

## **BILL ANALYSIS**

Senate Research Center  
76R5411 GJH-F

H.B. 3034  
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Economic Development  
5/6/1999  
Engrossed

### **DIGEST**

Currently, Texas law requires tax abatement agreements executed by more than one taxing jurisdiction to contain identical terms and requires hospital districts and other special districts under the taxing authority of the county to participate in a county tax abatement. It is reported that this requirement limits the flexibility of counties and other taxing units to negotiate tax abatement agreements. This bill would authorize taxing units to execute tax abatement agreements with different abatement terms and allow special districts under county taxing authority to opt to out of participating in a tax abatement agreement.

### **PURPOSE**

As proposed, H.B. 3034 establishes requirements for entering into property tax abatement agreements by certain taxing units.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 312.004(a), Tax Code, to authorize a commissioners court of a county that enters into a tax abatement agreement for the county to enter into a tax abatement agreement applicable to the same property on behalf of a taxing unit other than the county if the ad valorem tax rate of the other taxing unit, rather than a county, is approved by the commissioners court or the commissioners court is expressly required to levy the ad valorem taxes of the other taxing unit. Provides that the tax abatement agreement entered into on behalf of the other taxing unit is not required to contain the same terms as the tax abatement agreement entered into on behalf of the county. Deletes text regarding the application of a tax abatement agreement to the taxation of a taxing unit. Makes conforming changes.

SECTION 2. Amends Section 312.206(a), Tax Code, to authorize the governing body of each taxing unit eligible to enter into tax abatement agreements under Section 312.002 in which a property is located to execute a tax abatement agreement with the owner of the property, if property taxes on property located in the taxing jurisdiction of a municipality are abated under an agreement made under Section 312.204 or 312.211. Provides that a tax abatement agreement is not required, rather than must, contain terms identical to those contained in the agreement with the municipality. Provides that Section 312.205 applies to an agreement made by a taxing unit under this section in the same manner as it applies to an agreement made by a municipality under Section 312.204 or 312.211. Deletes text regarding portions of the property that are to be exempt from taxation. Deletes text regarding an agreement with an owner of property under this subsection. Deletes a provision regarding a taxing unit that is a county.

SECTION 3. Makes application of this Act prospective. Provides that this Act applies only to ad valorem taxes imposed on or after January 1, 2000.

SECTION 4. Effective date: September 1, 1999.

SECTION 5. Emergency clause.