

## **BILL ANALYSIS**

Senate Research Center  
77R3906 GJH-F

S.B. 986  
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Intergovernmental Relations  
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### **DIGEST AND PURPOSE**

Currently, Texas cities give financial incentives by way of tax abatement agreements for the purpose of job creation in their communities. However, a city has no recourse when the requisite job creation is not fulfilled. As proposed, S.B. 986 gives cities the statutory authority to recapture lost property tax revenue if the owner of the commercial enterprise fails to create the number of new jobs required by the agreement.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 312.205(b), Tax Code, to authorize an agreement made under Section 312.204 or 312.211 to include, at the option of the governing body of the municipality, provisions for the recapture of property tax revenue lost as a result of the agreement if the owner of the property fails to create the number of new jobs provided by the agreement, and payment of a penalty, interest, or both, on that recaptured property tax revenue.

SECTION 2. Effective date: upon passage September 1, 2001.