

- SUBJECT:** Allowing an application fee for a county ad valorem tax abatement
- COMMITTEE:** Ways and Means — favorable, without amendment
- VOTE:** 7 ayes — Oliveira, McCall, Bonnen, Y. Davis, Keffer, Ramsay, Ritter
0 nays
4 absent — Craddick, Hartnett, Heflin, Hilbert
- SENATE VOTE:** On final passage, April 20 — 30-0, on Local and Uncontested Calendar
- WITNESSES:** (*On House companion bill, HB 2782:*)
For — David Smith, Bexar County Commissioners Court

Against — None
- BACKGROUND:** Under Tax Code, sec. 312.002, an ad valorem taxing unit may not enter into a tax abatement agreement and a city or county governing body may not designate an area as a reinvestment zone unless the governing body has established guidelines and criteria for the abatement agreement. While cities may charge fees to cover costs of processing applications for tax abatements, counties are not authorized to collect fees to help defray these costs.
- DIGEST:** SB 1533 would allow the guidelines and criteria for a tax abatement agreement adopted by a county commissioners court to include a requirement for an application fee of up to \$1,000.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2001.
- NOTES:** The identical House companion bill, HB 2782 by Villarreal, passed the House on the Local, Consent, and Resolutions Calendar on May 6. It was reported favorably, without amendment, by the Senate Intergovernmental

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Relations Committee on May 10 and recommended for the Local and Uncontested Calendar.