirement if the most recent appraisal roll for the county used to
 4-19 determine the minimum investment requirement under this section
 4-20 indicates that the appraised value of the eligible property
 4-21 composing the project as of January 1 of the second tax year of the
 4-22 incentive period prescribed by the agreement is equal to or greater
 4-23 than the minimum investment requirement applicable to the project.

4-24 (e) If an eligible project is located in more than one
 4-25 county, the jobs and investment requirement applicable to the
 4-26 project is determined using the jobs and investment requirement
 4-27 applicable to the county with the smallest population in which any
 4-28 part of the project is located.

4-29 (f) The comptroller may adopt rules necessary to interpret
 4-30 and administer this section, including rules regarding:

4-31 (1) the manner for determining:

4-32 (A) which jobs and investment requirements
 4-33 prescribed by Subsection (b) apply to an eligible project; and

4-34 (B) the circumstances under which a trainee under
 4-35 the Texans Work program established under Chapter 308, Labor Code,
 4-36 may be considered a full-time employee for purposes of this
 4-37 section; and

4-38 (2) the method by which an applicant must demonstrate
 4-39 an average of at least the number of required jobs for purposes of
 4-40 satisfying the jobs requirement prescribed by Subsection (b).

4-41 Sec. 403.605. TAXABLE VALUE OF ELIGIBLE PROPERTY. (a)
 4-42 Except as provided by Subsection (b), the taxable value for school
 4-43 district maintenance and operations ad valorem tax purposes of
 4-44 eligible property subject to an agreement for each tax year of the
 4-45 incentive period prescribed by the agreement is equal to:

4-46 (1) \$100 million, if the project subject to the
 4-47 agreement is located in a school district with a taxable value of
 4-48 property of \$10 billion or more for the tax year preceding the year
 4-49 in which the applicant submitted the application to which the
 4-50 agreement pertains as determined under Subchapter M;

4-51 (2) \$75 million, if the project subject to the
 4-52 agreement is located in a school district with a taxable value of
 4-53 property of at least \$1 billion but less than \$10 billion for the
 4-54 tax year preceding the year in which the applicant submitted the
 4-55 application to which the agreement pertains as determined under
 4-56 Subchapter M;

4-57 (3) \$50 million, if the project subject to the
 4-58 agreement is located in a school district with a taxable value of
 4-59 property of at least \$500 million but less than \$1 billion for the
 4-60 tax year preceding the year in which the applicant submitted the
 4-61 application to which the agreement pertains as determined under
 4-62 Subchapter M;

4-63 (4) \$25 million, if the project subject to the
 4-64 agreement is located in a school district with a taxable value of
 4-65 property of at least \$100 million but less than \$500 million for the
 4-66 tax year preceding the year in which the applicant submitted the
 4-67 application to which the agreement pertains as determined under
 4-68 Subchapter M; or

4-69 (5) \$5 million, if the project subject to the

5-1 agreement is located in a school district with a taxable value of
 5-2 property of less than \$100 million for the tax year preceding the
 5-3 year in which the applicant submitted the application to which the
 5-4 agreement pertains as determined under Subchapter M.

5-5 (b) The taxable value of eligible property for school
 5-6 district maintenance and operations ad valorem tax purposes for a
 5-7 tax year during the incentive period is the appraised value of the
 5-8 property for that tax year if that value is less than the value of
 5-9 the property as determined under Subsection (a).

5-10 (c) The taxable value of eligible property for school
 5-11 district maintenance and operations ad valorem tax purposes is zero
 5-12 for each tax year beginning with the tax year following the year in
 5-13 which the agreement pertaining to the property is entered into and
 5-14 ending December 31 of the tax year that includes the construction
 5-15 completion date for the applicable eligible project.

5-16 (d) The chief appraiser for the appraisal district in which
 5-17 eligible property is located shall determine the market value and
 5-18 appraised value of the property and include the market value,
 5-19 appraised value, and taxable value of the property as determined
 5-20 under this section in the appraisal records for the appraisal
 5-21 district.

5-22 (e) The chief appraiser for the appraisal district in which
 5-23 eligible property subject to an agreement is located may not use an
 5-24 estimated value included in the application to which the agreement
 5-25 pertains to determine the market value of the property.

5-26 Sec. 403.606. CERTAIN PERSONS INELIGIBLE. A person is not
 5-27 eligible to submit an application to the comptroller or enter into
 5-28 an agreement under this subchapter if the person is a company that:

5-29 (1) is listed as ineligible to receive a state
 5-30 contract or investment under Chapter 808, 809, 2270, 2271, or 2274,
 5-31 as added by Chapters 529 (S.B. 13), 530 (S.B. 19), and 975 (S.B.
 5-32 2116), Acts of the 87th Legislature, Regular Session, 2021; or

5-33 (2) directly or indirectly prohibits or limits:
 5-34 (A) the exploration for, or the production,
 5-35 utilization, transport, sale, or manufacture of, fossil fuel-based
 5-36 energy solely because of the risks associated with fossil
 5-37 fuel-based energy; or

5-38 (B) participation in a legal activity for the
 5-39 purpose of achieving environmental, social, or political ends.

5-40 Sec. 403.607. APPLICATION. (a) A person who proposes to
 5-41 construct an eligible project in a school district for which the
 5-42 person seeks a limitation on the taxable value for maintenance and
 5-43 operations ad valorem tax purposes of the district of the eligible
 5-44 property used as part of the proposed project must submit an
 5-45 application to the comptroller.

