
JETI Act Final/Adopted Rules

Report contains the responses to rules comments submitted to the Comptroller as recorded in the Texas Register plus a side by side comparison of the proposed vs. final/adopted rules.

Texas Register Preamble

The Comptroller of Public Accounts adopts new §9.5000, concerning definitions, §9.5001, concerning applicant eligibility requirements, §9.5002, concerning application requirements, §9.5003, concerning economic benefit statement criteria, §9.5004, concerning application process, §9.5005, concerning agreement for limitation on taxable value of eligible property, §9.5006, concerning agreement process, §9.5007, concerning amendment process, §9.5008, concerning job and wage requirements; penalty for failure to comply with job or wage requirement, §9.5009, concerning biennial compliance report, §9.5010, concerning biennial report to legislature, §9.5011, concerning conflicts and §9.5012, concerning electronic submissions; notices, with changes to the proposed text as published in the September 29, 2023, issue of the Texas Register (48 TexReg 5639). The rules will be republished.

These new sections implement the Texas Jobs, Energy, Technology and Innovation Act to comply with Government Code, Subchapter T, Chapter 403, which was enacted by House Bill 5, 88th Legislature, R.S., 2023. The new sections will be located in Chapter 9 (Property Tax Administration), new Subchapter O (Texas Jobs, Energy, Technology and Innovation Program).

Section 9.5000 provides definitions.

Section 9.5001 describes applicant eligibility requirements.

Section 9.5002 establishes the application requirements.

Section 9.5003 establishes the economic benefit statement criteria and methodology.

Section 9.5004 describes the application process including the comptroller review and recommendation.

Section 9.5005 describes the requirements for an agreement for limitation on taxable value of eligible property.

Section 9.5006 describes the agreement process.

Section 9.5007 describes the amendment process.

Section 9.5008 establishes the job and wage requirements as well as the penalty for failing to comply with the job or wage requirement.

Section 9.5009 describes the biennial compliance report submitted by a business entity subject to an agreement under Government Code, Chapter 403.

Section 9.5010 describes the biennial report to the legislature.

Section 9.5011 addresses compliance with conflict-of-interest laws.

Section 9.5012 provides that the comptroller may require electronic submission of documents under the Texas Jobs, Energy, Technology and Innovation Act.

The comptroller received 70 comments from the following organizations/interest groups, law firms and individuals: Trinity United Methodist Church, The Metropolitan Organization, Lone Star Chapter of Sierra Club, St. Francis of Assisi Catholic Church, Texas IAF organization, Doug Greco, greater:SATX, St. Christopher's Episcopal Church, All Saints Catholic Church in the Heights, Houston, Texas, Congregation Beth Israel (Houston), The Metropolitan Organization of Houston, Daniel Casey of MoakCasey, Dick Lavine of Every Texan, Holy Trinity Catholic Church, Dallas Area Interfaith, Opportunity Austin, **Texas Taxpayers & Research Association ("TTARA")**, McAllen Economic Development Corporation, Texas Oil and Gas Association ("TXOGA"), Texas Association of Business, Fort Worth Chamber of Commerce, Dallas Regional Chamber ("DRC") and its 700-plus member companies, Central Texas Interfaith, Greater Austin Chamber of Commerce, Drax Group, NovoHydrogen, Texas Association Of Manufacturers ("TAM"), Texas Chemical Council ("TCC"), First Congregational Church of Houston ("FCC"), Beverly Deutsch, Bruce Barber, EPISO/Border Interfaith, Kaufman Economic Development Corporation, David Solis, Christian Chapel Temple of Faith ("CCTOF"), New Hope Baptist Church, PCUSA Social Justice Committee, St Peter's Lutheran Church, Buda UMC, the Borderplex Alliance, Myron O. Knudson, King of Glory Lutheran Church, Living Word Lutheran Church, Wildflower Unitarian Universalist Church, Corpus Christi Regional Economic Development Corporation, Reliable Energy Alliance, Laura Arbilla, Greater Houston Partnership, Our Lady of Guadalupe Church, All Saints' Episcopal Church, Austin and EDP Best Practices, LLC. With the exception of Reliable Energy Alliance, all commenters requested clarifications or amendments to the proposed rules.

