

By: _____ .B. No. _____

Substitute the following for ____B. No. _____:

By: _____ C.S.____B. No. _____

A BILL TO BE ENTITLED

1 AN ACT

2 relating to agreements to create jobs and generate state and local
3 tax revenue; authorizing fees; authorizing a penalty.

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

5 SECTION 1. Chapter 403, Government Code, is amended by
6 adding Subchapter T to read as follows:

7 SUBCHAPTER T. AGREEMENTS TO CREATE JOBS AND GENERATE STATE AND

8 LOCAL TAX REVENUE

9 Sec. 403.601. PURPOSES. The purposes of this subchapter
10 are to:

11 (1) create new, high-paying permanent jobs and
12 construction jobs in this state;

13 (2) encourage financially positive economic
14 development in this state;

15 (3) provide a temporary competitive economic
16 incentive for attracting large-scale manufacturing projects to
17 this state that, in the absence of this subchapter, would likely
18 locate in another state or nation;

19 (4) strengthen the security and resource independence
20 of this state and nation by encouraging energy and water
21 infrastructure development, new and expanded electric power
22 generation, and electric grid reliability projects;

23 (5) promote the relocation of offshore manufacturing
24 facilities to this state;

1 (6) make this state a national and international
2 leader in new and innovative technologies;

3 (7) encourage the establishment of advanced
4 manufacturing industry sectors critical to national defense and
5 health care;

6 (8) create new wealth, raise personal income, and
7 foster long-term expansion of state and local tax bases;

8 (9) provide growing and sustainable economic
9 opportunity for the residents of this state; and

10 (10) incentivize the preceding objectives in a
11 balanced, transparent, and accountable manner.

12 Sec. 403.602. DEFINITIONS. In this subchapter:

13 (1) "Additional job" means a full-time job in
14 connection with an eligible project that is not a required job for
15 the same project.

16 (2) "Agreement" means an agreement entered into under
17 Section 403.612.

18 (3) "Applicant" means a person that applies for, or
19 enters into an agreement providing for, a limitation on the taxable
20 value of eligible property used as part of an eligible project,
21 including the person's assignees or successors-in-interest.

22 (4) "Appraised value," "tax year," and "taxing unit"
23 have the meanings assigned by Section 1.04, Tax Code.

24 (5) "Construction completion date" means the date on
25 which an eligible project is first capable of being used for the
26 purposes for which it is constructed.

27 (6) "Construction job" means an otherwise full-time

1 job that is temporary in nature and is performed before the start of
2 the incentive period applicable to an eligible project to perform
3 construction, maintenance, remodeling, or repair work for an
4 applicant in connection with the project.

5 (7) "Construction period" means the period prescribed
6 by an agreement as the construction period of the eligible project
7 that is the subject of the agreement.

8 (8) "Eligible project" means a project that:

9 (A) is a national or state security project or
10 supply chain infrastructure project;

11 (B) is a manufacturing project; or

12 (C) requires an investment in a school district
13 in this state of more than \$1 billion.

14 (9) "Eligible property" means property, other than
15 property used for intermittent power generation to supply
16 electricity to the power grid, that is used as part of an eligible
17 project that is wholly owned by an applicant or leased by an
18 applicant under a capitalized lease and consists of:

19 (A) a new building or expansion of an existing
20 building, including a permanent, nonremovable component of a
21 building, that is:

22 (i) constructed after the date the
23 agreement pertaining to the project is entered into; and

24 (ii) located in an area designated as a
25 reinvestment zone under Chapter 311 or 312, Tax Code, or as an
26 enterprise zone under Chapter 2303 of this code, at the time the
27 agreement pertaining to the project is entered into; or

1 (B) tangible personal property, other than
2 inventory, first located in the zone described by Paragraph (A)(ii)
3 after the date the agreement pertaining to the project is entered
4 into.

5 (10) "Full-time job" means a permanent full-time job
6 that requires a total of at least 1,600 hours of work a year in
7 connection with an eligible project.

8 (11) "Grid reliability project" means a project:

9 (A) that generates base load or dispatchable
10 electricity for the power grid, including from thermal sources, or
11 that provides stored energy to the power grid from batteries,
12 regardless of power source;

13 (B) that increases the output capacity or
14 reliability of an existing dispatchable electric power generation
15 facility or that replaces dispatchable electric power generation
16 assets to extend the useful life of the facility, including
17 equipment that enables the use of multiple fuels;

18 (C) that creates or expands the capability to
19 store fuel used by an electric power generation facility,
20 regardless of whether the fuel is stored at the facility site;

21 (D) to produce hydrogen fuel or feed stock;

22 (E) that is a natural gas terminal or storage
23 facility; or

24 (F) that is a gas processing plant, including a
25 plant used in the processing, treatment, or fractionation of
26 natural gas.

27 (12) "Incentive period" for an eligible project means

1 the period prescribed by the agreement pertaining to the project
2 during which the eligible property used as part of the project is
3 subject to a limitation on taxable value.

4 (13) "Independent contractor" has the meaning
5 assigned by Section 406.121, Labor Code.

6 (14) "Investment" means the costs incurred by an
7 applicant to acquire or construct eligible property composing an
8 eligible project, other than the cost of land or inventory.

9 (15) "Manufacturing project" means a project
10 primarily engaged in activities described by Sectors 31-33 of the
11 2007 North American Industry Classification System, including
12 semiconductor fabrication cleanrooms and equipment as defined by
13 Section 151.318(q), Tax Code.

14 (16) "Metropolitan statistical area" means an area so
15 designated by the United States Office of Management and Budget.

16 (17) "National or state security project or supply
17 chain infrastructure project" means:

18 (A) a grid reliability project; or

19 (B) a seawater or brackish groundwater
20 desalination project.

21 (18) "Required job" means a job that an applicant
22 commits to create or demonstrate in connection with an eligible
23 project as prescribed by Section 403.604.

24 (19) "Total jobs" means the sum of required jobs and
25 additional jobs in connection with an eligible project.

26 Sec. 403.603. EXPIRATION. This subchapter expires December
27 31, 2036.

1 Sec. 403.604. REQUIRED JOBS AND INVESTMENT. (a) This
2 section does not apply to a national or state security project or
3 supply chain infrastructure project.

