

SUBJECT: Revising authority to cap school district taxes for economic development

COMMITTEE: Ways and Means — committee substitute recommended

VOTE: 6 ayes — J. Keffer, Villarreal, Edwards, Grusendorf, Paxton, Ritter

0 nays

3 absent — Luna, Smithee, Woolley

WITNESSES: None

BACKGROUND: In 2001, the 77th Legislature approved HB 1200 by Brimer, which authorizes school districts to cap temporarily the taxable property values of eligible businesses in exchange for new investments.

DIGEST: CSHB 2675 would expand the authority to cap taxable property values for economic development purposes to continue to include a county with a federal nuclear facility that had a population of less than 50,000 before January 1, 2002.

The bill also would amend the requirement that new jobs created in conjunction with the tax cap pay at least 110 percent of the county average weekly wage for manufacturing jobs to 110 percent of the regional average weekly wage for manufacturing jobs.

The bill would apply to applications for capping taxable property values filed on or after the effective date of the bill, September 1, 2005.

NOTES: The committee substitute would apply to districts with a federal nuclear facility and would change the basis for the required pay, not the percentage of jobs that must meet the standard.