Many commenters raised concerns about the definition sections, particularly §9.5000(1)-(5) and (8)-(11). **TTARA** recommended a revision to §9.5000(1) agreement holder definition, substituting "person" for "business entity," aligning with the statutory definition used for applicants. **The comptroller's office concurs and has incorporated this modification into the definition.**

TTARA and EDP Best Practices, LLC provided feedback on the construction job definition in **§9.5000(2)**. **TTARA** suggested replacing "takes place" with "perform." As the term "perform" is already used in the definition, **the comptroller's office opted to replace "takes place" with "occurs" for clarity.**

Several commenters including **TTARA**, TAM, TCC, TXOGA, Texas IAF, TMO, Trinity United Methodist, St Francis of Assisi, All Saints Catholic Church, Congregation Beth Israel (Houston), Central Texas IAF, EDP Best Practices, LLC, NovoHydrogen, Borderplex Alliance, Kaufman Economic Development Corporation, Lone Star Chapter of Sierra Club, St. Christopher's Episcopal Church, Doug Greco, Holy Trinity Catholic Church, Dallas IAF, retired public school educator, First Congregational Church of Houston, Congregational Church of Austin, Beverly Deutsch, Bruce Barber, Eloise and Dolores De Avila of St. John Paul II Catholic Church in El Paso, members of EPISO/Border Interfaith, an IAF Organization, David Solis, CCTOF, and Every Texan expressed dissatisfaction with the definition of eligible project in **§9.5000(3)**. The primary concern was the perceived broadness of critical infrastructure, with some suggesting to add "including a new or expansion project dedicated power infrastructure" and "facility or facilities" following the use of the term "building." However, the comptroller's office finds that these additions are unnecessary and don't add value to the definition, as critical infrastructure is adequately defined through specific NAICS references.

TTARA provided feedback on the eligible property definition, seeking clarification on the term "building" and proposing a definition encompassing all improvements to real property within eligible property. **However, since the term "building" is used in the statute, there's no need for a separate definition in the rules.**

EDP Best Practices, LLC submitted multiple comments using a nontraditional format, primarily utilizing track changes to make non-substantive revisions to the rules' text. As these revisions do not aim to modify the interpretation, **the comptroller's office chooses not to include these changes.**

Numerous comments from TXOGA, **TTARA**, TAM and TCC were received on **§9.5000(5)**, with a primary focus on clarifying the requirement for the number of hours required annually in connection with the eligible project applies to the position, not the employee. **The comptroller's office agrees with this interpretation.** Consequently, a new hire that worked on December 31 for a full-time position requiring 1600 hours per year would satisfy the annual hourly requirement.

EDP Best Practices, LLC posed inquiries regarding the definition of investment in **§9.5000(6)**. The definition aligns with the statute and **the comptroller's office finds no need for further clarification.**

TTARA proposed a revision to **§9.5000(8)** definition of a performance bond, suggesting it should state "a surety bond or, in the event a surety bond is commercially unavailable, other security in a form acceptable to the governor." The current definition, encompassing "a surety bond," already addresses this suggested revision. Furthermore, introducing alternate language for when a surety bond is unavailable exceeds the scope defined by the statute. For these reasons, **the comptroller's office declines to incorporate this revision.**