4 (b) To be eligible to enter into an agreement, an applicant
5 for a limitation on taxable value of eligible property to be used
6 for a proposed eligible project must agree to:

7 (1) if the project is to be located in a school
8 district with a taxable value of property of \$10 billion or more for
9 the tax year preceding the year in which the applicant submits the
10 application as determined under Subchapter M:

11 (A) create at least 50 required jobs by the end of
12 the first tax year of the incentive period prescribed by the
13 agreement and demonstrate an average of at least that number of jobs
14 during each following tax year until the date the agreement
15 expires; and

16 (B) make an investment in the project in an
17 amount of at least \$100 million before the incentive period begins;

18 (2) if the project is to be located in a school
19 district with a taxable value of property of at least \$1 billion but
20 less than \$10 billion for the tax year preceding the year in which
21 the applicant submits the application as determined under
22 Subchapter M:

23 (A) create at least 40 required jobs by the end of
24 the first tax year of the incentive period prescribed by the
25 agreement and demonstrate an average of at least that number of jobs
26 during each following tax year until the date the agreement
27 expires; and

1 (B) make an investment in the project in an
2 amount of at least \$80 million before the incentive period begins;

3 (3) if the project is to be located in a school
4 district with a taxable value of property of at least \$500 million
5 but less than \$1 billion for the tax year preceding the year in
6 which the applicant submits the application as determined under
7 Subchapter M:

8 (A) create at least 25 required jobs by the end of
9 the first tax year of the incentive period prescribed by the
10 agreement and demonstrate an average of at least that number of jobs
11 during each following tax year until the date the agreement
12 expires; and

13 (B) make an investment in the project in an
14 amount of at least \$50 million before the incentive period begins;

15 (4) if the project is to be located in a school
16 district with a taxable value of property of at least \$100 million
17 but less than \$500 million for the tax year preceding the year in
18 which the applicant submits the application as determined under
19 Subchapter M:

20 (A) create at least 10 required jobs by the end of
21 the first tax year of the incentive period prescribed by the
22 agreement and demonstrate an average of at least that number of jobs
23 during each following tax year until the date the agreement
24 expires; and

25 (B) make an investment in the project in an
26 amount of at least \$25 million before the incentive period begins;

27 or

1 (5) if the project is to be located in a school
2 district with a taxable value of property of less than \$100 million
3 for the tax year preceding the year in which the applicant submits
4 the application as determined under Subchapter M or in a school
5 district that is not located in a metropolitan statistical area:

6 (A) create at least five required jobs by the end
7 of the first tax year of the incentive period prescribed by the
8 agreement and demonstrate an average of at least that number of jobs
9 during each following tax year until the date the agreement
10 expires; and

11 (B) make an investment in the project in an
12 amount of at least \$10 million before the incentive period begins.

13 (c) For purposes of Subsection (b), each required job
14 created in connection with an eligible project:

15 (1) must be a new full-time job in this state:

16 (A) maintained in the usual course and scope of
17 the applicant's business, which may be performed by an individual
18 who is a trainee under the Texans Work program established under
19 Chapter 308, Labor Code; or

20 (B) performed by an independent contractor and
21 the independent contractor's employees at the site of the project;
22 and

23 (2) may not be transferred by the applicant from an
24 existing facility or location in this state or otherwise created to
25 replace an existing job, unless the applicant fills the vacancy
26 caused by the transfer.

27 (d) For purposes of Subsection (b), an applicant may count

1 as a required job one construction job credit. An applicant is
2 entitled to one construction job credit in connection with an
3 eligible project for every 10 construction jobs created in
4 connection with the project before the date the incentive period
5 for the project begins. An applicant may elect to determine the
6 number of construction jobs for purposes of this subsection as the
7 quotient of:

8 (1) the total amount paid by the applicant for labor in
9 connection with construction of the project before the incentive
10 period for the project begins, as evidenced by:

11 (A) separated charges for labor services on
12 contractor invoices; or

13 (B) other documentation from contractors of the
14 cost of labor performed under lump-sum contracts; and

15 (2) the average annual wage for all jobs in the county
16 in which the project is primarily located during the most recent
17 four quarters for which data is available, as computed by the Texas
18 Workforce Commission.

19 (e) For purposes of calculating the applicable number of
20 required jobs under Subsection (b) in connection with an eligible
21 project, an applicant may aggregate the number of hours worked by
22 one or more individuals who work fewer than 1,600 hours a year in
23 connection with the project if the number of hours worked by each of
24 those individuals combined meets or exceeds 1,600 hours of work a
25 year.

26 (f) For purposes of Subsection (b), an applicant may
27 demonstrate that the applicant has met the applicable minimum

1 investment requirement by any reasonable means. The applicant is
2 considered to have met the applicable minimum investment
3 requirement if the most recent appraisal roll for the county in
4 which the eligible property is located indicates that the appraised
5 value of the property composing the project as of January 1 of the
6 first year of the incentive period is equal to or greater than the
7 minimum investment requirement applicable to the project.

8 Sec. 403.605. TAXABLE VALUE OF ELIGIBLE PROPERTY. (a)

9 Except as provided by Subsection (b), the taxable value for school
10 district maintenance and operations ad valorem tax purposes of
11 eligible property subject to an agreement for each tax year of the
12 incentive period prescribed by the agreement is equal to:

13 (1) \$100 million, if the project subject to the
14 agreement is located in a school district with a taxable value of
15 property of \$10 billion or more for the tax year preceding the year
16 in which the applicant submitted the application to which the
17 agreement pertains as determined under Subchapter M;

18 (2) \$75 million, if the project subject to the
19 agreement is located in a school district with a taxable value of
20 property of at least \$1 billion but less than \$10 billion for the
21 tax year preceding the year in which the applicant submitted the
22 application to which the agreement pertains as determined under
23 Subchapter M;

24 (3) \$50 million, if the project subject to the
25 agreement is located in a school district with a taxable value of
26 property of at least \$500 million but less than \$1 billion for the
27 tax year preceding the year in which the applicant submitted the

1 application to which the agreement pertains as determined under
2 Subchapter M;

3 (4) \$25 million, if the project subject to the
4 agreement is located in a school district with a taxable value of
5 property of at least \$100 million but less than \$500 million for the
6 tax year preceding the year in which the applicant submitted the
7 application to which the agreement pertains as determined under
8 Subchapter M; or

9 (5) \$5 million, if the project subject to the
10 agreement is located in a school district with a taxable value of
11 property of less than \$100 million for the tax year preceding the
12 year in which the applicant submitted the application to which the
13 agreement pertains as determined under Subchapter M.

14 (b) The taxable value of eligible property for school
15 district maintenance and operations ad valorem tax purposes for a
16 tax year during the incentive period is the appraised value of the
17 property for that tax year if that value is less than the value of
18 the property as determined under Subsection (a).

19 (c) The taxable value of eligible property for school
20 district maintenance and operations ad valorem tax purposes is zero
21 for each tax year beginning with the tax year following the year in
22 which the agreement pertaining to the property is entered into and
23 ending December 31 of the tax year that includes the construction
24 completion date for the applicable eligible project.

25 (d) The chief appraiser for the appraisal district in which
26 eligible property is located shall determine the market value and
27 appraised value of the property and include the market value,

1 appraised value, and taxable value of the property as determined
2 under this section in the appraisal records for the appraisal
3 district.

4 (e) The chief appraiser for the appraisal district in which
5 eligible property subject to an agreement is located may not use an
6 estimated value included in the application to which the agreement
7 pertains to determine the market value of the property.

8 Sec. 403.606. APPLICATION. (a) A person who proposes to
9 construct an eligible project in a school district may apply to the
10 governing body of the district to limit the taxable value for
11 maintenance and operations ad valorem tax purposes of the district
12 of the eligible property used as part of the proposed project.