5-46 (b) A person submitting an application under Subsection (a)
 5-47 must use the form prescribed by the comptroller. The form must
 5-48 contain the following information:

5-49 (1) the applicant's name, address, and Texas taxpayer
 5-50 identification number and the contact information for the
 5-51 applicant's authorized representative;

5-52 (2) the applicant's form of business and, if
 5-53 applicable, the name, address, and Texas taxpayer identification
 5-54 number of the applicant's parent entity;

5-55 (3) the applicable school district's name and address
 5-56 and the contact information for the district's authorized
 5-57 representative;

5-58 (4) the legal description of the property on which the
 5-59 project is proposed to be located and, if applicable, the address of
 5-60 the proposed project;

5-61 (5) each county in which the project is proposed to be
 5-62 located and the population of each of those counties;

5-63 (6) the applicable number of required jobs prescribed
 5-64 by Section 403.604 for the proposed project;

5-65 (7) a list of each taxing unit in which the project is
 5-66 proposed to be located;

5-67 (8) a brief description of the proposed project;

5-68 (9) any grant or loan of public money or other tax
 5-69 incentive, if applicable, that the applicant is receiving or

6-1 expects to receive for the project;
6-2 (10) a brief description of the eligible property to
6-3 be used as part of the proposed project;
6-4 (11) a projected timeline for construction and
6-5 completion of the proposed project, including the projected dates
6-6 on which construction will begin, construction will be completed,
6-7 and commercial operations will start;
6-8 (12) the proposed incentive period;
6-9 (13) the name and location of the existing or proposed
6-10 reinvestment zone or enterprise zone in which the proposed project
6-11 will be located;
6-12 (14) a brief summary of the projected economic
6-13 benefits of the proposed project; and
6-14 (15) the applicant's signature and certification of
6-15 the accuracy of the information included in the application.
6-16 (c) The form prescribed by Subsection (b) must allow the
6-17 applicant to segregate confidential information described by
6-18 Section 403.621(a) from other information in the application.
6-19 (d) An applicant must include with an application the
6-20 following:
6-21 (1) an application fee payable to the comptroller in
6-22 an amount determined by the comptroller not to exceed an amount
6-23 sufficient to cover the costs associated with the comptroller's
6-24 evaluation of the application;
6-25 (2) a map showing the site of the proposed project;
6-26 (3) the economic benefit statement prepared under
6-27 Section 403.608 in connection with the proposed project; and
6-28 (4) a sworn affidavit stating that the applicant is
6-29 not ineligible under Section 403.606 to submit the application.
6-30 (e) The comptroller may request that an applicant provide
6-31 any additional information the comptroller reasonably determines
6-32 is necessary to complete the comptroller's evaluation of the
6-33 application. The comptroller may require an applicant to submit
6-34 the additional information by a certain date and may extend that
6-35 deadline on a showing of good cause. The comptroller is not
6-36 required to take any further action on an application until it is
6-37 complete.
6-38 (f) The comptroller shall notify an applicant and the
6-39 applicable school district when the applicant's application is
6-40 administratively complete.
6-41 Sec. 403.608. ECONOMIC BENEFIT STATEMENT. (a) An
6-42 applicant shall submit an economic benefit statement with the
6-43 applicant's application.
6-44 (b) An economic benefit statement must include the
6-45 following information for each year of the period that begins on the
6-46 date the applicant projects construction of the proposed project
6-47 that is the subject of the application will begin and ends on the
6-48 25th anniversary of the date the incentive period ends:
6-49 (1) an estimate of the number of total jobs that will
6-50 be created by the project;
6-51 (2) an estimate of the total amount of capital
6-52 investment that will be created by the project;
6-53 (3) an estimate of the increase in appraised value of
6-54 property that will be attributable to the project;
6-55 (4) an estimate of the amount of ad valorem taxes that
6-56 will be imposed by each taxing unit, including the applicable
6-57 school district, on the property used as part of the project;
6-58 (5) an estimate of the amount of state taxes that will
6-59 be paid in connection with the project; and
6-60 (6) an estimate of the associated economic benefits
6-61 that may reasonably be attributed to the project, including:
6-62 (A) the impact on the gross revenues and
6-63 employment levels of local businesses that provide goods or
6-64 services in connection with the project or to the applicant's
6-65 employees;
6-66 (B) the amount of state and local taxes that will
6-67 be generated as a result of the indirect economic impact of the
6-68 project, including all ad valorem taxes not otherwise estimated in
6-69 Subdivision (4) that will be imposed on property placed into

7-1 service as a result of the project;

7-2 (C) the development of complementary businesses
7-3 or industries that locate in this state as a direct consequence of
7-4 the project;

7-5 (D) the total impact of the project on the gross
7-6 domestic product of this state;

7-7 (E) the total impact of the project on personal
7-8 income in this state; and

7-9 (F) the total impact of the project on state and
7-10 local taxes.

7-11 (c) An applicant may use standard economic estimation
7-12 techniques, including economic multipliers, to create an economic
7-13 benefit statement. An applicant must base each estimate required
7-14 by Subsection (b) on reasonable projections of the economic and
7-15 labor conditions of this state for the period for which the estimate
7-16 is made.

7-17 (d) The comptroller shall establish criteria for the
7-18 methodology to be used by an applicant to create an economic benefit
7-19 statement.

7-20 (e) The comptroller may require an applicant to supplement
7-21 or modify an economic benefit statement to ensure the accuracy of
7-22 the estimates required to be included in the statement under
7-23 Subsection (b).

7-24 Sec. 403.609. COMPTROLLER ACTION ON APPLICATION. (a) The
7-25 comptroller shall determine whether to recommend or not recommend
7-26 for approval an application submitted to the comptroller under
7-27 Section 403.607. The comptroller shall recommend an application
7-28 for approval if the comptroller makes the findings prescribed by
7-29 Subsection (b). The comptroller may not recommend an application
7-30 for approval if the comptroller is unable to make the findings
7-31 prescribed by that subsection.

