



CSHB 1556 BY MURPHY

CHAPTER 313/TEXAS ECONOMIC DEVELOPMENT ACT EXTENSION AND REFORM

Chapter 313 is the most successful economic development tool in the state's toolbox. According to the Comptroller, the program is responsible for over **\$217 billion** in investment, with another **\$35 billion** set to come onto the tax rolls by 2028. It is because of this success that we must extend and strengthen this program.

School districts and the state receive immediate benefits as projects are fully taxable for debt service, partially taxable for maintenance and operations, and companies also make stabilization payments to schools.

THE NEW CSHB 1556 – THE AGREED-TO BILL

This language has been agreed to by industry and school stakeholders, representing the two necessary participants in any 313 agreement.

- Extends Chapter 313 for 10 years, creating a predictable environment for economic investment.
- Maintains current law regarding investment thresholds, taxable value, and full payment of debt service (I&S) taxes.
- Streamlines the application and reporting procedures, while preserving the Comptroller's "but-for" test and the requirement that the financial benefit to schools and the state exceed that of a project.
 - Preserves the role of schools in the application process with a flat \$50,000 application fee; and
 - Creates a new Comptroller certification fee of \$10,000.
- Keeps the jobs creation requirements in current law: 10 jobs for rural districts and strategic investment areas, and 25 jobs for all other projects.
- Provides eligibility for qualifying modernization projects, should the state and the school district see the agreement as an opportunity to help Texas retain jobs and create additional opportunities for the school district.
- Replaces supplemental and revenue protection payments with a new, simpler stabilization payment to school districts that is not to exceed 38% of the value of the total tax savings.
- Protects all existing Chapter 313 agreements finalized before the effective date of the bill.

Supporters of CSHB 1556

Metro 8 Chambers of Commerce
North Texas Commission
Texas Association of Business
Texas Association of Workforce Boards
Texas Business Leadership Council
Texas Economic Development Council
Texas Healthcare and Bioscience Institute (THBI)
Abilene Chamber of Commerce
Advanced Power Alliance
Allen Fairview Chamber of Commerce
Andrews Economic Development
Austin Chamber of Commerce
Austin Regional Manufacturers Association
Bay Area Houston Economic Partnership
Bay City Chamber of Commerce and Agriculture
Broad Reach Power
Cameron Economic Development Corporation
Cameron Industrial Foundation
Cedar Park Chamber of Commerce
City Development Corporation of El Campo
City of Deer Park, TX Economic Development
City of Emory Development Corporation
Clear Lake Area Chamber of Commerce
Coalition of East Tarrant Chambers
Conroe Economic Development Council
Dallas Regional Chamber
Dayton Community Development Corporation
DeSoto Economic Development Corp.
Dickinson Economic Development Corporation
Eastland Economic Development, Inc.
Economic Alliance Houston Port Region
El Paso Chamber of Commerce
Fairfield Economic Development Corporation
Fort Worth Chamber of Commerce
Freeport Economic Development Corporation
Garland Chamber of Commerce
Georgetown Chamber of Commerce
Grapevine Chamber of Commerce
Greater Arlington Chamber of Commerce
Greater Austin Asian Chamber of Commerce
Greater Austin Hispanic Chamber of Commerce
Greater Houston Partnership
Greater Irving-Las Colinas Chamber of Commerce
Greater Killeen Chamber of Commerce
Greater Magnolia Parkway Chamber of Commerce
Greater New Braunfels Chamber
Greater San Marcos Partnership
Greater Tomball Area Chamber of Commerce
Gun Barrel City EDC
Hillsboro EDC
Houston Northwest Chamber of Commerce
Hurst Eules Bedford Chamber of Commerce
Jarrell Economic Development Corporation
Katy Area Economic Development Council
League City Economic Development
Little Elm Economic Development Corporation
Longview Chamber of Commerce
Lubbock Economic Development Alliance
Mansfield Area Chamber of Commerce
McKinney Chamber of Commerce
Meadows Place EDC
Mount Pleasant Economic Development Corporation
Muleshoe Chamber of Commerce & Agriculture
New Braunfels Chamber of Commerce, Inc.
New Braunfels Economic Development Corporation
North Dallas Chamber of Commerce
North San Antonio Chamber of Commerce
Northeast Tarrant Chambers of Commerce
Odessa Development Corporation
Orange County Economic Development Corporation
Palestine Economic Development Corporation
Partnership Lake Houston
Pflugerville Community Development Corporation
Plainview-Hale County EDC
Plano Chamber of Commerce
Powering Texas
Richardson Chamber of Commerce
Rio Grande Valley Partnership
Round Rock Chamber of Commerce
Rowlett Area Chamber & Visitors Center
San Angelo Chamber of Commerce - Economic and Industrial Development Division
San Antonio Chamber of Commerce
San Antonio Economic Development Foundation
San Antonio Manufacturers Association
San Jacinto College SBDC
San Marcos Area Chamber of Commerce
Sherman Chamber of Commerce
South & West San Antonio Chamber of Commerce
Southeast Texas Economic Development Foundation
Sweetwater Economic Development
Terrell Chamber of Commerce
Terrell Economic Development Corporation
Texas City Economic Development Corporation
Texas LGBT Chambers of Commerce
Texas Solar Power Association
The Economic Development Alliance for Brazoria County
The Woodlands Area Economic Development Partnership
Tomball Economic Development Corporation
United Corpus Christi Chamber of Commerce
Yoakum Economic Development Corporation