Several commenters, including **TTARA**, TAM, TCC, TXOGA, Austin Chamber of Commerce, Corpus Christi Regional Economic Development Corporation, Dallas Regional Chamber, and others, expressed discontent with the definition of required job in §9.5000(9) and suggested removing the phrase "performed at the site of the project." They contend that the statute doesn't stipulate the necessity for the job to be performed at the jobsite but underscores the Texas Jobs, Energy, Technology, And Innovation Act's focus on the job's creation within the state of Texas. They also articulate that eliminating the phrase opens up possibilities for remote work. **TTARA** asserts that the legislature intentionally omitted "at the site of the project" but specifically used this term for independent contractor's employees. TAM, TCC and TXOGA proposed revising the definition to "must be a direct job in this state with primary job duties related to the project, and that would not exist in the absence of the project." EDP Best Practices, LLC and other commenters suggested stylistic changes to **§9.5000(9)**. Despite differing opinions from the commenters, the comptroller's office maintains its position. Government Code, §403.604(c)(2) becomes meaningless if jobs can be situated anywhere in the state. If required jobs are permissible throughout the state, statutory references to job transfers in this state lose significance. Furthermore, Government Code, §403.604(b) adjusts the number of required jobs based on the county's population where the project site is located, reinforcing the notion that the required jobs are based on project location and cannot be located anywhere in the state of Texas. The inclusion of "at the site of the project" for independent contractor's employees helps distinguish them from numerous service providers operating from various locations, both within and outside the state, without explicitly stating their engagement in project related work for the applicant. While acknowledging concerns about hybrid work schedules, the comptroller's office maintains that the definition specifies the primary job location but doesn't preclude a hybrid work arrangement. **The comptroller's office has revised the definition to align with this interpretation.**

The comptroller's office received feedback from EDP Best Practices, LLC on the trainee definition in **§9.5000(10)**, proposing stylistic adjustments. The current definition aligns with the Texas Work Program law and **the comptroller's office declines to make any revisions.**

The comptroller's office received extensive feedback on the wage requirement definition in **§9.5000(11)**, raising concerns about implementing a statewide wage target, asserting its impracticability across various industries.

TTARA, Drax Group, Texas Economic Development Council, Dallas Regional Chamber, Corpus Christi Regional Economic Development Corporation, McAllen Economic Development Corporation, Opportunity Austin and others highlight concerns about the wages being too high when based on the statewide average annual wage, surpassing the program benefits. Additionally, there are requests for clarification on the applicable NAICS for the industry, with some proposing use of county or regional average annual wages and others requesting the addition of "during the most recent four quarters for which data is available". In response to these comments, **the comptroller's office has amended the definition to designate statewide average annual wage as the default when county or regional average annual wage information for particular NAICS is unavailable during the most recent four quarters.**

EDP Best Practices, LLC offered feedback on **§9.5001**, suggesting non-substantive revisions and proposing stylistic revisions. However, the current style aligns with our intended communication and maintains a specific format required for clarity and consistency. **The comptroller's office declines to implement these stylistic changes.**

Regarding **§9.5002**, **TTARA** commented on the application fee, seeking clarification and confirmation that there would be no additional charges for revised applications or resubmissions post-rejection. A refiled application is treated as a new application, necessitating the payment of an application fee. It's important to note that while the comptroller's office establishes the application fee, **the comptroller's office cannot comment on whether additional fees may be imposed by parties to the agreement.**

Several comments were made on qualified opportunity zones in **§9.5002(c)**. Greater Houston Partnership, Fort Worth Chamber of Commerce, Dallas Regional Chamber, Austin Chamber of Commerce, and others proposed that the eligible project can be partially situated in the zone. **The comptroller's office disagrees and declines to incorporate this suggested revision given the lack of legal support for their perspective.**

Several commenters including Lone Star Chapter of Sierra Club, Texas IAF, TMO, Trinity United Methodist, St Francis of Assisi, All Saints Catholic Church, Congregation Beth Israel (Houston), Central Texas IAF, St. Christopher's Episcopal Church and others asserted that the rule should specify the school district's 15-day notice requirement for a public vote. While the school district is obligated to notify the public as matter of law, restating this information in rules is unnecessary, as it is already outlined in statute. **The comptroller's office declines to accept this revision.**

Some commenters including DRAX Group, greater.SATX, Opportunity Austin, and Texas Association of Business expressed concerns regarding the confidentiality of negotiations and the anonymity of applicants. While the comptroller's office acknowledges these concerns, there is a statutory obligation for the comptroller to disclose information from the application and other documents that are not confidential by law. Therefore, **the comptroller's office declines to make any changes.** Information deemed confidential by law and in accordance with the statute will be maintained as such and will not be posted on the website.

