

1-1 By: Birdwell S.B. No. 1419
1-2 (In the Senate - Filed March 1, 2023; March 16, 2023, read
1-3 first time and referred to Committee on Natural Resources &
1-4 Economic Development; April 25, 2023, reported adversely, with
1-5 favorable Committee Substitute by the following vote: Yeas 9,
1-6 Nays 0; April 25, 2023, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	<u>Birdwell</u>	X		
1-10	<u>Zaffirini</u>	X		
1-11	<u>Alvarado</u>	X		
1-12	<u>Blanco</u>	X		
1-13	<u>Hancock</u>	X		
1-14	<u>Hughes</u>	X		
1-15	<u>Kolkhorst</u>	X		
1-16	<u>Miles</u>	X		
1-17	<u>Sparks</u>	X		

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 1419 By: Birdwell

1-19 A BILL TO BE ENTITLED
1-20 AN ACT

1-21 relating to limitations on the use of public money under certain
1-22 economic development agreements or programs adopted by certain
1-23 political subdivisions.

1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-25 SECTION 1. Chapter 380, Local Government Code, is amended
1-26 by adding Sections 380.005, 380.006, 380.007, and 380.008 to read
1-27 as follows:

1-28 Sec. 380.005. LIMITATION ON TAX ABATEMENTS UNDER THIS
1-29 CHAPTER. (a) A municipality may not grant a tax abatement or enter
1-30 into a tax abatement agreement under this chapter.

1-31 (b) This section does not limit the authority of a
1-32 municipality to make a loan or grant under this chapter:

1-33 (1) to a recipient who enters into a tax abatement
1-34 agreement with the municipality under Chapter 312, Tax Code; or

1-35 (2) in conjunction with a tax abatement agreement
1-36 entered into by the municipality under Chapter 312, Tax Code.

1-37 Sec. 380.006. PUBLIC MEETING AND NOTICE REQUIREMENTS. (a)
1-38 Before a municipality may make a loan or grant under this chapter,
1-39 the governing body of the municipality must hold a public hearing
1-40 regarding the proposed loan or grant at which members of the public
1-41 are given the opportunity to be heard.

1-42 (b) A municipality that maintains an Internet website shall
1-43 post the current version of the proposed loan or grant under this
1-44 chapter on the website.

1-45 (c) In addition to any other requirement of law, the public
1-46 notice of a meeting at which the governing body of a municipality
1-47 will consider the adoption of a proposed loan or grant under this
1-48 chapter must contain:

1-49 (1) the name of the recipient of the loan or grant;

1-50 (2) a general description of the public purpose for
1-51 which the loan or grant is provided; and

1-52 (3) the amount of and period of time for the loan or
1-53 grant.

1-54 (d) Except as otherwise provided by this section, a
1-55 municipality must give the notice of a meeting required by this
1-56 section in the manner provided by Chapter 551, Government Code.

1-57 (e) A municipality must give notice of a meeting required by
1-58 this section not less than 15 business days but not more than 30
1-59 business days before the meeting.

1-60 (f) If a municipality postpones a meeting required by this

2-1 section to a later date, the municipality must hold the postponed
2-2 meeting not more than 10 business days after the date for which the
2-3 meeting was originally scheduled. If the postponement would result
2-4 in the meeting being held more than 30 business days after the date
2-5 the municipality gave notice of the meeting, the municipality must
2-6 give a new notice of the meeting as provided by Subsection (e).

2-7 Sec. 380.007. PERFORMANCE METRICS REQUIREMENT. (a) An
2-8 agreement for a loan or grant under this chapter must include
2-9 appropriate performance metrics relating to the goals of an
2-10 economic development program established under this chapter.

2-11 (b) An agreement for a loan or grant under this chapter may
2-12 not be renewed under Section 380.008(b) unless the municipality
2-13 determines that the performance metrics under the agreement have
2-14 been met.

2-15 Sec. 380.008. PERIOD OF AGREEMENT; RENEWAL. (a) Except as
2-16 otherwise provided by this section, a municipality may not enter
2-17 into an agreement to make a loan or grant under this chapter for a
2-18 period exceeding 10 years.

2-19 (b) A municipality may, subject to Section 380.007(b),
2-20 renew an agreement under this chapter. An agreement may be renewed
2-21 no more than three times, and each renewal period may not exceed
2-22 five years.

2-23 (c) The total combined period for an agreement under this
2-24 chapter, including the initial agreement and renewal periods, may
2-25 not exceed 25 years.

2-26 SECTION 2. Chapter 381, Local Government Code, is amended
2-27 by adding Sections 381.006, 381.007, 381.008, and 381.009 to read
2-28 as follows:

2-29 Sec. 381.006. LIMITATION ON TAX ABATEMENTS UNDER THIS
2-30 CHAPTER. (a) A county may not grant a tax abatement or enter into a
2-31 tax abatement agreement under this chapter.

