

# Texas Economic Development Act (Chapter 313)

## Texas Education Code (TEC) References

TEC, §61.1019; TEC, §42.2515

## History/Relevant Background Information

This section implements §42.2515 (Additional State Aid for Ad Valorem Tax Credits Under Tax Credits Under Texas Economic Development Act). In accordance with §42.2515, a school district, including a school district that is otherwise ineligible for state aid under Chapter 42, is entitled to state aid in an amount equal to the amount of all tax credits applied against ad valorem taxes of the school district in each year that tax credits were applied, pursuant to the Texas Tax Code, Chapter 313, also known as the Texas Economic Development Act. School districts eligible to receive additional state aid under §42.2515, must apply to the commissioner of education in order to receive additional state aid equal to the qualifying ad valorem tax credits issued under Chapter 313, Subchapter D, subject to certain annual limitations.

## Description of Program

This program allows school districts to attract new taxable property and create jobs by offering a tax credit and an eight-year limitation on the appraised value of a property for the maintenance and operations (M&O) portion of the school district property tax. The property remains fully taxable for the purposes of any school district debt service tax.

Total number of applicants	99
Number of eligible applicants	20
Eligible applicants who have applied for a tax credit	14
Eligible applicants who have been paid	14
Eligible applicants who have not applied (see chart below for detail)	6
Average amount of tax credit	\$197,222
Number of districts that qualify for a tax credit (by year)	
	2011 12
	2012 30
	2013 23
	2014 12
	2015 0
	2016 1
	2017 1

The following school districts are eligible for this program but have not submitted applications:

ISD	Applicant	Project	First Qualifying Tax Year	Limitation Year	Year of Tax Credit
Blackwell CISD	Sweetwater Wind Power LLC	Sweetwater	2004	2006	2008
Highland ISD	Sweetwater Wind Power LLC	Sweetwater	2004	2006	2008
Sweetwater ISD	Sweetwater Wind Power LLC	Sweetwater	2005	2007	2009
Blackwell CISD	Buffalo Gap Wind Farm LLC, Buffalo Gap Wind Farm 2 LLC, Buffalo Gap Wind Farm 3 LLC, and AES SeaWes	Buffalo Gap 1-3/Seawest	2006	2008	2010
Brazosport ISD	BASF Corporation	BASF	2006	2008	2010
Hermleigh ISD	WKN Texas LLC	WKN	2006	2008	2010

## Contact for More Information

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