13 (b) A person submitting an application under Subsection (a)
14 must use the form prescribed by the comptroller. The form must
15 contain the following information:

16 (1) the applicant's name, address, and Texas taxpayer
17 identification number and the contact information for the
18 applicant's authorized representative;

19 (2) the applicant's form of business and, if
20 applicable, the name, address, and Texas taxpayer identification
21 number of the applicant's parent entity;

22 (3) the applicable school district's name and address
23 and the contact information for the district's authorized
24 representative;

25 (4) the legal description of the property on which the
26 project is proposed to be located and, if applicable, the address of
27 the proposed project;

1 (5) the applicable number of required jobs prescribed
2 by Section 403.604 for the proposed project;

3 (6) a list of each taxing unit in which the project is
4 proposed to be located;

5 (7) a brief description of the proposed project,
6 including the classification of the project as designated by the
7 North American Industry Classification System;

8 (8) a brief description of the eligible property to be
9 used as part of the proposed project;

10 (9) a projected timeline for construction and
11 completion of the proposed project, including the projected dates
12 on which construction will begin, construction will be completed,
13 and commercial operations will start;

14 (10) the proposed incentive period;

15 (11) the name and location of the existing or proposed
16 reinvestment zone or enterprise zone in which the proposed project
17 will be located;

18 (12) a brief summary of the projected economic
19 benefits of the proposed project; and

20 (13) the applicant's signature and certification of
21 the accuracy of the information included in the application.

22 (c) The form prescribed by Subsection (b) must allow the
23 applicant to segregate confidential information described by
24 Section 403.622(a) from other information in the application.

25 (d) An applicant must include with an application the
26 following:

27 (1) an application fee payable to the school district

1 in an amount determined by the district not to exceed \$60,000 for an
2 initial application, inclusive of the costs of processing the
3 application, retaining professional services, preparing the school
4 finance impact report required by Section 403.608, and, if
5 applicable, creating a reinvestment zone or enterprise zone;

6 (2) a map showing the site of the proposed project; and

7 (3) the economic benefit statement prepared under
8 Section 403.607 in connection with the proposed project.

9 (e) A school district that receives an application under
10 this section shall forward the application to the comptroller not
11 later than the seventh day after the date the district receives the
12 application.

13 (f) The comptroller may request that an applicant provide
14 any additional information the comptroller reasonably determines
15 is necessary to complete the comptroller's evaluation of the
16 application. The comptroller may require an applicant to submit
17 the additional information by a certain date and may extend that
18 deadline on a showing of good cause. The comptroller is not
19 required to take any further action on an application until it is
20 complete.

21 (g) The comptroller shall notify an applicant and the
22 pertinent school district when the applicant's application is
23 administratively complete.

24 Sec. 403.607. ECONOMIC BENEFIT STATEMENT. (a) An
25 applicant shall submit an economic benefit statement with the
26 applicant's application.

27 (b) An economic benefit statement must include the

1 following information for each year of the period that begins on the
2 date the applicant projects construction of the proposed project
3 that is the subject of the application will begin and ends on the
4 25th anniversary of the date the incentive period ends:

5 (1) an estimate of the number of total jobs that will
6 be created by the project;

7 (2) an estimate of the total amount of capital
8 investment that will be created by the project;

9 (3) an estimate of the increase in appraised value of
10 property that will be attributable to the project;

11 (4) an estimate of the amount of ad valorem taxes that
12 will be imposed by each taxing unit other than the school district
13 on the property used as part of the project;

14 (5) an estimate of the amount of state taxes that will
15 be paid in connection with the project; and

16 (6) an estimate of the associated economic benefits
17 that may reasonably be attributed to the project, including:

18 (A) the impact on the gross revenues and
19 employment levels of local businesses that provide goods or
20 services in connection with the project or to the applicant's
21 employees;

22 (B) the amount of state and local taxes that will
23 be generated as a result of the indirect economic impact of the
24 project, including all ad valorem taxes not otherwise estimated in
25 Subdivision (4) that will be imposed on property placed into
26 service as a result of the project;

27 (C) the development of complementary businesses

1 or industries that locate in this state as a direct consequence of
2 the project;

3 (D) the total impact of the project on the gross
4 domestic product of this state;

5 (E) the total impact of the project on personal
6 income in this state; and

7 (F) the total impact of the project on state and
8 local taxes.

9 (c) An applicant may use standard economic estimation
10 techniques, including economic multipliers, to create an economic
11 benefit statement.

12 (d) The comptroller shall establish criteria for the
13 methodology to be used by an applicant to create an economic benefit
14 statement.

15 (e) The comptroller may require an applicant to supplement
16 or modify an economic benefit statement to ensure the accuracy of
17 the estimates required to be included in the statement under
18 Subsection (b).

19 Sec. 403.608. SCHOOL FINANCE IMPACT REPORT. (a) A school
20 district that receives an application under this subchapter shall
21 promptly prepare a school finance impact report for the proposed
22 project that is the subject of the application.

23 (b) A school finance impact report must detail the projected
24 tax and revenue consequences for the school district of the
25 proposed project for each year of the 25-year period beginning on
26 the date the application is received by the district.

27 (c) A school finance impact report must include an estimate

1 of the amount of ad valorem taxes imposed by the school district
2 during the period described by Subsection (b) on the property used
3 as part of the proposed project, together with all related property
4 owned by the applicant or leased by the applicant under a
5 capitalized lease and placed in service as a direct result of the
6 project:

7 (1) for maintenance and operations purposes; and

8 (2) for interest and sinking fund purposes.

9 Sec. 403.609. COMPTROLLER DETERMINATION REGARDING
10 APPLICATION. (a) The comptroller shall determine whether to
11 recommend that a school district approve an application submitted
12 to the district under this subchapter.

13 (b) The comptroller shall notify an applicant and a school
14 district of the comptroller's determination under Subsection (a)
15 regarding an application submitted to the district by the applicant
16 not later than the 60th day after the date the comptroller
17 determines the application is complete.

18 (c) The comptroller shall recommend that a school district
19 approve an application submitted to the district if the comptroller
20 finds that:

21 (1) the proposed project that is the subject of the
22 application is an eligible project;

23 (2) the proposed project is reasonably likely to
24 generate, before the 25th anniversary of the last day of the
25 incentive period, state or local tax revenue, including ad valorem
26 tax revenue attributable to the effect of the project on the economy
27 of this state, in an amount sufficient to offset the school district

1 maintenance and operations ad valorem tax revenue lost as a result
2 of the agreement; and

3 (3) the agreement is a determining factor in the
4 applicant's decision to make the investment and locate the project
5 in this state.

6 (d) Subsection (c)(3) does not apply to an application if
7 the proposed project that is the subject of the application is a
8 grid reliability project.

9 Sec. 403.610. HEARING. (a) An applicant is entitled to a
10 hearing if the comptroller determines not to recommend that the
11 applicable school district approve an application submitted by the
12 applicant to the district.

