

# HB 5 FACT VS. FICTION

Misinformation is circulating  
around the Capitol.  
We want to set the record straight!

FICTION	FACT
The "Cost" of economic development is high.	Collecting tax, albeit a competitive amount of tax, from a project that does not and will not exist in Texas otherwise is a gain, not a loss, in revenue.
HB 5 would be permanent.	It's in black and white: Sec. 403.603. EXPIRATION. This subchapter expires December 31, 2036.
Job requirements are weak.	The job requirements are double those of the previous program. The 25 job requirement in the old program is now 50 jobs in HB 5.
Taxable value limitations are more generous than under the previous program.	The tax benefit certainly is the engine of the program. But the value limitations are very similar to those of the previous program.
There is a weak cost/benefit analysis.	A robust Economic Benefit Statement is required of every application. The public and the Legislature will be able to determine the value being added to the Texas economy.
(eerie silence)	The school district receives a statutorily guaranteed share of the tax savings.
(eerie silence)	Companies must pay a minimum property tax based on the size and value of the project and 100% of the I&S taxes.
(eerie silence)	Smaller school districts receive more attractive terms than do large districts.
(eerie silence)	"Clawback" penalties will be imposed on companies that don't comply with the terms of their contracts.
(eerie silence)	There is no waiver available for job-creation requirements.
(eerie silence)	Texas has already lost several large, high-profile economic development projects to other states. HB 5 will get Texas back into the lead.
(eerie silence)	For the first time, HB 5 will incent the addition of reliable electric power on the Texas grid.
(eerie silence)	Each proposed project must demonstrate that it more than pays for its own tax break.
(eerie silence)	School districts' participation is voluntary. School districts make money on HB 5 agreements.
(eerie silence)	Projects are subject to audit by the State Auditor.