7-32 (b) The comptroller may not recommend an application for
7-33 approval unless the comptroller finds that:

7-34 (1) the proposed project that is the subject of the
7-35 application is an eligible project;

7-36 (2) the proposed project is reasonably likely to
7-37 generate, before the 25th anniversary of the first day of the
7-38 construction period, state or local tax revenue, including ad
7-39 valorem tax revenue attributable to the effect of the project on the
7-40 economy of this state, in an amount sufficient to offset the school
7-41 district maintenance and operations ad valorem tax revenue lost as
7-42 a result of the agreement; and

7-43 (3) the agreement is a determining factor in the
7-44 applicant's decision to make the investment and locate the project
7-45 in this state.

7-46 (c) Not later than the 60th day after the date the
7-47 comptroller determines that an application is complete, the
7-48 comptroller shall take the action required by Subsection (a)
7-49 regarding the application and provide written notice of the action
7-50 to the governor, the school district in which the project is
7-51 proposed to be located, and the applicant.

7-52 (d) The comptroller shall send to the governor with the
7-53 notice required by Subsection (c) regarding an application
7-54 recommended by the comptroller under Subsection (a) a copy of the
7-55 application and each document and item of information the
7-56 comptroller relied on to recommend the application.

7-57 Sec. 403.610. GOVERNOR ACTION ON APPLICATION. (a) The
7-58 governor shall consider an application sent to the governor by the
7-59 comptroller under Section 403.609 not later than the 30th day after
7-60 the date the governor receives the application.

7-61 (b) The governor shall determine whether an application
7-62 considered by the governor under Subsection (a) should be added to a
7-63 list maintained by the governor of applications pertaining to
7-64 eligible projects with respect to which the governor proposes to
7-65 enter into an agreement. The governor shall remove from the list
7-66 any application:

7-67 (1) for which an agreement has been entered into; or

7-68 (2) that was disapproved by the oversight committee as
7-69 provided by Section 403.611.

8-1 (c) The governor shall submit the list described by
8-2 Subsection (b) at least twice each year to the oversight committee.

8-3 (d) The governor shall provide written notice of a
8-4 determination made under this section to the comptroller, the
8-5 school district in which the project is proposed to be located, and
8-6 the applicant.

8-7 Sec. 403.611. JOBS, ENERGY, TECHNOLOGY, AND INNOVATION ACT
8-8 OVERSIGHT COMMITTEE. (a) The Jobs, Energy, Technology, and
8-9 Innovation Act Oversight Committee is composed of the following
8-10 seven members:

8-11 (1) three members of the house of representatives
8-12 appointed by the speaker of the house of representatives;

8-13 (2) three members of the senate appointed by the
8-14 lieutenant governor; and

8-15 (3) one member who serves as the chair of the committee
8-16 and who:

8-17 (A) is a member of the house of representatives
8-18 appointed by the speaker of the house of representatives who serves
8-19 only in odd-numbered years; and

8-20 (B) is a member of the senate appointed by the
8-21 lieutenant governor who serves only in even-numbered years.

8-22 (b) If a vacancy occurs in the membership of the oversight
8-23 committee, the appropriate appointing authority shall appoint a
8-24 person to fill the vacancy.

8-25 (c) A member of the oversight committee serves at the
8-26 pleasure of the appropriate appointing authority.

8-27 (d) The oversight committee may consider the applications
8-28 included on the list submitted to the committee by the governor
8-29 under Section 403.610. The committee may disapprove an application
8-30 included on the list only if a majority of the members of the
8-31 committee sign a resolution to disapprove the application not later
8-32 than the 30th day after the date the committee receives the list.
8-33 An application not disapproved in the time and manner prescribed by
8-34 this subsection is considered approved by the committee.

8-35 (e) If the oversight committee disapproves an application
8-36 under Subsection (d), the committee shall provide written notice of
8-37 the disapproval to the governor, the school district, and the
8-38 applicant as soon as practicable after the date the application is
8-39 disapproved.

8-40 Sec. 403.612. AGREEMENT. (a) The governor, the governing
8-41 body of a school district, and an applicant may enter into an
8-42 agreement to limit the taxable value for maintenance and operations
8-43 ad valorem tax purposes of the district of the eligible property
8-44 used as part of an eligible project that is the subject of an
8-45 application that is not disapproved by the committee before the
8-46 deadline prescribed by Section 403.611.

8-47 (b) An agreement entered into under this section between the
8-48 governor, a school district, and an applicant pertaining to an
8-49 eligible project shall:

8-50 (1) specify the project to which the agreement
8-51 applies;

8-52 (2) specify the term of the agreement, which must:

8-53 (A) begin on the date the agreement is entered
8-54 into; and

8-55 (B) end on December 31 of the third tax year
8-56 following the end of the incentive period;

8-57 (3) specify the construction and incentive periods for
8-58 the project;

8-59 (4) specify the manner for determining the taxable
8-60 value for school district maintenance and operations ad valorem tax
8-61 purposes during the incentive period under Section 403.605 for the
8-62 eligible property subject to the agreement;

8-63 (5) specify the applicable jobs and investment
8-64 requirements prescribed by Section 403.604 and require the
8-65 applicant to comply with those requirements;

8-66 (6) require that the average annual wage paid to all
8-67 persons employed by the applicant in connection with the project
8-68 used to calculate total jobs exceed the average annual wage for all
8-69 jobs in the county during the most recent four quarters for which

9-1 data is available, as computed by the Texas Workforce Commission,
 9-2 with the applicant's average annual wage being equal to the
 9-3 quotient of:

9-4 (A) the applicant's total wages paid, other than
 9-5 wages paid for construction jobs, as reported under Section
 9-6 403.616(c)(4); and

9-7 (B) the applicant's number of total jobs as
 9-8 reported under Section 403.616(c)(3);

9-9 (7) require the applicant to pay a penalty prescribed
 9-10 by Section 403.614 if the applicant fails to comply with an
 9-11 applicable jobs or wage requirement;

9-12 (8) authorize the governor or the district to
 9-13 terminate the agreement as provided by Subsection (d); and

9-14 (9) incorporate each relevant provision of this
 9-15 subchapter.