13 (b) A hearing under this section is a contested case hearing
14 and shall be conducted by the State Office of Administrative
15 Hearings in the manner provided by Section 2003.101.

16 (c) To receive a hearing under this section, an applicant
17 must file a notice of appeal with the comptroller not later than the
18 30th day after the date the comptroller notifies the applicant of
19 the comptroller's determination under Section 403.609. The
20 comptroller's determination becomes final if the applicant does not
21 file the notice of appeal as provided by this subsection.

22 (d) An applicant may seek judicial review of the
23 comptroller's determination in a Travis County district court under
24 the substantial evidence rule as provided by Subchapter G, Chapter
25 2001.

26 Sec. 403.611. SCHOOL DISTRICT ACTION ON APPLICATION. (a)
27 The governing body of a school district shall approve or disapprove

1 an application submitted to the district under this subchapter that
2 the comptroller recommends be approved by the district. The
3 governing body may approve an application only if the comptroller
4 recommends the application be approved. The governing body shall
5 approve or disapprove the application not later than the 35th day
6 after the date the comptroller notifies the district of the
7 comptroller's determination under Section 403.609. The governing
8 body may extend the deadline prescribed by this subsection on
9 written request of the applicant.

10 (b) The governing body of a school district that disapproves
11 an application may propose amendments to the application and
12 reconsider the amended application not later than the 60th day
13 after the date the governing body disapproves the application. The
14 governing body may extend the deadline prescribed by this
15 subsection on written request of the applicant. The school
16 district may impose a fee of \$15,000 for an amendment to an
17 application.

18 (c) If the governing body of the school district and the
19 applicant agree on an amendment to the application under Subsection
20 (b), the amended application must be submitted to the comptroller
21 for a redetermination regarding the application. The comptroller
22 shall notify the applicant and school district of the comptroller's
23 redetermination regarding the application not later than the 30th
24 day after the date the comptroller receives the amended
25 application.

26 (d) The presiding officer of the governing body of a school
27 district shall notify the applicant and the comptroller of the

1 governing body's approval or disapproval of an application not
2 later than the seventh day after the date the governing body
3 approves or disapproves the application.

4 (e) Except for a payment authorized by this subchapter, an
5 employee or representative of a school district, a member of the
6 governing body of the district, or any other person may not
7 intentionally or knowingly solicit, accept, agree to accept, or
8 require any payment of money or transfer of property or other thing
9 of value, directly or indirectly, to the district, an employee or
10 representative of the district, a member of the governing body of
11 the district, or any other person in recognition of, anticipation
12 of, or consideration for approval of an application under this
13 section.

14 (f) Except for a payment authorized by this subchapter, an
15 applicant, an employee or representative of the applicant, or any
16 other person may not intentionally or knowingly offer, confer,
17 agree to confer, or make a payment of money or transfer of property
18 or other thing of value, directly or indirectly, to the school
19 district, an employee or representative of the district, a member
20 of the governing body of the district, or any other person in
21 recognition of, anticipation of, or consideration for approval of
22 an application under this section.

23 Sec. 403.612. AGREEMENT. (a) The governing body of a
24 school district that approves an application under Section 403.611
25 shall enter into an agreement with the applicant that submitted the
26 application.

27 (b) An agreement entered into under this section between an

1 applicant and a school district for an eligible project shall:
2 (1) specify the project to which the agreement
3 applies;
4 (2) specify the term of the agreement, which must:
5 (A) begin on the date the agreement is entered
6 into; and
7 (B) end on December 31 of the third tax year
8 following the end of the incentive period;
9 (3) specify the incentive period for the project;
10 (4) specify the manner for determining the taxable
11 value for school district maintenance and operations ad valorem tax
12 purposes during the incentive period under Section 403.605 for the
13 eligible property subject to the agreement;
14 (5) specify the applicable jobs and investment
15 requirements prescribed by Section 403.604 and require the
16 applicant to comply with those requirements;
17 (6) if the applicant is subject to the jobs
18 requirement prescribed by Section 403.604, require that the average
19 annual wage paid to all persons employed by the applicant in
20 connection with the project used to calculate total jobs, other
21 than a required job derived from a construction job credit, exceed
22 the average annual wage for all jobs in the county during the most
23 recent four quarters for which data is available, as computed by the
24 Texas Workforce Commission, with the applicant's average annual
25 wage being equal to the quotient of:
26 (A) the applicant's total wages paid, other than
27 wages paid for construction jobs, as reported under Section

1 403.617(c)(4); and

2 (B) the applicant's number of total jobs, other
3 than a required job derived from a construction job credit, as
4 reported under Section 403.617(c)(3);

5 (7) require the applicant to pay a penalty prescribed
6 by Section 403.615 if the applicant fails to comply with an
7 applicable jobs or wage requirement;

8 (8) authorize the district to terminate the agreement
9 if the applicant fails to meet a material requirement of the
10 agreement as provided by Subsection (e); and

11 (9) incorporate each relevant provision of this
12 subchapter.

13 (c) An agreement entered into under this section between an
14 applicant and a school district pertaining to an eligible project
15 may:

16 (1) require the applicant to:

17 (A) either:

18 (i) share a percentage of the applicant's
19 tax revenue savings with the district, as computed under Section
20 403.614; or

21 (ii) pay the district an amount specified
22 in the agreement, which may not be less than \$75,000 for each tax
23 year during the incentive period; and

24 (B) if the agreement requires the applicant to
25 share a percentage of the applicant's tax revenue savings under
26 Paragraph (A)(i), specify the tax savings percentages required to
27 compute the applicable tax sharing amount under Section 403.614;

1 (2) require the applicant to make an indemnity payment
2 to the district as provided by Subsection (f);

3 (3) authorize the applicant to terminate the agreement
4 as an alternative to making an indemnity payment to the district as
5 provided by Subsection (f); and

6 (4) authorize the district to terminate the agreement
7 as provided by Subsection (h).

8 (d) An agreement entered into under this section between an
9 applicant and a school district pertaining to an eligible project
10 may not require the applicant to make a payment to the district
11 other than a payment prescribed by this subchapter.

12 (e) This subsection applies to a term described by
13 Subsection (b)(8). The agreement must provide that the school
14 district:

15 (1) is authorized to terminate the agreement if the
16 applicant fails to meet a material requirement of the agreement,
17 other than a requirement described by Section 403.614;

18 (2) may not terminate the agreement until the district
19 provides written notice to the applicant of the proposed
20 termination;

21 (3) must provide the applicant the opportunity to cure
22 and dispute the alleged failure, including through judicial action;
23 and

24 (4) is entitled to recover all lost ad valorem tax
25 revenue from the project and interest on that amount calculated as
26 provided by Section 111.060, Tax Code.

