

## BILL ANALYSIS

Senate Research Center  
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H.B. 3143  
By: Murphy et al. (West)  
Natural Resources & Economic Development  
5/6/2019  
Engrossed

### AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

It has been suggested that the Property Redevelopment and Tax Abatement Act, which provides certain taxing units with the ability to provide tax abatement agreements to property owners, is in need of revision to improve the act and increase transparency. H.B. 3143 seeks to provide those revisions.

The bill requires the governing body of a taxing unit to hold a public hearing before adopting, amending, repealing, or reauthorizing an agreement under Chapter 312. It also requires public notices of certain information within a proposed agreement, and that those notices be provided at least 30 days before the scheduled public hearing.

H.B. 3143 amends current law relating to the Property Redevelopment and Tax Abatement 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 Section 312.002, Tax Code, by adding Subsections (c-1) and (c-2), as follows:

(c-1) Requires the governing body of a taxing unit, before it is authorized to adopt, amend, repeal, or reauthorize guidelines and criteria, to hold a public hearing regarding the proposed adoption, amendment, repeal, or reauthorization at which members of the public are given the opportunity to be heard.

(c-2) Requires a taxing unit that maintains an Internet website to post the current version of the guidelines and criteria governing tax abatement agreements adopted under this section (Eligibility of Taxing Unit to Participate in Tax Abatement) on the website.

SECTION 2. Amends Section 312.005, Tax Code, by adding Subsection (a-1) to require the chief appraiser, for each of the first three tax years following the expiration of a tax abatement agreement executed under this chapter, to deliver to the comptroller of public accounts of the State of Texas (comptroller) a report containing the appraised value of the property that was the subject of the agreement.

SECTION 3. Amends Section 312.205(a), Tax Code, as follows:

(a) Requires an agreement made under Section 312.204 (Municipal Tax Abatement Agreement) or 312.211 (Agreement by Municipality Relating to Property Subject to Voluntary Cleanup Agreement) to:

(1)–(6) make no changes to these subdivisions;

(7) makes a nonsubstantive change to this subdivision; and

(8) if the agreement provides for the creation of at least 25 new jobs within the boundaries of the municipality, contain a fiscal impact statement describing the potential costs and benefits of the agreement to the municipality.

SECTION 4. Amends Section 312.207, Tax Code, by adding Subsections (c) and (d), as follows:

(c) Requires the public notice of a meeting at which the governing body of a municipality will consider the approval of a tax abatement agreement with a property owner, in addition to any other requirement of law, to contain:

- (1) the name of the property owner;
- (2) the name and location of the reinvestment zone in which the property subject to the agreement is located;
- (3) a general description of the nature of the improvements or repairs included in the agreement; and
- (4) the estimated cost of the improvements or repairs.

(d) Requires the notice of a meeting required by this section to be given in the manner required by Chapter 551 (Open Meetings), Government Code, except that the notice is required to be provided at least 30 days before the scheduled time of the meeting.

SECTION 5. Amends Subchapter C, Chapter 312, Tax Code, by adding Section 312.404, as follows:

Sec. 312.404. APPROVAL BY COMMISSIONERS COURT. Requires an agreement made under this subchapter (Tax Abatement in County Reinvestment Zone), to be effective, to be approved by the commissioners court in the manner that the governing body of a municipality authorizes an agreement under Section 312.207 (Approval by Governing Body).

SECTION 6. Makes application of Section 312.002(c-1), Tax Code, as added by this Act, prospective.

SECTION 7. Makes application of Section 312.205(a-1), Tax Code, as added by this Act, prospective.

SECTION 8. Makes application of Section 312.205(a), Tax Code, as amended by this Act, and Sections 312.207(c) and (d) and 312.404, Tax Code, as added by this Act, prospective.

SECTION 9. Effective date: September 1, 2019.