9-16 (c) An agreement entered into under this section between the
 9-17 governor, a school district, and an applicant pertaining to an
 9-18 eligible project must include a provision that states that the
 9-19 applicant is prohibited from making a payment to the district
 9-20 related to the agreement.

9-21 (d) This subsection applies to a term described by
 9-22 Subsection (b)(8). The agreement must provide that:

9-23 (1) the governor or the school district is authorized
 9-24 to terminate the agreement if the applicant fails to comply with an
 9-25 applicable jobs or wage requirement of the agreement;

9-26 (2) the governor or the district may not terminate the
 9-27 agreement until the party provides written notice to the applicant
 9-28 of the proposed termination;

9-29 (3) the governor or the district must provide the
 9-30 applicant a 180-day period to cure and dispute the alleged failure,
 9-31 including through judicial action; and

9-32 (4) in the event the agreement is terminated, the
 9-33 state is entitled to recover a penalty in an amount equal to all
 9-34 lost ad valorem tax revenue from the project and interest on that
 9-35 amount calculated as provided by Section 111.060, Tax Code.

9-36 (e) An agreement terminated under Subsection (d) is void,
 9-37 and all remaining obligations and benefits under the agreement and
 9-38 this subchapter terminate on the date the agreement is terminated.

9-39 (f) The parties to an agreement may modify the terms of the
 9-40 agreement that do not materially modify the jobs or investment
 9-41 requirements prescribed by the agreement.

9-42 (g) An agreement must be submitted to the comptroller not
 9-43 later than the seventh day after the date the agreement is entered
 9-44 into. A copy of the economic benefit statement applicable to the
 9-45 project that is the subject of the agreement must be attached to the
 9-46 agreement.

9-47 (h) The comptroller shall deposit a penalty collected under
 9-48 Subsection (d)(4) and any interest on the penalty to the credit of
 9-49 the foundation school fund.

9-50 Sec. 403.613. INCENTIVE PERIOD. (a) An incentive period
 9-51 pertaining to an eligible project is a period of 10 consecutive tax
 9-52 years specified in the agreement pertaining to the project.

9-53 (b) An incentive period may not begin:

9-54 (1) earlier than January 1 of the first tax year
 9-55 following the construction completion date; or

9-56 (2) later than January 1 of the first tax year
 9-57 following the 10th anniversary of the date the agreement is entered
 9-58 into.

9-59 (c) Subject to Subsection (b), the beginning date of an
 9-60 incentive period specified in an agreement pertaining to an
 9-61 eligible project may be deferred if the applicant projects that the
 9-62 applicant will not satisfy the minimum investment requirement
 9-63 applicable to the project by the end of the first tax year of the
 9-64 incentive period. The incentive period may be deferred until
 9-65 January 1 of the second tax year following the construction
 9-66 completion date. The deferral of an incentive period under this
 9-67 subsection does not affect the date on which the incentive period
 9-68 ends as prescribed by the agreement. An applicant that is a party
 9-69 to an agreement for which the beginning date of the incentive period

10-1 is deferred as authorized by this subsection must provide notice of
 10-2 the deferral to the comptroller. The notice must include the reason
 10-3 for the deferral.

10-4 (d) Subject to Subsection (b), an applicant may propose to
 10-5 modify the beginning and ending dates of the incentive period as
 10-6 provided by this subsection. The applicant shall provide notice of
 10-7 the proposed modification to the comptroller, the governor, and the
 10-8 school district not later than the 90th day before the first day of
 10-9 the incentive period specified in Section 403.612(b)(3) or as
 10-10 proposed to be modified, whichever is earlier. The applicant shall
 10-11 revise the most recent economic benefit statement as necessary to
 10-12 reflect the proposed change to the incentive period. The applicant
 10-13 must include the revised economic benefit statement with the notice
 10-14 provided to the comptroller, the governor, and the district under
 10-15 this subsection. The comptroller shall make the finding required
 10-16 by Section 403.609(b)(2) regarding the project as proposed to be
 10-17 modified or determine that the finding cannot be made. The
 10-18 comptroller shall notify the governor, the district, and the
 10-19 applicant of the comptroller's finding or determination not later
 10-20 than the 60th day after the date the comptroller receives notice
 10-21 from the applicant of the proposed modification. The incentive
 10-22 period for the project may not be modified if the comptroller
 10-23 determines that the finding required by Section 403.609(b)(2)
 10-24 regarding the project as proposed to be modified cannot be made or
 10-25 if the governor or the district objects to the proposed
 10-26 modification.

10-27 Sec. 403.614. PENALTY FOR FAILURE TO COMPLY WITH JOBS OR
 10-28 WAGE REQUIREMENT. (a) An applicant is liable to the state for a
 10-29 penalty in the amount computed under this subsection if the
 10-30 applicant fails to maintain at least the number of required jobs
 10-31 prescribed by the agreement to which the applicant is a party during
 10-32 the periods covered by two consecutive reports submitted by the
 10-33 applicant under Section 403.616. The amount of the penalty is equal
 10-34 to the product of:

10-35 (1) the difference between:
 10-36 (A) the number of required jobs prescribed by the
 10-37 agreement; and
 10-38 (B) the number of required jobs actually created
 10-39 as stated in the most recent report submitted by the applicant under
 10-40 Section 403.616; and

10-41 (2) the average annual wage prescribed by the
 10-42 agreement during the most recent four quarters for which data is
 10-43 available, as computed by the Texas Workforce Commission.