27 (f) This subsection applies only if an agreement includes a

1 term described by Subsection (c)(2). The agreement must require
2 the applicant to make an indemnity payment to the school district
3 for a tax year during the incentive period in which the district's
4 revenue is substantially reduced as a result of the enactment of
5 legislation, an amendment to the constitution, or a final judicial
6 determination directly affecting the tax incentives authorized by
7 this subchapter, as determined by the Texas Education Agency as
8 provided by Subsection (g). The amount of the indemnity payment is
9 equal to the difference between the amount of revenue the district
10 would have received in that tax year had the legislation not been
11 enacted, the constitution not been amended, or the final judicial
12 determination not been made and the amount of revenue actually
13 received by the district in that tax year. The agreement must
14 provide that, as an alternative to making the indemnity payment,
15 the applicant may elect to terminate the agreement by notifying the
16 district in writing of the termination. An agreement terminated
17 under this subsection is void, and all remaining obligations and
18 benefits under the agreement and this subchapter terminate on the
19 date the agreement is terminated. The agreement may not require the
20 applicant to pay back any benefit the applicant received under the
21 agreement before the date the agreement is terminated under this
22 subsection.

23 (g) For purposes of Subsection (f), the Texas Education
24 Agency shall determine whether a law enacted by the legislature, an
25 amendment to the constitution, or a final judicial determination
26 results in a substantial change that affects the Foundation School
27 Program, not including facilities funding, and directly affects an

1 agreement entered into under this subchapter. If the agency makes a
2 determination under this subsection related to an agreement, the
3 agency shall establish the method the applicable school district
4 must use to calculate the indemnity payment and certify the
5 calculation made by the district.

6 (h) This subsection applies only if an agreement includes a
7 term described by Subsection (c)(4). The agreement may authorize
8 the school district to terminate the agreement under the
9 circumstances described by Subsection (f) if the district
10 determines that the indemnity payment made by the applicant would
11 not fully reimburse the district as required by that subsection.
12 The district must notify the applicant in writing of the
13 termination. An agreement terminated under this subsection is
14 void, and all remaining obligations and benefits under the
15 agreement and this subchapter terminate on the date the agreement
16 is terminated. The agreement may not require the applicant to pay
17 back any benefit the applicant received under the agreement before
18 the date the agreement is terminated under this subsection.

19 (i) An applicant and a school district may modify the terms
20 of an agreement that do not materially modify the jobs or investment
21 requirements prescribed by the agreement. The district may impose
22 a fee of \$15,000 for an amendment to an agreement.

23 (j) The school district shall append the economic benefit
24 statement applicable to the project that is the subject of the
25 agreement to the agreement.

26 (k) The school district shall submit each agreement entered
27 into by the district to the comptroller not later than the seventh

1 day after the date the agreement is entered into.

2 Sec. 403.613. INCENTIVE PERIOD. (a) An incentive period
3 pertaining to an eligible project is the period specified in the
4 agreement for the project, which must be a period of 10 consecutive
5 tax years.

6 (b) An incentive period may not begin:

7 (1) earlier than January 1 of the first tax year
8 following the construction completion date; or

9 (2) later than January 1 of the first tax year
10 following the 10th anniversary of the date the agreement is entered
11 into.

12 (c) Subject to Subsection (b), the beginning date of an
13 incentive period specified in an agreement pertaining to an
14 eligible project is deferred if the applicant does not satisfy the
15 minimum investment requirement applicable to the project on or
16 before the date the incentive period is specified to begin under the
17 agreement. The incentive period is deferred until January 1 of the
18 year following the year in which the applicant satisfies the
19 investment requirement pertaining to the project. The deferral of
20 an incentive period under this subsection does not affect the date
21 on which the incentive period ends as prescribed by the agreement.

22 (d) Subject to Subsection (b), an applicant may propose to
23 modify the beginning and ending dates of the incentive period as
24 provided by this subsection. The applicant shall provide notice of
25 the proposed modification to the comptroller and the school
26 district not later than the 90th day before the first day of the
27 incentive period specified in Section 403.612(b)(3) or as proposed

1 to be modified, whichever is earlier. The applicant shall revise
2 the most recent economic benefit statement as necessary to reflect
3 the proposed change to the incentive period. The applicant must
4 include the revised economic benefit statement with the notice
5 provided to the comptroller and the district under this subsection.
6 The comptroller shall make the finding required by Section
7 403.609(c)(2) regarding the project as proposed to be modified or
8 determine that the finding cannot be made. The comptroller shall
9 notify the applicant and the district of the comptroller's finding
10 or determination not later than the 60th day after the date the
11 comptroller receives notice from the applicant of the proposed
12 modification. The applicant may appeal the comptroller's
13 determination in the manner provided by Section 403.610. The
14 incentive period for the project may not be modified if the
15 comptroller determines that the finding required by Section
16 403.609(c)(2) regarding the project as proposed to be modified
17 cannot be made or, if the determination is appealed, the applicant
18 is not successful on appeal before the beginning of the original or
19 modified incentive period, whichever is earlier.

20 Sec. 403.614. COMPUTATION OF TAX SHARING AMOUNT. (a) An
21 applicant's tax revenue savings for eligible property that is
22 subject to an agreement between the applicant and a school district
23 is:

24 (1) for a tax year during the period prescribed by
25 Section 403.605(c), an amount equal to the product of:

26 (A) the amount computed by dividing the appraised
27 value of the property for that tax year by 100; and

1 (B) the maintenance and operations ad valorem tax
2 rate adopted by the district for that tax year; and

3 (2) for a tax year during the incentive period
4 prescribed by the agreement, an amount equal to the product of:

5 (A) the amount computed by:

6 (i) subtracting the taxable value of the
7 property as determined under Section 403.612(b)(4) from the
8 appraised value of the property for that tax year; and

9 (ii) dividing the amount computed under
10 Paragraph (A) by 100; and

11 (B) the maintenance and operations ad valorem tax
12 rate adopted by the district for that tax year.

13 (b) An applicant's tax sharing amount for a tax year during
14 the period described by Subsection (a)(1) is equal to 20 percent of
15 the applicant's tax revenue savings as computed under that
16 subdivision for that tax year.

17 (c) An applicant's tax sharing amount for a tax year during
18 the period described by Subsection (a)(2) in which the applicant's
19 tax revenue savings as computed under that subdivision is:

20 (1) \$3 million or less is the amount equal to the
21 product of the amount computed under Subsection (a)(2) and the
22 applicable tax savings percentage specified in the agreement
23 between the applicant and the school district, which may not exceed
24 30 percent;

25 (2) more than \$3 million but less than \$7 million is
26 the amount equal to the sum of the following amounts:

27 (A) the product of:

1 (i) \$3 million; and
2 (ii) the applicable tax savings percentage
3 specified in the agreement, which may not exceed 30 percent; and
4 (B) the product of:
5 (i) the difference between the amount
6 computed under Subsection (a)(2) and \$3 million; and
7 (ii) the applicable tax savings percentage
8 specified in the agreement, which may not exceed 20 percent; and
9 (3) \$7 million or more is the amount equal to the sum
10 of the following amounts:
11 (A) the product of:
12 (i) \$3 million; and
13 (ii) the applicable tax savings percentage
14 specified in the agreement, which may not exceed 30 percent;
15 (B) the product of:
16 (i) \$4 million; and
17 (ii) the applicable tax savings percentage
18 specified in the agreement, which may not exceed 20 percent; and
19 (C) the product of:
20 (i) the difference between the amount
21 computed under Subsection (a)(2) and \$7 million; and
22 (ii) the applicable tax savings percentage
23 specified in the agreement, which may not exceed 10 percent.

