

BILL ANALYSIS

Senate Research Center
79R2452 JD-D

S.B. 559
By: Brimer
S/C on Emerging Technologies & Economic Development
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As Filed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

The 77th Legislature, Regular Session, 2001, enacted H.B. 1200, which created Chapter 313, Tax Code, (the Texas Economic Development Act). This Act allows school districts to attract new taxable property by offering a tax credit and an eight-year limitation on the appraised value of a property for the maintenance and operations portion of the school district property tax.

Prior to the 77th Legislature, the property tax system in Texas placed a disproportionate burden on capital-intensive businesses compared to other entities. This disparity provided a significant financial disincentive to businesses which desired to invest large amounts of money in Texas, exacerbated by the fact that other states have restructured their tax laws in an effort to attract projects and high-paying jobs.

As proposed, S.B. 559 removes the expiration date provided in Chapter 313, Tax Code, to extend the permissible tax credit indefinitely.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Repealers: Section 313.007 (Expiration), Tax Code.

Sections 313.024(b) and (e) (Eligible Property), Tax Code.

Subchapter E, Chapter 313 (Texas Economic Development Act: Saving Provisions), Tax Code.

SECTION 2. Effective date: upon passage or September 1, 2005.