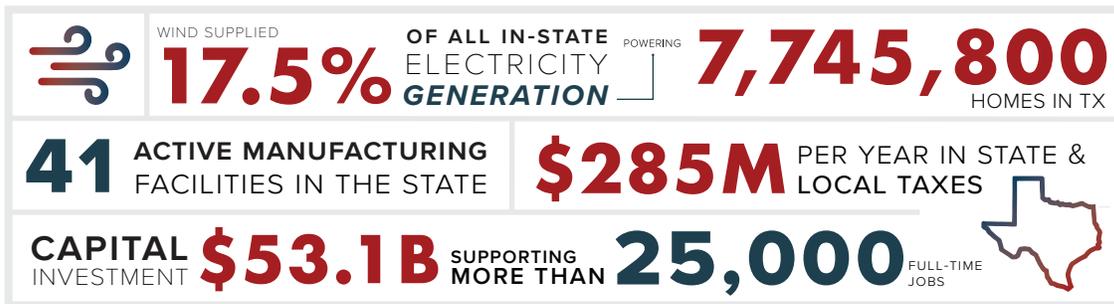


Chapter 313: Bringing Investment and Economic Growth to Rural Texas

Renewable energy is an economic boon to Texas. Many dozens of wind and solar energy projects – representing billions in investment – have been lured to the state of Texas with the help of Chapter 313. Rural communities, from the Panhandle down the Valley, have used Chapter 313, a vital economic development tool, to increase their tax base, add well-paying jobs, and make improvements in the daily lives of their constituents.

Chapter 313 is set to expire in 2022 and will need to be renewed in the 2021 Texas Legislative Session to keep the state competitive and continue attracting capital investment, like renewable energy.



What Is Chapter 313?

- The Texas Economic Development Act – also known as Chapter 313 – is a critical tool in Texas’ ongoing efforts to lure investment and economic growth to the Lone Star State. In response to declining investment in the state, State Rep. Kim Brimer introduced the Act in 2001, and the legislation passed with broad support.
- This Act allows Texas communities to compete for large scale capital investments that create jobs and strengthen the economy.
- To remain competitive with other states, Chapter 313 allows school districts to offer temporary tax abatements.
- While the agreements impose a limitation on local taxes, the school board may only approve the agreement if the Comptroller finds that: (1) the availability of the limitation was a determining factor in securing the project; and (2) the project will generate more tax revenue for the state than the amount of the benefit received by the taxpayer.

Why Does Texas Need Chapter 313?

- With some of the highest property taxes in the nation, Texas is at a disadvantage when trying to attract new development. Chapter 313 allows communities to compete with other, lower-tax states for the development projects and investment needed to expand their economies, grow their tax base, and support their schools.
- Texas has seen what happens when we take away this tool from local communities. After effectively eliminating the option in the 1990s, new projects dropped by 70%.

Why Is Chapter 313 Good For Texas?

- Chapter 313 encourages economic growth and opportunity in the parts of Texas that need it most. The benefit has been particularly impactful in rural communities that are not experiencing natural

PURPOSE OF CHAPTER 313

Encourage large-scale capital investments

Create new, high-paying jobs

Attract large-scale businesses that are exploring opportunities to locate in other states or other countries

Enable state and local government officials and economic development professionals to compete with other states

Strengthen and improve the overall performance of Texas’ economy

Expand and enlarge Texas’ ad valorem property tax base

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population growth and in “strategic investment areas” where unemployment rates and per capita income lag behind the rest of the state.

- Chapter 313 has led to greater investment, new jobs, and more tax revenue, such as the Toyota plant in San Antonio and the Samsung semiconductor facility in Austin.
- The numbers tell the real story: 389 projects approved that could have gone to other states but instead came to Texas, creating 66,400 new jobs, \$3.3 billion in personal income, and \$183.7 billion of new investment.

Chapter 313 Helped Texas Become The Nation’s Leader in Wind Energy

- The wind energy sector is fueling growth and investment across Texas. This critical economic development program has played an important part in taking Texas to the top of wind power generation in the United States by providing Texas with a tool that allows it to compete for projects with wind-rich neighbors, like Kansas, Oklahoma, and New Mexico.
- Chapter 313 has been vital in securing renewable energy projects, which require a major upfront capital investment.
- Chapter 313 helps make projects like the Samson Solar Energy Center, the largest solar farm in the United States, possible by easing property tax requirements for the first ten years, only a portion of a project’s lifetime.
- From San Perlita and Archer City to Hereford and the Panhandle, school districts and communities throughout Texas have seen their economic outlook improved through wind energy investment.
- In addition to broadening the tax base and creating high-quality jobs in rural areas, wind is also creating new revenue streams for the farmers, ranchers, and private landowners whose land hosts wind turbines.

The wind industry investment in Oldham County has now exceeded a billion dollars, allowing us to do more for our residents as elected officials and lower the tax rate by 19 cents, all while significantly increasing our tax base. Through Chapter 313, three of our school districts have been able to repair and build aging facilities. This was an investment in the future of our community and our citizens, and it could never have been done without the wind industry.

– Hon. Don Allred, County Judge, Oldham County