24 Sec. 403.615. FAILURE TO COMPLY WITH JOBS OR WAGE
25 REQUIREMENT. (a) An applicant is liable to the state for a penalty
26 in the amount computed under this subsection if the applicant fails
27 to maintain at least the number of required jobs prescribed by the

1 agreement to which the applicant is a party during the periods
2 covered by two consecutive reports submitted by the applicant under
3 Section 403.617. The amount of the penalty is equal to the product
4 of:

5 (1) the difference between:

6 (A) the number of required jobs prescribed by the
7 agreement; and

8 (B) the number of required jobs actually created
9 as stated in the most recent report submitted by the applicant under
10 Section 403.617; and

11 (2) the average annual wage prescribed by the
12 agreement during the most recent four quarters for which data is
13 available, as computed by the Texas Workforce Commission.

14 (b) An applicant is liable to the state for a penalty in the
15 amount computed under this subsection if the applicant fails to
16 meet the average annual wage requirement prescribed by the
17 agreement to which the applicant is a party, if any, during the
18 periods covered by two consecutive reports submitted by the
19 applicant under Section 403.617. The amount of the penalty is equal
20 to the difference between:

21 (1) the product of:

22 (A) the actual average annual wage paid to all
23 persons employed by the applicant in connection with the project
24 that is the subject of the agreement as computed under Section
25 403.612(b)(6); and

26 (B) the number of required jobs prescribed by the
27 agreement; and

1 (2) the product of:

2 (A) the average annual wage prescribed by the
3 agreement; and

4 (B) the number of required jobs prescribed by the
5 agreement.

6 (c) Notwithstanding Subsections (a) and (b), the amount of a
7 penalty imposed on an applicant under this section may not exceed
8 the amount of the ad valorem tax benefit received by the applicant
9 under the agreement that is the subject of the penalty.

10 (d) An applicant on request of the comptroller shall provide
11 to the comptroller a schedule of required jobs created as of the
12 date of the request under an agreement to which the applicant is a
13 party.

14 (e) A determination by the comptroller that an applicant has
15 failed to meet the jobs or wage requirement prescribed by an
16 agreement to which the applicant is a party is a deficiency
17 determination under Section 111.008, Tax Code. A penalty imposed
18 under this section is an amount the comptroller is required to
19 collect, receive, administer, or enforce, and is subject to the
20 payment and redetermination requirements of Sections 111.0081 and
21 111.009, Tax Code. A redetermination under Section 111.009, Tax
22 Code, of a determination under this section is a contested case as
23 defined by Section 2001.003 of this code.

24 (f) An applicant may challenge under Subchapters A and B,
25 Chapter 112, Tax Code, a determination under this section that
26 imposes a penalty on the applicant if the applicant contends that
27 the amount of the penalty is unlawful or that the comptroller may

1 not legally demand or collect the amount.

2 (g) The comptroller shall deposit the amount collected
3 under this section, including any interest applicable to the
4 amount, to the credit of the foundation school fund.

5 Sec. 403.616. AUDIT OF AGREEMENTS BY STATE AUDITOR. (a)
6 Each year the state auditor shall select and review at least three
7 major agreements to determine whether:

8 (1) each agreement accomplishes the purposes of this
9 subchapter as expressed in Section 403.601; and

10 (2) the terms of each agreement were executed in
11 compliance with the terms of this subchapter.

12 (b) As part of the review, the state auditor shall make
13 recommendations relating to increasing the efficiency and
14 effectiveness of the administration of this subchapter.

15 Sec. 403.617. BIENNIAL COMPLIANCE REPORT BY APPLICANT. (a)
16 An applicant that is a party to an agreement shall submit a report
17 to the comptroller as required by this section using the form
18 adopted by the comptroller.

19 (b) An applicant must submit a report required by this
20 section to the comptroller not later than June 1 of each
21 even-numbered year during the term of the agreement that is the
22 subject of the report.

23 (c) A report required by this section must include the
24 following documents and information applicable to the agreement
25 that is the subject of the report:

26 (1) a certification by the applicant that is a party to
27 the agreement that the applicant has met the jobs and investment

1 requirements prescribed by the agreement, which must include:

2 (A) a sworn affidavit stating:

3 (i) the number of required jobs prescribed
4 by the agreement;

5 (ii) the number of total jobs created under
6 the agreement as of December 31 of the preceding two years,
7 including the number of total jobs for each category of required
8 jobs; and

9 (iii) the name and contact information of
10 each person who employs a person described by Subparagraph (ii),
11 other than the applicant or the applicant's affiliates;

12 (B) if applicable, payroll records maintained
13 for purposes of 40 T.A.C. Chapter 815; and

14 (C) if applicable, evidence of the number of
15 construction jobs created and construction job credits counted by
16 the applicant as a required job;

17 (2) the number assigned to the application by the
18 comptroller for the agreement, name of the applicant, name of the
19 school district, and name of and contact information for the
20 applicant's representative;

21 (3) the number of total jobs, not including
22 construction job credits counted by the applicant as a required
23 job, created by the project in each of the preceding two years;

24 (4) the total wages paid for total jobs, not including
25 wages paid for construction jobs, in each of the preceding two
26 years;

27 (5) the number of construction jobs created as

1 determined under Section 403.604(d);
2 (6) the total amount of the applicant's investment,
3 including any additional amount invested by the applicant after the
4 incentive period begins;
5 (7) the appraised value of all property composing the
6 project for each previous tax year of the agreement;
7 (8) the taxable value of all property composing the
8 project for each previous tax year of the agreement;
9 (9) the amount of school district maintenance and
10 operations ad valorem taxes imposed on the property composing the
11 project and paid by the applicant for each previous tax year of the
12 agreement;
13 (10) the amount of school district interest and
14 sinking fund ad valorem taxes imposed on the property composing the
15 project and paid by the applicant for each previous tax year of the
16 agreement;
17 (11) the amount of school district ad valorem taxes
18 that would have been imposed on the property composing the project
19 and paid by the applicant in the absence of the agreement for each
20 previous tax year of the agreement;
21 (12) the amount of payments made by the applicant to
22 the school district as prescribed by the agreement for each
23 previous tax year of the agreement, listed by type of payment; and
24 (13) the amount of ad valorem taxes imposed on the
25 property composing the project by each taxing unit other than the
26 school district and paid by the applicant for each previous tax year
27 of the agreement, stated by taxing unit.

