

- SUBJECT:** Modifying requirements for entering into certain abatement agreements
- COMMITTEE:** Ways and Means — favorable, without amendment
- VOTE:** 11 ayes — D. Bonnen, Y. Davis, Bohac, Darby, E. Johnson, Murphy, Murr, Raymond, Shine, Springer, Stephenson
- 0 nays
- WITNESSES:** For — Jordana Decamps, Bexar County; (*Registered, but did not testify:* Melissa Shannon, Bexar County Commissioners Court; Jeff Coyle, City of San Antonio; Kayla Landeros, City of Temple; Mark Mendez, Tarrant County; Donald Lee, Texas Conference of Urban Counties)
- Against — (*Registered, but did not testify:* Adam Cahn, Cahnman's Musings)
- BACKGROUND:** Tax Code, sec. 311.0125 allows a taxing unit other than a school district to enter into a tax abatement agreement with a property owner in a reinvestment zone.
- Taxing units that do not deposit their increments into the tax increment fund must have an abatement agreement approved by the governing body of each taxing unit that imposes taxes on the property in question and deposits any of its increment into the fund.
- Some observers suggest that requiring the governing body of each unit that taxes the property to approve tax abatement agreements can be cumbersome and inefficient.
- DIGEST:** HB 1626 would alter the requirement that taxing units seeking an abatement agreement gain approval from the reinvestment zone's board of directors and the governing body of each taxing unit that imposes taxes on the property in question and deposits any of its increment into the fund. The bill would specify that this requirement did not apply to an agreement entered into by a taxing unit that did not deposit or agree to deposit any of

its tax increment into the tax increment fund for the zone.

The bill would take effect September 1, 2017, and would apply only to an agreement entered into on or after that date.