

The Network of Texas IAF Organizations

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TEXAS IAF CALLS ON SENATE TO VOTE NO ON FAILED CHAPTER 313 REVAMP UNDER HB5 CREATE 2-YEAR PAUSE TO ASSESS FISCAL IMPACT OF \$31 BILLION IN CURRENT CHAPTER 313 TAXPAYER OBLIGATIONS

The Networks of Texas IAF Organizations (Texas IAF) urge Texas Senators to vote NO on HB5, the bill to renew the failed and defunct Chapter 313 program. With just a few days to go before the deadline for the Senate to pass House bills, the legislature has no clear path forward for the state's costliest corporate tax incentive program, which was ended last legislative session with bi-partisan opposition. HB5 passed out of committee late Sunday with only 6 of 11 votes in favor.

"Though in the past few days there has finally been a real debate on the use of hard-earned taxpayer dollars on corporate giveaways, time has run out to put together an economic development program that protects schools and taxpayers," said Rosalie Tristan, leader with Valley Interfaith of the Texas IAF. "Legislators and lobbyists had two years to put together a plan, and it's clear that none exists because school-based corporate tax breaks are a failed strategy that undermines the future of our state."

SPECIFICALLY, HB5:

BANKRUPTS TAXPAYERS – HB5 would exponentially add to the already \$31 Billion in over 900 taxpayer obligated Chapter 313 agreements. [\\$20 BILLION OF THESE AGREEMENTS WERE SIGNED IN THE LAST 6 MONTHS OF 2022 ALONE!](#)

EXPANDS FAILED CHAPTER 313 – Chapter 313 never funded EXPANSION OF EXISTING FACILITIES. HB5 would go beyond relocations and new plants, TO OBLIGATE TAXPAYERS TO POTENTIALLY FUND EXPANSION OF OVER 300 EXISTING OIL, GAS, AND MANUFACTURING PLANTS WITH EXISTING CHAPTER 313 AGREEMENTS!

CONTINUES "STACKING" OF TAX GIVEAWAYS – 72% OF MANUFACTURING PROJECTS (INCLUDING OIL AND GAS) THAT WERE GRANTED CHAPTER 313 AGREEMENTS IN 2022 WERE FOR PROJECTS THAT WON'T BE COMPLETED FOR 6 YEARS OR MORE, AND SOME FOR DECADES INTO THE FUTURE! HB5 Continues to allow companies to hook state taxpayers to pay for projects that start for years down the line, and for which the companies have no obligation to build.

SHIFTS BENEFITS PRIMARILY TO COASTAL PETROCHEMICAL INDUSTRY – While Chapter 313 at least had its benefits disbursed statewide somewhat across rural, suburban, and urban areas, the new qualifications under HB5 would essentially create a regional program where most qualifying projects would be in the petrochemical industry in the coastal region, but paid for by taxpayers ACROSS THE STATE.

"As several members of Senate Business and Commerce Committee pointed out, companies were well taken care of when existing Chapter 313 agreements nearly tripled to \$31Billion in the last 6 months of 2022, often for projects decades into the future," said Fr Miles Brandon of St. Julian of Norwich Episcopal Church in Williamson County. "That's nearly a generation of tax giveaways. Taxpayers and lawmakers deserve a chance to catch their breath and create a more rational and fiscally prudent approach to economic development."

**The Network of Texas IAF Organizations are non-partisans; institutionally based community organizations whose purpose is to train leaders to organize families around issues which affect their quality of life. The network includes Communities Organized for Public Service and The Metro Alliance and ICAN in San Antonio, The Border Organization, Valley Interfaith in the Rio Grande Valley; TMO in Houston; EPISO and Border Interfaith In El Paso; Austin Interfaith; ACT in Fort Worth; Dallas Area Interfaith; AMOS - Arlington, The West Texas Organizing Strategy; and Beaumont, Port Arthur and Orange.*

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