1 (d) This subsection applies only to a report required to be
2 submitted under this section by an applicant for the period that
3 includes the first year of the incentive period as prescribed by the
4 agreement that is the subject of the report or as deferred. In
5 addition to the documents and information described by Subsection
6 (c), the applicant must include with the certification required by
7 Subsection (c)(1):

8 (1) a list of the property tax account numbers
9 assigned to the property composing the project;

10 (2) the current total appraised value of the property
11 composing the project; and

12 (3) if applicable, a statement that the incentive
13 period was deferred because the applicant did not meet the minimum
14 investment requirement prescribed by the agreement before the date
15 specified in the agreement.

16 Sec. 403.618. SCHOOL DISTRICT REPORT. (a) A school
17 district that is a party to an agreement must submit a report to the
18 comptroller as prescribed by this section.

19 (b) A school district must submit the report not later than
20 June 1 of each even-numbered year:

21 (1) beginning in the first even-numbered year
22 following the year in which the governing body of the district
23 approves the application for the project that is the subject of the
24 agreement; and

25 (2) ending in the last even-numbered year before the
26 third anniversary of the expiration of the incentive period
27 prescribed by the agreement.

1 (c) The report must include:

2 (1) the total amount received from the applicant under
3 the agreement for each previous year;

4 (2) the total amount of any other direct or indirect
5 benefit received from the applicant for each previous year,
6 including an in-kind contribution; and

7 (3) the purposes for which the payments and benefits
8 were used by the school district.

9 Sec. 403.619. BIENNIAL REPORT TO LEGISLATURE. (a) The
10 comptroller shall submit to the lieutenant governor, the speaker of
11 the house of representatives, and each other member of the
12 legislature a report on the agreements entered into under this
13 subchapter. The comptroller must submit the report not later than
14 December 1 of each even-numbered year.

15 (b) The report must include:

16 (1) an assessment of the following with regard to the
17 agreements entered into under this subchapter, considered in the
18 aggregate:

19 (A) the total number of jobs created in this
20 state;

21 (B) the total effect on personal income in this
22 state;

23 (C) the total amount of investment in this state;

24 (D) the total taxable value of property on the
25 tax rolls in this state resulting from the agreements, including
26 property subject to an agreement that has expired;

27 (E) the total value of property subject to

1 agreements that have not expired; and
2 (F) the total fiscal effect resulting from the
3 agreements on this state and on local governments in this state; and
4 (2) an assessment of each agreement entered into under
5 this subchapter that states for each agreement:
6 (A) the number of required jobs prescribed by the
7 agreement;
8 (B) the number of jobs actually created under the
9 agreement, including:
10 (i) each job described by Section
11 403.604(c)(1)(A);
12 (ii) each job described by Section
13 403.604(c)(1)(B);
14 (iii) each construction job credit
15 described by Section 403.604(d) counted by an applicant as a
16 required job; and
17 (iv) any additional jobs created or
18 maintained in connection with the project that is the subject of the
19 agreement, if reported by the applicant;
20 (C) the number of total jobs created under the
21 agreement, if the term of the agreement has expired;
22 (D) the amount of the investment specified by the
23 agreement;
24 (E) the amount of the actual investment made for
25 the applicable project before the expiration of the agreement;
26 (F) the difference between the amount of ad
27 valorem taxes that would have been imposed on the property

1 composing the applicable project in the absence of the agreement
2 and the amount of ad valorem taxes actually imposed on that property
3 during the term of the agreement;

4 (G) the total amount of state and local tax
5 revenue attributable to the applicable project during the term of
6 the agreement;

7 (H) the total amount received by the school
8 district from the applicant under the agreement for each previous
9 year;

10 (I) the total amount of any other direct or
11 indirect benefit received by the district from the applicant for
12 each previous year, including an in-kind contribution; and

13 (J) the purposes for which the payments and
14 benefits described by Paragraphs (H) and (I) were used by the
15 district.

16 (c) The comptroller may not include in the report
17 information that is confidential under law.

18 (d) The comptroller may use standard economic estimation
19 techniques, including economic multipliers, to prepare the portion
20 of the report described by Subsection (b)(1).

21 (e) The comptroller may require an applicant to submit
22 information required to complete the report on a form prescribed by
23 the comptroller.

24 Sec. 403.620. CONFLICT OF INTEREST. A person may not,
25 directly or indirectly, represent, advise, or provide a service to
26 both an applicant and a school district in connection with the same
27 application submitted or agreement entered into under this

1 subchapter.

2 Sec. 403.621. TREATMENT OF PAYMENTS TO SCHOOL DISTRICTS. A
3 payment by an applicant to a school district under this subchapter
4 other than a payment of ad valorem taxes imposed by the district may
5 not be treated as tax revenue collected by the district for any
6 purpose under Chapter 48 or 49, Education Code.

7 Sec. 403.622. CONFIDENTIALITY OF CERTAIN BUSINESS
8 INFORMATION. (a) Information provided to a school district or the
9 comptroller by an applicant under this subchapter that is a trade
10 secret, as defined by Section 134A.002, Civil Practice and Remedies
11 Code, is confidential and not subject to disclosure under Chapter
12 552.

13 (b) Payroll records reported under Section 403.617(c)(1)(A)
14 or (B) by an applicant to the comptroller are confidential and not
15 subject to disclosure under Chapter 552.

16 Sec. 403.623. INTERNET POSTING OF INFORMATION. (a)
17 Subject to Section 403.622, the comptroller shall post on the
18 comptroller's Internet website the following information received
19 by the comptroller:

20 (1) each application submitted under this subchapter;
21 (2) each map and economic benefit statement required
22 to be submitted with an application under this subchapter;

23 (3) each amendment to an application made under this
24 subchapter;

25 (4) each agreement entered into under this subchapter;

26 and

27 (5) each biennial compliance report submitted as

1 required under this subchapter.

2 (b) Except as provided by Subsection (c), the comptroller
3 shall post the information described by Subsection (a) as soon as
4 practicable after the date the comptroller receives the
5 information.

6 (c) The comptroller shall post the information described by
7 Subsections (a)(1), (2), and (3) not later than the 10th business
8 day after the date the comptroller receives the information.

9 (d) The comptroller shall continue to post the information
10 required by this section until the date the agreement to which the
11 information relates expires.

12 Sec. 403.624. RULES AND FORMS. (a) The comptroller shall
13 adopt rules necessary to implement and administer this subchapter,
14 including rules for:

15 (1) determining whether an applicant meets the jobs
16 and investment requirements prescribed by Section 403.604; and

17 (2) authorizing an applicant or school district to
18 submit any form or information required by this subchapter
19 electronically.

20 (b) The comptroller shall adopt forms necessary to
21 implement and administer this subchapter, including the forms to be
22 used by:

23 (1) an applicant under Section 403.606;

24 (2) an applicant under Section 403.617; and

25 (3) a school district under Section 403.618.

26 (c) The comptroller shall provide without charge one copy of
27 the rules and forms adopted under this section to any person who

1 states that the person intends to submit an application to a school
2 district under this subchapter to limit the taxable value of
3 eligible property used as part of an eligible project.