10-44 (b) An applicant is liable to the state for a penalty in the
 10-45 amount computed under this subsection if the applicant fails to
 10-46 meet the average annual wage requirement prescribed by the
 10-47 agreement to which the applicant is a party, if any, during the
 10-48 periods covered by two consecutive reports submitted by the
 10-49 applicant under Section 403.616. The amount of the penalty is equal
 10-50 to the difference between:

10-51 (1) the product of:
 10-52 (A) the actual average annual wage paid to all
 10-53 persons employed by the applicant in connection with the project
 10-54 that is the subject of the agreement as computed under Section
 10-55 403.612(b)(6); and

10-56 (B) the number of required jobs prescribed by the
 10-57 agreement; and

10-58 (2) the product of:
 10-59 (A) the average annual wage prescribed by the
 10-60 agreement; and

10-61 (B) the number of required jobs prescribed by the
 10-62 agreement.

10-63 (c) Notwithstanding Subsections (a) and (b), the amount of a
 10-64 penalty imposed on an applicant under this section may not exceed
 10-65 the amount of the ad valorem tax benefit received by the applicant
 10-66 under the agreement that is the subject of the penalty.

10-67 (d) An applicant on request of the comptroller shall provide
 10-68 to the comptroller a schedule of required jobs created as of the
 10-69 date of the request under an agreement to which the applicant is a

11-1 party.

11-2 (e) A determination by the comptroller that an applicant has
 11-3 failed to meet the jobs or wage requirement prescribed by an
 11-4 agreement to which the applicant is a party is a deficiency
 11-5 determination under Section 111.008, Tax Code. A penalty imposed
 11-6 under this section is an amount the comptroller is required to
 11-7 collect, receive, administer, or enforce and is subject to the
 11-8 payment and redetermination requirements of Sections 111.0081 and
 11-9 111.009, Tax Code. A redetermination under Section 111.009, Tax
 11-10 Code, of a determination under this section is a contested case as
 11-11 defined by Section 2001.003 of this code.

11-12 (f) The comptroller shall deposit a penalty collected under
 11-13 this section and any interest on the penalty to the credit of the
 11-14 foundation school fund.

11-15 Sec. 403.615. AUDIT OF AGREEMENTS BY STATE AUDITOR. (a)
 11-16 Each year the state auditor shall select and review at least 10
 11-17 percent of the agreements in effect in that year to determine
 11-18 whether:

11-19 (1) each agreement accomplishes the purposes of this
 11-20 subchapter as expressed in Section 403.601; and

11-21 (2) the terms of each agreement were executed in
 11-22 compliance with the terms of this subchapter.

11-23 (b) In determining which agreements to review under
 11-24 Subsection (a), the state auditor may consider any risk of
 11-25 noncompliance identified in the biennial compliance report
 11-26 regarding an agreement submitted to the comptroller under Section
 11-27 403.616.

11-28 (c) As part of the review, the state auditor shall make
 11-29 recommendations relating to increasing the efficiency and
 11-30 effectiveness of the administration of this subchapter. The state
 11-31 auditor shall submit the recommendations to the governor,
 11-32 comptroller, lieutenant governor, speaker of the house of
 11-33 representatives, and oversight committee not later than December 15
 11-34 of each year.

11-35 Sec. 403.616. BIENNIAL COMPLIANCE REPORT BY APPLICANT. (a)
 11-36 An applicant that is a party to an agreement shall submit a report
 11-37 to the comptroller as required by this section using the form
 11-38 adopted by the comptroller.

11-39 (b) An applicant must submit a report required by this
 11-40 section to the comptroller not later than June 1 of each
 11-41 even-numbered year during the term of the agreement that is the
 11-42 subject of the report.

11-43 (c) A report required by this section must include the
 11-44 following documents and information applicable to the agreement
 11-45 that is the subject of the report:

11-46 (1) a certification by the applicant that is a party to
 11-47 the agreement that the applicant has met the jobs and investment
 11-48 requirements prescribed by the agreement, which must include:

11-49 (A) a sworn affidavit stating:

11-50 (i) the number of required jobs prescribed
 11-51 by the agreement; and

11-52 (ii) the number of required jobs actually
 11-53 created under the agreement as of December 31 of the preceding two
 11-54 years; and

11-55 (B) if applicable, payroll records maintained
 11-56 for purposes of 40 T.A.C. Chapter 815;

11-57 (2) the number assigned to the application by the
 11-58 comptroller for the agreement, name of the applicant, name of the
 11-59 school district, and name of and contact information for the
 11-60 applicant's representative;

11-61 (3) the number of total jobs created by the project in
 11-62 each of the preceding two years;

11-63 (4) the total wages paid for total jobs, not including
 11-64 wages paid for construction jobs, in each of the preceding two
 11-65 years;

11-66 (5) the number of construction jobs created by the
 11-67 project;

11-68 (6) the total amount of the applicant's investment,
 11-69 including any additional amount invested by the applicant after the

