

[Texas Jobs and Security Act advances at Capitol - Austin Business Journal \(bizjournals.com\)](#)

New Texas incentives program tweaked as it advances at Capitol

Replacement for Chapter 313 tax breaks headed to full House with new name



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The exterior rotunda of the Texas State Capitol in Austin.

ARNOLD WELLS / ABJ



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The bill that would create a new statewide property tax incentives program for businesses took another step forward April 24, gaining a nod of approval from the Texas House Committee on Ways and Means. That sent the high-profile item to the full House of Representatives with about a month remaining in the legislative session.

[House Bill 5](#), also known as the Texas Jobs and Security Act, would reintroduce elements of the controversial Chapter 313 program that died at the end of 2022 after helping to bring companies such as [Tesla Inc.](#) and Samsung Electronics Co. Ltd. to the state. The 313 program yielded school tax breaks for big, expanding businesses.

The bill is sponsored by Rep. [Todd Hunter](#), a Corpus Christi Republican who has said the bill is needed to attract businesses to the state. Meanwhile, opponents decry

replacing a program that was defeated by bipartisan opposition during the last Texas legislature.

Among the latest alterations to the [proposed legislation](#), a session priority for many economic development leaders: the incentives program would move from the state tax code to the state government code, giving it the new name of Chapter 403, said Rep. [Hugh Shine](#), a Temple Republican.

Like its predecessor, HB 5 would give Texas public school districts the ability to cap the taxable value of a portion of school taxes for up to 10 years, saving companies millions and possibly billions of dollars over a decade.

It also calls for a percentage of the tax savings to be sent to the state comptroller, which could then be put into the state's general revenue fund. The revised program would also exclude renewable energy projects from the tax breaks — partly because things such as a solar array plant don't yield many jobs.

Shine said the changes also include a Dec. 31, 2036, expiration date for the program.

He said other key changes include a revised application process that would require a participating company to submit a 25-year outlook for each agreement in addition to a report from the Texas comptroller and an additional audit process.

Both the applicant and the participating school district must make bi-annual reports to the comptroller as part of an effort to ensure that the requirements of the agreements are being met, including mandatory job requirements from the applicant.

As the bill passed the House committee, the Industrial Areas Foundation shared its continued opposition to the program, including concerns that the incentives only benefit the school district where a project is located, creating further inequity within the state's public education system.

The community organizing network, which includes Austin Interfaith, called the bill an attempt to revive a failed "corporate welfare program."

"HB5 takes the failed and destructive Chapter 313 corporate giveaway program and makes it worse: worse for taxpayers, worse for schools, worse for workers, and worse for the environment," stated [Jose Guerrero](#), a leader with Austin Interfaith. "It is shameful to think that the Legislature might pass an expansion of a failed and corrupt program that benefited multibillion-dollar multinational corporations to the tune of now \$31 billion at the expense of Texas taxpayers and 95% of the students in the state. Rather than creating a real economic development strategy, industry lobbyists are taking crony capitalism to its greatest heights in the form of HB5. House Republicans and Democrats need to stop it in its tracks. Texas taxpayers and voters will be watching."

The regular session of the 88th Texas Legislature is set to end May 29.