By: Herbert H.B. No. 1225

A BILL TO BE ENTITLED

AN ACT

relating to the portion of the value of property that is a data center that may be exempted from ad valorem taxation under agreements entered into under the Property Redevelopment and Tax Abatement Act.

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

SECTION 1. Section 312.204, Tax Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) In this subsection, "data center" means a facility primarily used to house servers and related equipment and support staff for the processing, storage, and distribution of electronic data, together with the tangible personal property installed at, incorporated into, or used in the facility and the land on which the facility is located. Notwithstanding any other provision of this section, the governing body of a municipality may not enter into an agreement under this section with the owner or lessee of property that is a data center to exempt from taxation more than 50 percent of the portion of the value of the property that is otherwise subject to abatement under this section during any year covered by the agreement.

SECTION 2. The change in law made by this Act applies only to a tax abatement agreement entered into on or after the effective date of this Act.

SECTION 3. This Act takes effect September 1, 2027.