

BILL ANALYSIS

Senate Research Center
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H.B. 2826
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Finance
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

According to interested parties, when determining the eligibility of school district property in more than one district for a limitation on appraised value under the Texas Economic Development Act, single projects extending across multiple school districts are evaluated by each portion of the project, and each portion must separately qualify for a limitation agreement, sometimes posing a significant burden. H.B. 2826 seeks to address this issue.

H.B. 2826 amends the Tax Code to set out provisions applicable only to a single unified project that is located in more than one but not more than three school districts, each of which is contiguous to another school district in which the project is located and at least one of which is a school district to which provisions of the Texas Economic Development Act relating to a limitation on appraised value of certain property used to create jobs apply.

H.B. 2826 amends current law relating to the eligibility of certain property located in multiple school districts for a limitation on appraised value for school district maintenance and operations ad valorem tax purposes under the Texas Economic Development Act.

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. Amends Subchapter B, Chapter 313, Tax Code, by adding Section 313.0255, as follows:

Sec. 313.0255. PROJECT LOCATED IN MULTIPLE SCHOOL DISTRICTS. (a) Provides that this section applies only to a single unified project that is located in more than one but not more than three school districts, each of which is contiguous to another school district in which the project is located and at least one of which is a school district to which this subchapter applies.

(b) Provides that the provisions of this subchapter applicable to a project that is located in only one school district, except as otherwise provided by this section, apply to a project to which this section applies, including the provisions governing the application and approval process. Provides that this section does not affect the requirement that each school district from which the applicant desires a limitation on appraised value of the applicant's property for school district maintenance and operations ad valorem tax purposes enter into an agreement with the applicant under Section 313.027 (Limitation on Appraised Value; Agreement) in order for the applicant to receive a limitation from that school district. Provides that this section, except as otherwise provided by this section, does not affect the terms of an agreement between the applicant and a school district under Section 313.027 as prescribed by that section.

(c) Provides that for purposes of determining the required minimum amount of a qualified investment under Section 313.021(2)(A)(iv)(a) (relating to defining

“qualified property”) and the minimum amount of a limitation on appraised value under Section 313.027(b) (requiring that the amount agreed to by the governing body of a school district under Subsection (a)(2) be an amount in accordance with certain guidelines), a project is considered to be located in the school district in which the project is located that has the highest taxable value of property for the preceding tax year as determined under Subchapter M (Study of School District Property Values), Chapter 403 (Comptroller of Public Accounts), Government Code.

(d) Provides that the minimum amount of the limitation on appraised value to which a school district may agree under Section 313.027(b) is equal to the amount specified by that subsection for the applicable category of school district as determined in accordance with Subsection (c) of this section multiplied by a fraction the numerator of which is the amount of qualified investment made in the school district in connection with the project and the denominator of which is the total amount of qualified investment made in connection with the project.

(e) Requires the comptroller of public accounts of the State of Texas, in determining whether property on which a project is located meets the requirements of Section 313.024 (Eligible Property) for eligibility for a limitation on appraised value under this subchapter, to consider whether the project as a whole would meet those requirements were the project located at one site in a single school district.

SECTION 2. Amends Subchapter C, Chapter 313, Tax Code, by adding Section 313.055, as follows:

Sec. 313.055. PROJECT LOCATED IN MULTIPLE SCHOOL DISTRICTS. Provides that Section 313.0255 applies to a single unified project that is located in more than one school district but not more than three school districts, each of which is contiguous to another school district in which the project is located and is a school district to which this subchapter applies, in the same manner as that section applies to a project described by Section 313.0255(a), except that for purposes of Section 313.0255(c) the project is considered to be located in the school district in which the project is located that has the highest taxable value of industrial property for the preceding tax year as determined under Subchapter M, Chapter 403, Government Code.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: September 1, 2015.