12-1 incentive period begins;
12-2 (7) the appraised value of all property composing the
12-3 project for each previous tax year of the agreement;
12-4 (8) the taxable value of all property composing the
12-5 project for each previous tax year of the agreement;
12-6 (9) the amount of school district maintenance and
12-7 operations ad valorem taxes imposed on the property composing the
12-8 project and paid by the applicant for each previous tax year of the
12-9 agreement;
12-10 (10) the amount of school district interest and
12-11 sinking fund ad valorem taxes imposed on the property composing the
12-12 project and paid by the applicant for each previous tax year of the
12-13 agreement;
12-14 (11) the amount of school district ad valorem taxes
12-15 that would have been imposed on the property composing the project
12-16 and paid by the applicant in the absence of the agreement for each
12-17 previous tax year of the agreement; and
12-18 (12) the amount of ad valorem taxes imposed on the
12-19 property composing the project by each taxing unit other than the
12-20 school district and paid by the applicant for each previous tax year
12-21 of the agreement, stated by taxing unit.
12-22 (d) This subsection applies only to a report required to be
12-23 submitted under this section by an applicant for the period that
12-24 includes the first year of the incentive period as prescribed by the
12-25 agreement that is the subject of the report or as deferred. In
12-26 addition to the documents and information described by Subsection
12-27 (c), the applicant must include with the certification required by
12-28 Subsection (c)(1):
12-29 (1) a list of the property tax account numbers
12-30 assigned to the property composing the project;
12-31 (2) the current total appraised value of the property
12-32 composing the project; and
12-33 (3) if applicable, a statement that the incentive
12-34 period was deferred because the applicant did not meet the minimum
12-35 investment requirement prescribed by the agreement before the date
12-36 specified in the agreement.
12-37 Sec. 403.617. BIENNIAL REPORT TO LEGISLATURE. (a) The
12-38 comptroller shall submit to the lieutenant governor, the speaker of
12-39 the house of representatives, and each other member of the
12-40 legislature a report on the agreements entered into under this
12-41 subchapter. The comptroller must submit the report not later than
12-42 December 1 of each even-numbered year.
12-43 (b) The report must include:
12-44 (1) an assessment of the following with regard to the
12-45 agreements entered into under this subchapter, considered in the
12-46 aggregate:
12-47 (A) the total number of jobs created in this
12-48 state;
12-49 (B) the total effect on personal income in this
12-50 state;
12-51 (C) the total amount of investment in this state;
12-52 (D) the total taxable value of property on the
12-53 tax rolls in this state resulting from the agreements, including
12-54 property subject to an agreement that has expired;
12-55 (E) the total value of property subject to
12-56 agreements that have not expired; and
12-57 (F) the total fiscal effect resulting from the
12-58 agreements on this state and on local governments in this state; and
12-59 (2) an assessment of each agreement entered into under
12-60 this subchapter that states for each agreement:
12-61 (A) the number of required jobs prescribed by the
12-62 agreement;
12-63 (B) the number of jobs actually created under the
12-64 agreement, including:
12-65 (i) each job described by Section
12-66 403.604(c)(1)(A);
12-67 (ii) each job described by Section
12-68 403.604(c)(1)(B); and
12-69 (iii) any additional jobs created or

13-1 maintained in connection with the project that is the subject of the
 13-2 agreement, if reported by the applicant;
 13-3 (C) the number of total jobs created under the
 13-4 agreement, if the term of the agreement has expired;
 13-5 (D) the amount of the investment specified by the
 13-6 agreement;
 13-7 (E) the amount of the actual investment made for
 13-8 the applicable project before the expiration of the agreement;
 13-9 (F) the difference between the amount of ad
 13-10 valorem taxes that would have been imposed on the property
 13-11 composing the applicable project in the absence of the agreement
 13-12 and the amount of ad valorem taxes actually imposed on that property
 13-13 during the term of the agreement; and
 13-14 (G) the total amount of state and local tax
 13-15 revenue attributable to the applicable project during the term of
 13-16 the agreement.

13-17 (c) The comptroller may not include in the report
 13-18 information that is confidential under law.

13-19 (d) The comptroller may use standard economic estimation
 13-20 techniques, including economic multipliers, to prepare the portion
 13-21 of the report described by Subsection (b)(1).

13-22 (e) The comptroller may require an applicant to submit
 13-23 information required to complete the report on a form prescribed by
 13-24 the comptroller.

13-25 Sec. 403.618. REPORT BY OVERSIGHT COMMITTEE TO LEGISLATURE.
 13-26 The oversight committee may recommend in a written report to the
 13-27 legislature those types of projects that the committee determines
 13-28 by majority vote should be statutorily added to or removed from the
 13-29 definition of "eligible project" provided by Section 403.602.

13-30 Sec. 403.619. CONFLICT OF INTEREST. A person may not,
 13-31 directly or indirectly, represent, advise, or provide a service to
 13-32 both an applicant and a school district in connection with the same
 13-33 application submitted or agreement entered into under this
 13-34 subchapter.

13-35 Sec. 403.620. CERTAIN BENEFITS RELATED TO AGREEMENTS
 13-36 PROHIBITED; ATTORNEY GENERAL ENFORCEMENT. (a) An employee or
 13-37 representative of a school district, a member of the governing body
 13-38 of the district, or any other person may not intentionally or
 13-39 knowingly solicit, accept, agree to accept, or require any payment
 13-40 of money or transfer of property or other thing of value, directly
 13-41 or indirectly, to the district, an employee or representative of
 13-42 the district, a member of the governing body of the district, or any
 13-43 other person in recognition of, anticipation of, or consideration
 13-44 for approval of an agreement unless authorized by this subchapter.

13-45 (b) An applicant, an employee or representative of the
 13-46 applicant, or any other person may not intentionally or knowingly
 13-47 offer, confer, agree to confer, or make a payment of money or
 13-48 transfer of property or other thing of value, directly or
 13-49 indirectly, to the governor or the school district, an employee or
 13-50 representative of the governor or the district, a member of the
 13-51 governing body of the district, or any other person in recognition
 13-52 of, anticipation of, or consideration for approval of an agreement
 13-53 unless authorized by this subchapter.

13-54 (c) If the attorney general receives a written complaint
 13-55 from a party to an agreement of a violation of this section, the
 13-56 attorney general may bring an action to enforce this section to
 13-57 restrain or enjoin a person from continuing or repeating the
 13-58 violation. Venue for an action brought under this subsection is in
 13-59 a district court in Travis County.

