

The Network of Texas IAF Organizations

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Who Benefits and Who Pays? Speaker Phelan and Chairman Hunter's Districts Benefit, Rest of Texas Pays

Currently, Speaker Dade Phelan and Representative Todd Hunter have a total of 92 of the state's 303 tax abatements for "manufacturing projects" under Chapter 313. These projects are in or next to the counties where their House districts are located and represent about 30% of total tax abatements under Chapter 313 for "manufacturing projects" in the entire State. Since HB5 will grant tax breaks for the "expansion" of these same manufacturing projects, which are almost entirely oil, gas, and petrochemical companies, while stripping the tax break for renewable energy projects, over 30% of HB5's benefits could flow, at taxpayer expense, to the counties of HB5's two biggest legislative champions.

"Speaker Phelan and Chair Hunter, and the multinational companies that will benefit from HB5, need to get their hands out of the pockets of Texas taxpayers and off the backs of Texas schoolchildren," said Rosalie Tristan, a leader with Valley Interfaith of the Texas IAF. "Over the past month we have seen them use every lever of the House, every carrot and stick, to bully members to sign on to renew a worse version of the failed Chapter 313 program. We call on House Members to stand up and say 'no' to HB5. They should put that same energy and our tax dollars into increasing the basic student allotment that funds teacher salaries and our public schools."

Two-thirds of all Chapter 313 projects are located in just 14 Counties: The "large-scale manufacturing plants" that HB 5 will focus on in the future are highly concentrated in a few places in the state. Indeed, 67% or 205 projects are in just 14 counties in Texas. Here is where those projects are located:

Phelan: 68 Manufacturing Projects in Jefferson, Orange and Chambers counties—SE Texas
Hunter: 34 Manufacturing Projects in San Patricio, Nueces, Kleberg, Calhoun—Coastal Bend

Other concentrations of Manufacturing Projects receiving Chapter 313 tax breaks

- 55 Manufacturing Projects in East Harris, Brazoria & Galveston Counties
- 29 Manufacturing Projects in Ector, Pecos, Glasscock—Permian Basin
- 11 Manufacturing Projects in Williamson County
- 8 Manufacturing Projects in Grayson County

205 Total Manufacturing Projects located in only 14 Counties

A 2023 report by the Texas Comptroller showed that over 50% of Chapter 313 benefits flow out of state, and of the portion that stays in Texas, over 50% goes to households earning over \$165,000/year. "The industry lobbyists who wrote this bill, and the legislators they handpicked to carry it, knew exactly what they were doing," said Father Ken Ducre, clergy leader with EPISO, the Texas IAF affiliate in El Paso. "By cutting out renewable energy projects and adding the "expansion" of existing petrochemical plants, HB 5 will result in more taxpayer and school money flowing out of state and into the hands of the wealthiest."

**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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