

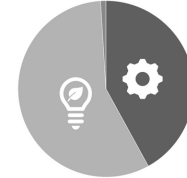
# CHAPTER 313 PROPERTY VALUE LIMITATIONS

## SCHOOL FINANCE AND POLICY CONSIDERATIONS



### BASICS

- Established in 2001 under HB 1200
- 468 agreements (as of 10-31-2019)
- At least \$183.7B in investments (as of 2018)
- Program designed to attract large-scale capital investments
- Minimum property value limitation from \$10MM to \$100MM
- Set by statute and updated annually by Comptroller
  - Determined by tax base and rural status
- Applies for 10 years for M&O taxes
- Fully taxable for debt service on bonds (I&S taxes)



### Projects

Renewables

Manufacturing



### Investment



### BENEFITS

- New major capital investment, additional jobs and related economic activity
- Provides for hold-harmless protection against revenue losses in agreements between the School District and Company
- Provides for annual supplemental payments up to \$100/ADA
  - \$50,000 minimum for rural districts (less than 500 ADA)
- At least 12,498 qualifying jobs created
  - 88% in manufacturing
  - 10% renewable energy
  - 2% other
- At least 66,400 direct and indirect jobs created
- Must meet specific job and salary requirements
  - Job waiver is permitted, if consistent with industry standards



### MECHANICS

- Consultant prepares annual revenue loss and supplemental payment calculations
  - Company pays the cost of these calculations
- Annual and biennial reporting requirements
- Up for renewal in 2021 legislative session
  - Won't affect existing agreements
- Property values determined each year by local appraisal districts
- Current-year values under HB 3 vs. prior-year values for Chapter 313
- Projects subject to periodic review by State Auditor's Office
- Benefits limited by law to revenue protection and supplemental payments (\$100/ADA); payments outside of this are illegal



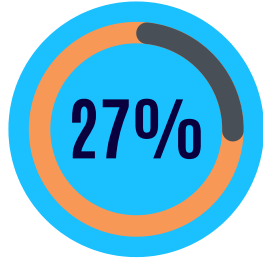
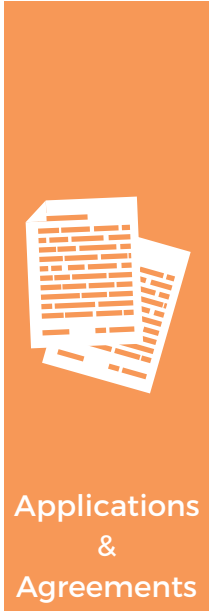
### REPRESENTATION

- Most experienced (dating back to Project No. 1 in 2002)
- Decades of expert witness experience on school finance
- Few challenges to annual calculations
  - Expert witness provided at no additional cost
- Support provided at no additional cost in the event of audit
- Supporting a major lobbying effort to renew Chapter 313
- Do not work for companies; represent best interests of the District

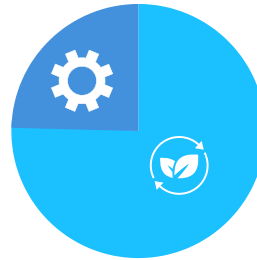
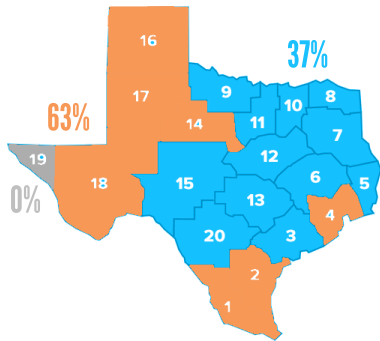
# CHAPTER 313

## PROPERTY VALUE LIMITATIONS

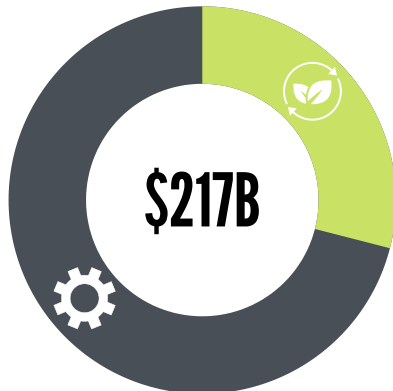
### BY THE NUMBERS



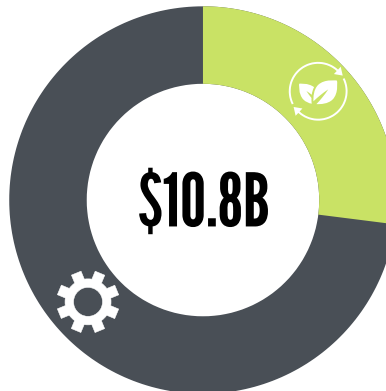
Percentage of school districts participating in Chapter 313