13-60 Sec. 403.621. CONFIDENTIALITY OF CERTAIN BUSINESS
 13-61 INFORMATION. (a) Information provided to the comptroller, the
 13-62 governor, or a school district by an applicant under this
 13-63 subchapter that is a trade secret, as defined by Section 134A.002,
 13-64 Civil Practice and Remedies Code, is confidential and not subject
 13-65 to disclosure under Chapter 552.

13-66 (b) Payroll records reported under Section 403.616(c)(1)(A)
 13-67 or (B) by an applicant to the comptroller are confidential and not
 13-68 subject to disclosure under Chapter 552.

13-69 Sec. 403.622. INTERNET POSTING OF INFORMATION. (a)

14-1 Subject to Section 403.621, the comptroller shall post on the
 14-2 comptroller's Internet website the following information received
 14-3 by the comptroller:

- 14-4 (1) each application submitted under this subchapter;
- 14-5 (2) each map and economic benefit statement required
- 14-6 to be submitted with an application under this subchapter;
- 14-7 (3) each amendment to an application made under this
- 14-8 subchapter;
- 14-9 (4) each agreement entered into under this subchapter;
- 14-10 and
- 14-11 (5) each biennial compliance report submitted as
- 14-12 required under this subchapter.

14-13 (b) Except as provided by Subsection (c), the comptroller
 14-14 shall post the information described by Subsection (a) as soon as
 14-15 practicable after the date the comptroller receives the
 14-16 information.

14-17 (c) The comptroller shall post the information described by
 14-18 Subsections (a)(1), (2), and (3) not later than the 10th business
 14-19 day after the date the comptroller receives the information.

14-20 (d) The comptroller shall continue to post the information
 14-21 required by this section until the date the agreement to which the
 14-22 information relates expires.

14-23 (e) The comptroller shall notify the governor and the
 14-24 applicable school district of the comptroller's posting of the
 14-25 information described by Subsection (a)(5) on the comptroller's
 14-26 Internet website.

14-27 Sec. 403.623. RULES AND FORMS. (a) The comptroller shall
 14-28 adopt rules necessary to implement and administer this subchapter,
 14-29 including rules for:

- 14-30 (1) determining whether an applicant meets the jobs
- 14-31 and investment requirements prescribed by Section 403.604; and
- 14-32 (2) authorizing an applicant or school district to
- 14-33 submit any form or information required by this subchapter
- 14-34 electronically.

14-35 (b) The comptroller shall adopt forms necessary to
 14-36 implement and administer this subchapter, including the forms to be
 14-37 used by an applicant under Sections 403.607 and 403.616.

14-38 (c) The comptroller shall provide without charge one copy of
 14-39 the rules and forms adopted under this section to any person that
 14-40 states that the person intends to submit an application to the
 14-41 comptroller under this subchapter to limit the taxable value of
 14-42 eligible property used as part of an eligible project.

14-43 SECTION 2. Section 48.2551(a), Education Code, is amended
 14-44 to read as follows:

14-45 (a) In this section:

14-46 (1) "DPV" is the taxable value of property in the
 14-47 school district, as determined by the agency by rule, using locally
 14-48 determined property values adjusted in accordance with Section
 14-49 403.302(d), Government Code;

14-50 (2) "E" is the expiration of the exclusion of
 14-51 appraised property value for the preceding tax year that is
 14-52 recognized as taxable property value for the current tax year,
 14-53 which is the sum of the following:

14-54 (A) property value that is no longer subject to a
 14-55 limitation on appraised value under former Subchapter B or C,
 14-56 Chapter 313, Tax Code, or a limitation on taxable value under
 14-57 Subchapter T, Chapter 403, Government Code; and

14-58 (B) property value under Section 311.013(n), Tax
 14-59 Code, that is no longer excluded from the calculation of "DPV" from
 14-60 the preceding year because of refinancing or renewal after
 14-61 September 1, 2019;

14-62 (3) "MCR" is the district's maximum compressed rate,
 14-63 which is the tax rate for the current tax year per \$100 of valuation
 14-64 of taxable property at which the district must levy a maintenance
 14-65 and operations tax to receive the full amount of the tier one
 14-66 allotment to which the district is entitled under this chapter;

14-67 (4) "PYDPV" is the district's value of "DPV" for the
 14-68 preceding tax year; and

14-69 (5) "PYMCR" is the district's value of "MCR" for the

15-1 preceding tax year.

15-2 SECTION 3. Section 48.256, Education Code, is amended by
 15-3 amending Subsections (d) and (e) and adding Subsection (d-1) to
 15-4 read as follows:

15-5 (d) This subsection applies to a school district in which
 15-6 the board of trustees entered into a written agreement with a
 15-7 property owner [~~under Section 313.027, Tax Code,~~] for the
 15-8 implementation of a limitation on taxable [~~appraised~~] value under
 15-9 Subchapter T, Chapter 403, Government [~~B or C, Chapter 313, Tax~~]
 15-10 Code. For purposes of determining "DPV" under Subsection (a) for a
 15-11 school district to which this subsection applies, the commissioner
 15-12 shall exclude a portion of the market value of property not
 15-13 otherwise fully taxable by the district under Subchapter T, Chapter
 15-14 403, Government [~~B or C, Chapter 313, Tax~~] Code[, ~~before the~~
 15-15 ~~expiration of the subchapter~~]. The comptroller shall provide
 15-16 information to the agency necessary for this subsection.

15-17 (d-1) Subsection (d) applies to an agreement for the
 15-18 implementation of a limitation on appraised value under former
 15-19 Subchapter B or C, Chapter 313, Tax Code, that was in effect on
 15-20 January 1, 2023, in the same manner as that subsection applies to an
 15-21 agreement described by that subsection. If the agreement for the
 15-22 limitation on appraised value requires a [A] revenue protection
 15-23 payment to the school district, the payment [~~required as part of an~~
 15-24 ~~agreement for a limitation on appraised value~~] shall be based on the
 15-25 district's taxable value of property for the preceding tax year.

