



AUSTIN NEWSLETTER

Texas Farm Bureau's Weekly Newsletter for the 88th Legislature

June 2, 2023 | Regular Session, Issue 20 | 88th Regular Session

Every Friday, this newsletter will keep you up to speed on some of the legislation important to Texas Farm Bureau members that Austin staff are following.

Please do not hesitate to contact the appropriate staff with any questions.

Legislative Deadlines

Sine Die was Monday, May 29. May 28 was the last day for the House and Senate to pass conference committee reports or concur on House and Senate amendments.

June 18 is the last day the governor may sign or veto bills passed during the regular session. We will send a final session wrap-up Austin Newsletter after the veto period has ended.

Governor Greg Abbott also called a Special Session on property tax reform and border security related to human smuggling.

Updates from the 88th Legislative Session

HB 5: Relating to agreements to create jobs and to generate state and local tax revenue for this state.

[Hunter, Todd \(R\)](#), SP: [Schwertner, Charles \(R\)](#)

Summary:

This bill was the “new and improved” Chapter 313 school tax abatement bill, or as it’s now known, the Texas Jobs, Energy, Technology, and Innovation Act.

HB 5 limits the projects that are eligible for abatement. This does not include non-dispatchable (renewable) energy facilities or storage facilities (batteries). The number of jobs required to be created is on a scale depending on the size of the project and the population of the county where the project is located. Independent contractors can be included in the jobs number. The wages required for these jobs must be 110% of the average annual wage for all jobs in that sector. The

abatement can be for 50% of the market value of the property or 25% of the market value of the property if the project is located in a qualified opportunity zone.

Under HB 5, the comptroller will develop rules for the program, including applications and implementation. School districts will only be paid up to \$30,000 to cover costs of analyzing the project. There will be no payments in lieu of taxes made to school districts anymore. The company must swear that the abatement is THE determining factor in its decision to locate where it is proposing. Characteristics only found in the state of Texas will negatively impact an abatement application.

The project approval process has been dramatically changed under HB 5. Not only does the comptroller determine if an application is administratively complete, but they also determine whether to recommend a project for an abatement or not. If a project is deemed acceptable, the comptroller notifies the governor and the school district of the acceptable project. The governor and school district each have 30 days to decide whether to enter into the abatement agreement. If either the governor or school district do not decide to enter into the abatement agreement, there is no abatement. The agreement is now between the project applicant, the school district, and the governor. Additionally, either party can terminate the agreement. Projects can only last for 10 years.

Update:

HB 5 was sent to the governor.

TFB is **neutral** on HB 5. (TFB Policy: Other Taxes Section, Page 49, Lines 136-137. Other Taxes Section, Page 49, Lines 122-135. Other Taxes Section, Page 50, Lines 177-179. Renewable Energy Section, Page 52, Lines 72-73.)

HB 3059: Relating to limitation of certain liability of owners, lessees, and occupants of land in connection with livestock and agricultural land.

[King, Tracy \(D\)](#), SP: [Perry, Charles \(R\)](#)

Summary:

HB 3059 amends the fees charged by a groundwater conservation district.

Specifically, 20 cents/1,000 gallons is the maximum rate a GWCD can charge per one thousand gallons of water exported from a tax-based district. This limitation also applies to a fee-based district.

Beginning Jan. 1, 2024, the maximum rate of 20 cents for each thousand gallons of water exported may be imposed by a district. In addition, the rate shall automatically increase 3% per year.

The bill also authorizes the use of fees and other district funds to be used to assist private landowners with wells affected by water level declines.

Update:

HB 3059 was sent to the governor.

TFB is **neutral** on HB 3059. (TFB Policy: Groundwater Section, Page 71, Lines 108-110. Groundwater Section, Page 73, Lines 222-226)

[HB 9](#) and **[HJR 125](#)** Relating to the development and funding of broadband and telecommunications services.

[Ashby, Trent \(R\)](#) SP: [Huffman, Joan \(R\)](#)

Summary:

HB 9 would create the Texas Broadband Infrastructure Fund to provide \$1.5 billion in state funding to ensure expansion of broadband throughout rural Texas. The fund would be administered by the Comptroller's Broadband Development Office, along with the Public Utility Commission.

Update:

HB 9 and HJR 125 successfully made it out of their conference committee and have passed by the House and the Senate. The funding amount was scaled back to \$1.5 billion. HB 9 has been sent to the governor for his signature. HJR 125, which would dedicate the funding, will be on the statewide election ballot in November.

TFB **supports** HB 9 and HJR 125. (TFB Policy: Utilities Section 148, Page 53, Lines 50-53; Rural Living 183, Page 119, Lines 46-53)

[SB 28](#) & **[SJR 75](#)**: Relating to financial assistance provided and programs administered by the Texas Water Development Board.

[Perry, Charles \(R\)](#) SP: [King, Tracy \(D\)](#)

Summary:

SB 28 creates the new water supply for Texas fund. This is a special fund in the state treasury to be used for "finance projects...that will lead to the acquisition or creation of seven million acre-feet of new water supplies by 12/31/33." Low interest loans may be provided to political subdivisions and wholesale water suppliers developing these projects. The fund specifically addresses helping rural water systems, desalination of brackish groundwater and sea water, and reusing wastewater from oil and gas production.

SJR 75 is the constitutional amendment for SB 28. It provides the constitutional authority to appropriate the funds necessary to create the new water supply for Texas fund.

Update:

SB 28 and SJR 75 successfully made it out of the conference committee and have been signed by the House and the Senate. They have been sent to the governor for his signature.

TFB **supports** SB 28 and SJR 75. (TFB Policy: Water Management Section 155, Page 79, Lines 46-48; Water Management Section 155, Page 80, Lines 136-138)

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