



HB 3143

Increasing Public Participation in the Chapter 312 Tax Abatement Process

Chapter 312 of the Texas Tax Code, also known as the Property Redevelopment and Tax Abatement Act, benefits businesses at the expense of Texans. Chapter 312 is in need of significant reform to allow for greater public participation should the Legislature fail to allow it to expire.

- Tax abatement agreements under Chapter 312 should be posted publicly at the time residents are notified about a public hearing on them. Currently, these agreements are only public after they've been agreed upon. This limits the public's ability to provide meaningful feedback.
- Businesses that receive special tax deals under Chapter 312 should be required to benefit their communities by bringing at least 10 local jobs in rural areas and 25 local jobs in urban areas—the same requirements that are in Chapter 313. Many Chapter 312 agreements shift the tax burden onto residents without substantial, local benefit.

Texans Want Reform

Recent polling shows strong public support for a more transparent process.

73% Agree¹

The state legislature should remove secrecy from the process of granting tax abatements that favor one company over another and affect all local and state taxpayers.

75% Agree²

There should be a minimum 90-day waiting period to allow residents to evaluate the details of a Chapter 312 agreement before local governments can give a business the tax break.

¹ February 2019

² March 2019