4 SECTION 2. Section 48.2551(a), Education Code, is amended
5 to read as follows:

6 (a) In this section:

7 (1) "DPV" is the taxable value of property in the
8 school district, as determined by the agency by rule, using locally
9 determined property values adjusted in accordance with Section
10 403.302(d), Government Code;

11 (2) "E" is the expiration of the exclusion of
12 appraised property value for the preceding tax year that is
13 recognized as taxable property value for the current tax year,
14 which is the sum of the following:

15 (A) property value that is no longer subject to a
16 limitation on appraised value under former Subchapter B or C,
17 Chapter 313, Tax Code, or a limitation on taxable value under
18 Subchapter T, Chapter 403, Government Code; and

19 (B) property value under Section 311.013(n), Tax
20 Code, that is no longer excluded from the calculation of "DPV" from
21 the preceding year because of refinancing or renewal after
22 September 1, 2019;

23 (3) "MCR" is the district's maximum compressed rate,
24 which is the tax rate for the current tax year per \$100 of valuation
25 of taxable property at which the district must levy a maintenance
26 and operations tax to receive the full amount of the tier one
27 allotment to which the district is entitled under this chapter;

1 (4) "PYDPV" is the district's value of "DPV" for the
2 preceding tax year; and

3 (5) "PYMCR" is the district's value of "MCR" for the
4 preceding tax year.

5 SECTION 3. Section 48.256, Education Code, is amended by
6 amending Subsections (d) and (e) and adding Subsection (d-1) to
7 read as follows:

8 (d) This subsection applies to a school district in which
9 the board of trustees entered into a written agreement with a
10 property owner [~~under Section 313.027, Tax Code,~~] for the
11 implementation of a limitation on taxable [~~appraised~~] value under
12 Subchapter T, Chapter 403, Government [~~B or C, Chapter 313, Tax~~]
13 Code. For purposes of determining "DPV" under Subsection (a) for a
14 school district to which this subsection applies, the commissioner
15 shall exclude a portion of the market value of property not
16 otherwise fully taxable by the district under Subchapter T, Chapter
17 403, Government [~~B or C, Chapter 313, Tax~~] Code[, ~~before the~~
18 ~~expiration of the subchapter~~]. The comptroller shall provide
19 information to the agency necessary for this subsection.

20 (d-1) Subsection (d) applies to an agreement for the
21 implementation of a limitation on appraised value under former
22 Subchapter B or C, Chapter 313, Tax Code, that was in effect on
23 January 1, 2023, in the same manner as that subsection applies to an
24 agreement described by that subsection. If the agreement for the
25 limitation on appraised value requires a [A] revenue protection
26 payment to the school district, the payment [~~required as part of an~~
27 ~~agreement for a limitation on appraised value~~] shall be based on the

1 district's taxable value of property for the preceding tax year.

2 (e) Subsection (d-1) [~~(d)~~] does not apply to property that
3 was the subject of an application under former Subchapter B or C,
4 Chapter 313, Tax Code, made after May 1, 2009, that the comptroller
5 recommended should be disapproved.

6 SECTION 4. Section 2303.507, Government Code, is amended to
7 read as follows:

8 Sec. 2303.507. TAX INCREMENT FINANCING AND
9 ABATEMENT; LIMITATIONS ON APPRAISED AND TAXABLE
10 VALUE. Designation of an area as an enterprise zone is also
11 designation of the area as a reinvestment zone for:

12 (1) tax increment financing under Chapter 311, Tax
13 Code;

14 (2) tax abatement under Chapter 312, Tax Code; [~~and~~]

15 (3) limitations on appraised value under former
16 Subchapter B or C, Chapter 313, Tax Code; and

17 (4) limitations on taxable value under Subchapter T,
18 Chapter 403, of this code.

19 SECTION 5. Section 23.03, Tax Code, is amended to read as
20 follows:

21 Sec. 23.03. COMPILATION OF LARGE PROPERTIES AND PROPERTIES
22 SUBJECT TO LIMITATION ON APPRAISED OR TAXABLE VALUE. Each year the
23 chief appraiser shall compile and send to the Texas [~~Department of~~]
24 Economic Development and Tourism Office a list of properties in the
25 appraisal district that in that tax year:

26 (1) have a market value of \$100 million or more; [~~or~~]

27 (2) are subject to a limitation on appraised value

1 under former Subchapter B or C, Chapter 313; or

2 (3) are subject to a limitation on taxable value under
3 Subchapter T, Chapter 403, Government Code.

4 SECTION 6. Section 26.012(6), Tax Code, is amended to read
5 as follows:

6 (6) "Current total value" means the total taxable
7 value of property listed on the appraisal roll for the current year,
8 including all appraisal roll supplements and corrections as of the
9 date of the calculation, less the taxable value of property
10 exempted for the current tax year for the first time under Section
11 11.31 or 11.315, except that:

12 (A) the current total value for a school district
13 excludes:

14 (i) the total value of homesteads that
15 qualify for a tax limitation as provided by Section 11.26; ~~and~~

16 (ii) new property value of property that is
17 subject to an agreement entered into under former Subchapter B or C,
18 Chapter 313; and

19 (iii) new property value of property that
20 is subject to an agreement entered into under Subchapter T, Chapter
21 403, Government Code; and

22 (B) the current total value for a county,
23 municipality, or junior college district excludes the total value
24 of homesteads that qualify for a tax limitation provided by Section
25 11.261.

26 SECTION 7. Section 171.602(f), Tax Code, is amended to read
27 as follows:

1 (f) The comptroller may not issue a credit under this
2 section before the later of:

3 (1) [~~September 1, 2018, or~~
4 ~~(2)~~] the expiration of an agreement under former
5 Subchapter B or C, Chapter 313, regarding the clean energy project
6 for which the credit is issued; or

7 (2) the expiration of an agreement under Subchapter T,
8 Chapter 403, Government Code, regarding the clean energy project
9 for which the credit is issued.

10 SECTION 8. Section 312.0025(a), Tax Code, is amended to
11 read as follows:

12 (a) Notwithstanding any other provision of this chapter to
13 the contrary, the governing body of a school district, in the manner
14 required for official action and for purposes of former Subchapter
15 B or C, Chapter 313, of this code or Subchapter T, Chapter 403,
16 Government Code, may designate an area entirely within the
17 territory of the school district as a reinvestment zone if the
18 governing body finds that, as a result of the designation and the
19 granting of a limitation on appraised value under former Subchapter
20 B or C, Chapter 313, of this code or the granting of a limitation on
21 taxable value under Subchapter T, Chapter 403, Government Code, for
22 property located in the reinvestment zone, the designation is
23 reasonably likely to:

24 (1) contribute to the expansion of primary employment
25 in the reinvestment zone; or

26 (2) attract major investment in the reinvestment zone
27 that would:

1 (A) be a benefit to property in the reinvestment
2 zone and to the school district; and

3 (B) contribute to the economic development of the
4 region of this state in which the school district is located.

5 SECTION 9. This Act takes effect September 1, 2023.