

BILL ANALYSIS

C.S.H.B. 3143
By: Murphy
Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

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. C.S.H.B. 3143 seeks to provide those revisions.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 3143 amends the Tax Code to require the governing body of a taxing unit, before adopting, amending, repealing, or reauthorizing guidelines and criteria governing tax abatement agreements by the taxing unit under the Property Redevelopment and Tax Abatement Act, to hold a public hearing regarding the proposed action at which members of the public are given the opportunity to be heard. The bill requires a taxing unit that maintains a website to post the current version of the guidelines and criteria on the website.

C.S.H.B. 3143 requires a chief appraiser, for each of the first three tax years following the expiration of a tax abatement agreement executed under the act, to deliver a report to the comptroller of public accounts containing the appraised value of a property that was the subject of the agreement.

C.S.H.B. 3143 requires a municipal tax abatement agreement or an agreement by a municipality relating to property subject to a voluntary cleanup agreement that provides for the creation of at least 25 new jobs within the boundaries of the municipality to contain a fiscal impact statement describing the potential costs and benefits of the agreement to the municipality.

C.S.H.B. 3143 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 to be given in accordance with state open meetings law and requires that the notice be provided at least 30 days before the scheduled time of the meeting. The bill requires the notice to contain the following information:

- the name of the property owner;
- the name and location of the reinvestment zone in which the property subject to the

agreement is located;

- a general description of the nature of the improvements or repairs included in the agreement; and
- the estimated cost of the improvements or repairs.

C.S.H.B. 3143 requires a tax abatement agreement in a county reinvestment zone to be approved by the commissioners court in the manner that the governing body of a municipality authorizes a tax abatement in a municipal reinvestment zone in order to be effective.

EFFECTIVE DATE

September 1, 2019.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3143 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute does not include a provision continuing the Property Redevelopment and Tax Abatement Act and does not include provisions revising the requisite criteria for designation as a municipal reinvestment zone.

The substitute includes a requirement for a municipal tax abatement agreement or an agreement by a municipality relating to property subject to a voluntary cleanup agreement to contain a fiscal impact statement describing the potential costs and benefits of the agreement to the municipality.

The substitute includes a requirement that certain municipal agreements made under the act contain a specified fiscal impact statement.

The substitute includes a provision setting out certain requirements for the contents of the public notice of a meeting to consider the approval of a tax abatement agreement with a property owner and the manner by which such notice is given.

The substitute includes a provision providing for the manner by which a county commissioners court must approve a tax abatement agreement in a county reinvestment zone.