

808 WEST AVENUE
AUSTIN, TEXAS 78701
TELEPHONE: (512) 494-9949
FACSIMILE: (512) 494-9919

Chapter 313 Quick Facts

- Chapter 313 of the Texas Tax Code, also known as the Texas Economic Development Act
- Limited to school districts—established in 2001 under HB 1200
 - First projects approved in late 2002
 - 420+ active projects and/or applications through 2015
 - More than \$150 billion in new investment covered by adopted agreements through May 2018
- Eligible projects include:
 - Manufacturing
 - Research and development
 - Renewable electric generation
 - Clean coal
 - Nuclear energy
 - Computer data centers associated with eligible project
 - Texas Priority Projects with an investment level in excess of \$1 billion
- Supplemental benefit may be negotiated on behalf of districts
 - Maximum \$100/ADA/year typically runs for 15+ years
- Extraordinary educational expenses can be considered for reimbursement by the company
- Revenue loss and supplemental payments are outside of Foundation School Program
- 150-day timeline from date Comptroller determines application complete until Board may take final action on the application
- Comptroller has 90 days to issue certificate and present economic analysis from the time they have “complete” information
- Board cannot take final action until receiving a positive certificate on the project from the Comptroller
- Company submits application fee with application, which covers any consulting costs to the district

Summary of Board action to date: Helena Wind application

- July 14, 2020-Board approved a 313 Participation Agreement for Helena Wind application
- July 16, 2021-The company submitted a request to amend its application to address the following:
 - Move the start of the Tax Limitation Period until 1/1/2023
 - Increase the total MW of the Project
 - Increase the number of Qualified Jobs for the Project (up to 4)
- Comptroller recertified the project as:
 - Passing the 25 Year Tax Test, Qualifying Activity, Best Interest of State

Economic Impact of the Amended Helena Wind application

- Estimated statewide economic benefit:
 - 376 direct and indirect jobs at peak employment
 - \$31.25 Million in increased personal direct and indirect personal income at peak employment
- Estimated regional benefits [Additional Taxes Collected due to the Project]
 - Gross Bee County Tax Levy (no abatement) \$ 17,805,823
 - Gross Coastal Bend Tax Levy \$ 4,647,167
- Estimated school district benefits (with Amended 313 agreement)
 - Gross M&O tax benefit (15 years) \$ 8,034,087
 - District Gross I&S tax benefit (15 years) \$ 6,352,092
 - Additional Estimated Benefits to District \$ 3,211,001

Transparency

- Prior to each official Board discussion and/or vote on any matters related to a 313 application, each Board member affirms whether or not they have a conflict with the project
- The District has published a link on its website to the Comptroller's repository of all 313 documents in the state: <https://comptroller.texas.gov/economy/local/ch313/agreement-docs.php>

Sincerely,

Kevin O'Hanlon
O'HANLON, DEMERATH & CASTILLO