15-26 (e) Subsection (d-1) [~~(d)~~] does not apply to property that
 15-27 was the subject of an application under former Subchapter B or C,
 15-28 Chapter 313, Tax Code, made after May 1, 2009, that the comptroller
 15-29 recommended should be disapproved.

15-30 SECTION 4. Section 2303.507, Government Code, is amended to
 15-31 read as follows:

15-32 Sec. 2303.507. TAX INCREMENT FINANCING AND
 15-33 ABATEMENT; LIMITATIONS ON APPRAISED AND TAXABLE
 15-34 VALUE. Designation of an area as an enterprise zone is also
 15-35 designation of the area as a reinvestment zone for:

- 15-36 (1) tax increment financing under Chapter 311, Tax
 15-37 Code;
- 15-38 (2) tax abatement under Chapter 312, Tax Code; [~~and~~]
- 15-39 (3) limitations on appraised value under former
 15-40 Subchapter B or C, Chapter 313, Tax Code; and
- 15-41 (4) limitations on taxable value under Subchapter T,
 15-42 Chapter 403, of this code.

15-43 SECTION 5. Section 23.03, Tax Code, is amended to read as
 15-44 follows:

15-45 Sec. 23.03. COMPILATION OF LARGE PROPERTIES AND PROPERTIES
 15-46 SUBJECT TO LIMITATION ON APPRAISED OR TAXABLE VALUE. Each year the
 15-47 chief appraiser shall compile and send to the Texas [~~Department of~~]
 15-48 Economic Development and Tourism Office a list of properties in the
 15-49 appraisal district that in that tax year:

- 15-50 (1) have a market value of \$100 million or more; [~~or~~]
- 15-51 (2) are subject to a limitation on appraised value
 15-52 under former Subchapter B or C, Chapter 313; or
- 15-53 (3) are subject to a limitation on taxable value under
 15-54 Subchapter T, Chapter 403, Government Code.

15-55 SECTION 6. Section 26.012(6), Tax Code, is amended to read
 15-56 as follows:

15-57 (6) "Current total value" means the total taxable
 15-58 value of property listed on the appraisal roll for the current year,
 15-59 including all appraisal roll supplements and corrections as of the
 15-60 date of the calculation, less the taxable value of property
 15-61 exempted for the current tax year for the first time under Section
 15-62 11.31 or 11.315, except that:

- 15-63 (A) the current total value for a school district
 15-64 excludes:
 - 15-65 (i) the total value of homesteads that
 15-66 qualify for a tax limitation as provided by Section 11.26; [~~and~~]
 - 15-67 (ii) new property value of property that is
 15-68 subject to an agreement entered into under former Subchapter B or C,
 15-69 Chapter 313; and

16-1 (iii) new property value of property that
16-2 is subject to an agreement entered into under Subchapter T, Chapter
16-3 403, Government Code; and

16-4 (B) the current total value for a county,
16-5 municipality, or junior college district excludes the total value
16-6 of homesteads that qualify for a tax limitation provided by Section
16-7 11.261.

16-8 SECTION 7. Section 171.602(f), Tax Code, is amended to read
16-9 as follows:

16-10 (f) The comptroller may not issue a credit under this
16-11 section before the later of:

16-12 (1) ~~[September 1, 2018; or~~
16-13 ~~[~~2~~]~~ the expiration of an agreement under former
16-14 Subchapter B or C, Chapter 313, regarding the clean energy project
16-15 for which the credit is issued; or

16-16 (2) the expiration of an agreement under Subchapter T,
16-17 Chapter 403, Government Code, regarding the clean energy project
16-18 for which the credit is issued.

16-19 SECTION 8. Section 312.0025(a), Tax Code, is amended to
16-20 read as follows:

16-21 (a) Notwithstanding any other provision of this chapter to
16-22 the contrary, the governing body of a school district, in the manner
16-23 required for official action and for purposes of former Subchapter
16-24 B or C, Chapter 313, of this code or Subchapter T, Chapter 403,
16-25 Government Code, may designate an area entirely within the
16-26 territory of the school district as a reinvestment zone if the
16-27 governing body finds that, as a result of the designation and the
16-28 granting of a limitation on appraised value under former Subchapter
16-29 B or C, Chapter 313, of this code or the granting of a limitation on
16-30 taxable value under Subchapter T, Chapter 403, Government Code, for
16-31 property located in the reinvestment zone, the designation is
16-32 reasonably likely to:

16-33 (1) contribute to the expansion of primary employment
16-34 in the reinvestment zone; or

16-35 (2) attract major investment in the reinvestment zone
16-36 that would:

16-37 (A) be a benefit to property in the reinvestment
16-38 zone and to the school district; and

16-39 (B) contribute to the economic development of the
16-40 region of this state in which the school district is located.

16-41 SECTION 9. The lieutenant governor and the speaker of the
16-42 house of representatives shall appoint the initial members of the
16-43 Jobs, Energy, Technology, and Innovation Act Oversight Committee
16-44 under Sections 403.611(a)(1), (2), and (3)(B), Government Code, as
16-45 added by this Act, as soon as practicable after the effective date
16-46 of this Act.

16-47 SECTION 10. The comptroller of public accounts shall adopt
16-48 rules and develop and make available the forms and materials as
16-49 required under Section 403.623, Government Code, as added by this
16-50 Act, as soon as practicable after the effective date of this
16-51 section.

16-52 SECTION 11. (a) Except as provided by Subsection (b) of
16-53 this section, this Act takes effect January 1, 2024.

16-54 (b) Section 10 of this Act takes effect September 1, 2023.

16-55 * * * * *