

## **BILL ANALYSIS**

Senate Research Center

H.B. 2027  
By: Vasut; Barry (To Be Filed)  
Economic Development  
5/2/2025  
Engrossed

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

Last session, H.B. 5336 was passed to resolve a conflict between two overlapping political subdivisions: the City of Freeport and Port Freeport. As part of that bill, a portion of the City of Freeport's jurisdiction was removed from the city and placed under the jurisdiction of Brazoria County, while still remaining subject to the port's authority. However, the bill ensures that the port could continue entering into economic development agreements within that area. Due to an oversight in the bill's language, the legislation referenced Subchapter B of Chapter 312 of the Tax Code, which pertains to reinvestment zones in municipal areas, but omitted Subchapter C, which covers reinvestment zones in counties. This created unintended consequences.

H.B. 2027 clarifies and expands the Brazoria County Commissioners Court's authority to offer tax abatement agreements in an area controlled by Port Freeport now under the county's jurisdiction. The bill also authorizes tax breaks for lessees of tax-exempt or Port Freeport-owned real property and owners of tangible personal property or improvements in county reinvestment zones. This correction ensures that Port Freeport can continue promoting economic development through tax incentives, aligning with the original intent of the prior legislation.

H.B. 2027 amends current law relating to the authority of the Brazoria County Commissioners Court to execute tax abatement agreements for property within the Port Freeport district.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 5002.203, Special District Local Laws Code, as follows:

Sec. 5002.203. DESIGNATION OF REINVESTMENT ZONE. (a) Creates this subsection from existing text. Authorizes the Port Freeport district (district), notwithstanding Subchapters B (Tax Abatement in Municipal Reinvestment Zone) and C (Tax Abatement in County Reinvestment Zone), Chapter 312 (Property Redevelopment and Tax Abatement Act), Tax Code, to submit a written request to the commissioners court of a county in which a property owned by Port Freeport is located for the commissioners court to designate the property as a reinvestment zone, rather than a reinvestment zone or area, for the purposes of Chapter 312, Tax Code. Makes conforming and nonsubstantive changes.

(b) Authorizes the commissioners court to execute a tax abatement agreement with the owner of a leasehold interest in tax-exempt real property or property owned by the district located in a reinvestment zone designated under Subchapter E (Relationship with Municipalities) to exempt all or a portion of the value of the leasehold interest in the real property. Authorizes the court to execute a tax abatement agreement with the owners of tangible personal property or an improvement located on tax-exempt real property or property owned by the district that is located in a reinvestment zone designated under this subchapter to

exempt all or a portion of the value of the tangible personal property or improvement located on the real property.

(c) Provides that the other terms of an agreement entered into under this section are governed by Chapter 312, Tax Code.

SECTION 2. Effective date: upon passage or September 1, 2025.