

By: Miles, et al.

S.B. No. 489

A BILL TO BE ENTITLED

1 AN ACT
2 relating to a requirement that a person provide or contribute to the
3 cost of child care for the person's employees in order to be
4 eligible to receive a limitation on the taxable value of the
5 person's property for school district maintenance and operations ad
6 valorem tax purposes.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

8 SECTION 1. Section [403.612](#), Government Code, is amended by
9 amending Subsection (b) and adding Subsection (c-1) to read as
10 follows:

11 (b) An agreement entered into under this section between the
12 governor, a school district, and an applicant pertaining to an
13 eligible project shall:

14 (1) specify the project to which the agreement
15 applies;

16 (2) specify the term of the agreement, which must:

17 (A) begin on the date the agreement is entered
18 into; and

19 (B) end on December 31 of the third tax year
20 following the end of the incentive period;

21 (3) specify the construction and incentive periods for
22 the project;

23 (4) specify the manner for determining the taxable
24 value for school district maintenance and operations ad valorem tax

1 purposes during the incentive period under Section 403.605 for the
2 eligible property subject to the agreement;

3 (5) specify the applicable jobs and investment
4 requirements prescribed by Section 403.604 and require the
5 applicant to comply with those requirements;

6 (6) require that the average annual wage paid to all
7 persons employed by the applicant in connection with the project
8 used to calculate total jobs exceed 110 percent of the average
9 annual wage for all jobs in the applicable industry sector during
10 the most recent four quarters for which data is available, as
11 computed by the Texas Workforce Commission, with the applicant's
12 average annual wage being equal to the quotient of:

13 (A) the applicant's total wages paid, other than
14 wages paid for construction jobs, as reported under Section
15 403.616(c)(4); and

16 (B) the applicant's number of total jobs as
17 reported under Section 403.616(c)(3);

18 (7) require the applicant to pay a penalty prescribed
19 by Section 403.614 if the applicant fails to comply with an
20 applicable jobs or wage requirement;

21 (8) require the applicant to offer and contribute to a
22 group health benefit plan for each employee of the applicant who is
23 employed in a full-time job;

24 (8-a) subject to Subsection (c-1), require the
25 applicant to provide as a benefit of employment for each employee of
26 the applicant who is employed in a full-time job at the site of the
27 project:

1 (A) child care provided by a licensed child-care
2 center:

3 (i) that is operated on-site by the
4 applicant; or

5 (ii) with which the applicant enters into a
6 contract; or

7 (B) payment of not less than 50 percent of the
8 employee's costs for child care;

9 (9) require the applicant, at the time the applicant
10 executes the agreement, to execute a performance bond in an amount
11 the comptroller determines to be reasonable and necessary to
12 protect the interests of the state and the district and conditioned
13 on the applicant's compliance with the terms of the agreement;

14 (10) authorize the governor or the district to
15 terminate the agreement as provided by Subsection (d); and

16 (11) incorporate each relevant provision of this
17 subchapter.

18 (c-1) This subsection applies to a term described by
19 Subsection (b)(8-a). The agreement must require the applicant to
20 provide the benefit described by that subsection to eligible
21 employees beginning on January 1 of the tax year following the first
22 year that a report submitted by the applicant under Section 403.616
23 shows that the number of required jobs created by the project at the
24 site of the project is 100 or more.

25 SECTION 2. The change in law made by this Act applies only
26 to an agreement limiting the taxable value of property entered into
27 under Subchapter T, Chapter 403, Government Code, as added by

1 Chapter 377 (H.B. 5), Acts of the 88th Legislature, Regular
2 Session, 2023, on or after the effective date of this Act. An
3 agreement limiting the taxable value of property entered into under
4 that subchapter before the effective date of this Act is governed by
5 the law in effect on the date the agreement was entered into, and
6 the former law is continued in effect for that purpose.

7 SECTION 3. This Act takes effect September 1, 2025.