- Renewables
- Manufacturing



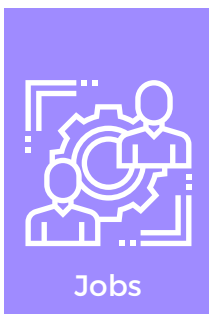
Dollars Invested



Gross Tax Benefits

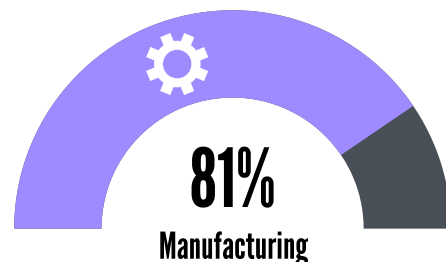


Percentage of Tax Benefit Statewide

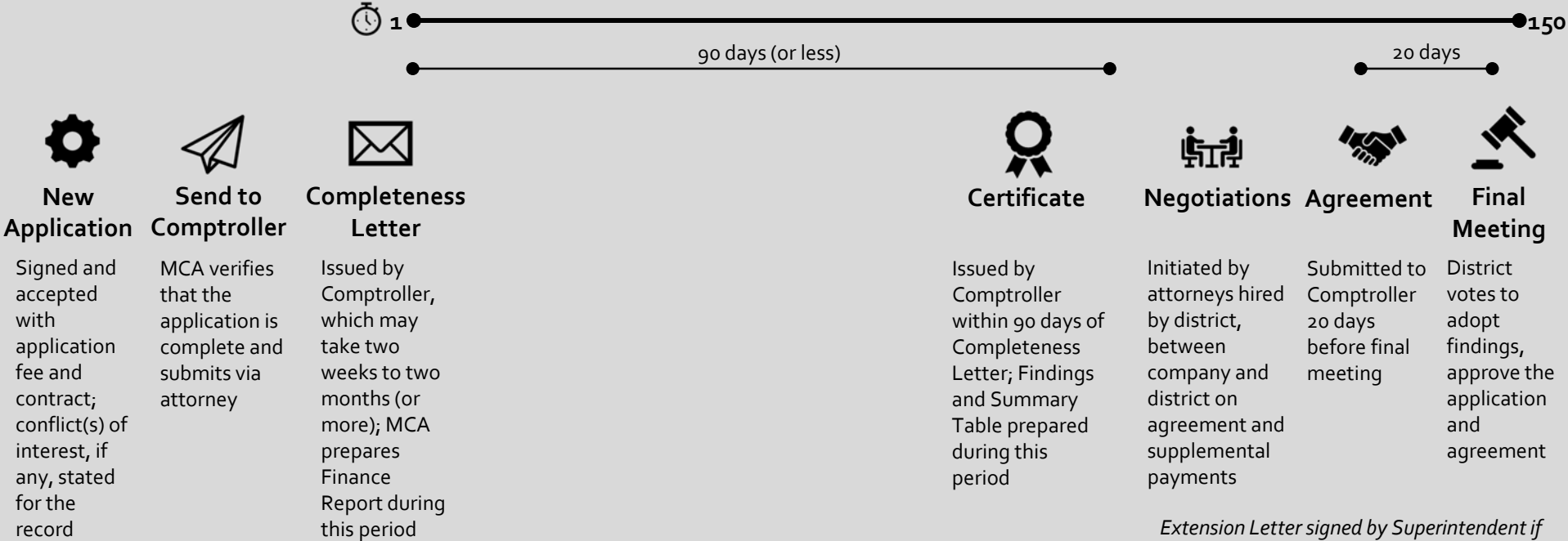


9,116  
Qualifying Jobs

56,200  
Direct and Indirect Jobs



# Chapter 313 Application Roadmap



*Extension Letter signed by Superintendent if vote has not been scheduled within 150 days*