2-32 (b) This section does not limit the authority of a county:

2-33 (1) to make a loan or grant of county money under this
2-34 chapter to a recipient who enters into a tax abatement agreement
2-35 with the county under Chapter 312, Tax Code; or

2-36 (2) to use county money for a purpose authorized by
2-37 this chapter in conjunction with a tax abatement agreement entered
2-38 into by the county under Chapter 312, Tax Code.

2-39 Sec. 381.007. PUBLIC MEETING AND NOTICE REQUIREMENTS. (a)
2-40 Before a county may use county money for a purpose authorized by
2-41 this chapter, the commissioners court of the county must hold a
2-42 public hearing regarding the proposed use at which members of the
2-43 public are given the opportunity to be heard.

2-44 (b) A county that maintains an Internet website shall post
2-45 the current version of the proposed use of county money under this
2-46 chapter on the website.

2-47 (c) In addition to any other requirement of law, the public
2-48 notice of a meeting at which the commissioners court of a county
2-49 will consider the adoption of a proposed use of county money under
2-50 this chapter must contain:

2-51 (1) the name of the recipient of the county money;

2-52 (2) a general description of the public purpose for
2-53 which the county money is provided; and

2-54 (3) if applicable, the amount of and period of time for
2-55 a loan or grant of county money.

2-56 (d) Except as otherwise provided by this section, a county
2-57 must give the notice of a meeting required by this section in the
2-58 manner provided by Chapter 551, Government Code.

2-59 (e) A county must give notice of a meeting required by this
2-60 section not less than 15 business days but not more than 30 business
2-61 days before the meeting.

2-62 (f) If a county postpones a meeting required by this section
2-63 to a later date, the county must hold the postponed meeting not more
2-64 than 10 business days after the date for which the meeting was
2-65 originally scheduled. If the postponement would result in the
2-66 meeting being held more than 30 business days after the date the
2-67 county gave notice of the meeting, the county must give a new notice
2-68 of the meeting as provided by Subsection (e).

2-69 Sec. 381.008. PERFORMANCE METRICS REQUIREMENT. (a) An

3-1 agreement relating to the use of county money under this chapter
3-2 must include appropriate performance metrics relating to the goals
3-3 of an economic development program established under this chapter.

3-4 (b) An agreement under this chapter may not be renewed under
3-5 Section 381.009(b) unless the county determines that the
3-6 performance metrics under the agreement have been met.

3-7 Sec. 381.009. PERIOD OF AGREEMENT; RENEWAL. (a) Except as
3-8 otherwise provided by this section, a county may not enter into an
3-9 agreement to make a loan or grant under this chapter for a period
3-10 exceeding 10 years.

3-11 (b) A county may, subject to Section 381.008(b), renew an
3-12 agreement under this chapter. An agreement may be renewed no more
3-13 than three times, and each renewal period may not exceed five years.

3-14 (c) The total combined period for an agreement under this
3-15 chapter, including the initial agreement and renewal periods, may
3-16 not exceed 25 years.

3-17 SECTION 3. Subchapter A, Chapter 312, Tax Code, is amended
3-18 by adding Section 312.008 to read as follows:

3-19 Sec. 312.008. LIMITATION ON TAX ABATEMENT AGREEMENTS. In a
3-20 tax abatement agreement entered into under this chapter, a taxing
3-21 unit:

3-22 (1) may only provide an abatement of the taxing unit's
3-23 ad valorem taxes; and

3-24 (2) may not provide a loan or grant of public money
3-25 from any other source.

3-26 SECTION 4. Section 312.207, Tax Code, is amended by
3-27 amending Subsection (d) and adding Subsections (e) and (f) to read
3-28 as follows:

3-29 (d) The notice of a meeting required by this section must be
3-30 given in the manner required by Chapter 551, Government Code,
3-31 except as otherwise provided by this section [~~that the notice must~~
3-32 ~~be provided at least 30 days before the scheduled time of the~~
3-33 ~~meeting].~~

3-34 (e) A municipality or other taxing unit must give notice of
3-35 a meeting required by this section not less than 15 business days
3-36 but not more than 30 business days before the meeting.

3-37 (f) If a municipality or other taxing unit postpones a
3-38 meeting required by this section to a later date, the municipality
3-39 or other taxing unit must hold the postponed meeting not more than
3-40 10 business days after the date for which the meeting was originally
3-41 scheduled. If the postponement would result in the meeting being
3-42 held more than 30 business days after the date the municipality or
3-43 other taxing unit gave notice of the meeting, the municipality or
3-44 other taxing unit must give a new notice of the meeting as provided
3-45 by Subsection (e).

3-46 SECTION 5. The changes in law made by this Act apply only to
3-47 an agreement entered into on or after the effective date of this
3-48 Act. An agreement entered into before the effective date of this
3-49 Act is governed by the law applicable to the contract on the date
3-50 the contract was entered into, and that law is continued in effect
3-51 for that purpose.

3-52 SECTION 6. This Act takes effect September 1, 2023.

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