MoakCasey provided feedback on the economic benefit statement criteria in **§9.5003**, expressing concern about the broad interpretation of the term "local" in subsection (d)(1), particularly in relation to regional groupings affecting businesses across multiple counties. It's pinpointed that subsections (3)-(6) concentrate on the state impact whereas subsection (2) is silent on whether it pertains to the state or region. The comptroller's office does not share the same concerns. The comptroller will analyze the requested data in accordance with the statute and applicants are encouraged to provide relevant information based on their best knowledge. Additional information may be requested by the comptroller if needed. **No revisions are warranted to §9.5003.**

The comptroller's office received several comments relating to **§9.5004** from organizations, interest groups and individuals. **TTARA** suggested that removing "all the information requested by the comptroller" in **§9.5004(b)**, suggesting this language exceeds the scope of the statute. They also suggested incorporating "mutually acceptable to the comptroller and the applicant" in **§9.5004(d)** and "excluding any confidential information identified under

Rule 9.5002(b)" in **§9.5004(e)**. TXOGA suggested the rules in **§9.5004(d)** should provide a specific timeframe on the comptroller to inform the applicant on application completeness and the comptroller should work cooperatively with applicants to gather the requested documents. **TTARA**, TAM, TXOGA, Lone Star Chapter of Sierra Club, Every Texan, Opportunity Austin and all religious interest groups and churches previously identified, commented on the compelling factor in competitive site selection to locate in Texas (referred to as the determining factor by most commenters), contending that the determination should rest with the comptroller and some reiterate the factors set forth in the statute. There is also a request for clarification regarding the commencement of the 60-day period in **§9.5004(i)**. Another commenter, greater:SATX requested deleting "any other information that may aid the comptroller in its determination" from **§9.5004(g)(7)** whereas DRAX Group requested further details on the documents requested by the comptroller in **§9.5004(g)**. Numerous comments from McAllen Economic Development Corporation, **TTARA**, TAM, TXOGA, Dallas Regional Chamber, Austin Chamber of Commerce, Texas Association of Business, Corpus Christi Regional Economic Development Corporation and DRAX Group highlighted concerns about the performance bond formula in **§9.5004(j)**, contending that the amount is excessive and surpasses the program's benefit to an applicant and some seeking clarification on the impact of the bonds at the conclusion of the agreement term. Recommendations included reducing the percentage to 10%, establishing the bond at \$30,000, or basing it on the benefit received rather than the investment figure. **TTARA** also inquired whether the comptroller will decide on amendments or supplements within 60 days, referencing **§9.5004(k)**. **The comptroller's office acknowledges the comments related to §9.5004, specifically those regarding the performance bond. The comptroller's office has adjusted the formula to yield a reduced performance bond amount as suggested. However, the comptroller's office disagrees with the other comments, as the rules in §9.5004 align with the statute, and additional revisions to §9.5004 are not deemed necessary.**

TXOGA, TAM, and TCC requested clarification on modifications to investments and job numbers within **§9.5007**. The latter specifically pertains to incentive period changes, while adjustments related to investments and job numbers are addressed in Government Code, § 403. 612(f). In response to TXOGA, TAM, and TCC, **the comptroller's office finds that no revisions are required.**

TTARA sought clarification on the application of **§9.5008(e)(1)** as well as examples. In response, the comptroller's office directs attention to the previous response concerning the definition of full-time jobs, emphasizing the 1600-hour annual requirement is a prerequisite for the position, not the employee. **As this response adequately addresses the concern, no additional examples will be provided.**

Many commenters representing religious organizations, churches and groups have requested for the incorporation of the statewide total difference in taxes paid outside the program minus the property tax paid under the program in the biennial report. The comment's specific reference to whether it pertains to the agreement holder's biennial compliance is unclear. Nevertheless, it's essential to highlight that the inclusion of this information is a requirement outlined in Government Code, §403.616(c) of the biennial compliance report. Consequently, no adjustments to the rules are deemed necessary.

Finally, the comptroller's office received comments unrelated to the proposed rules. Specifically, Opportunity Austin inquired about whether a company can make donations to a school district's education foundation or its 501(c)(3) without conflicting with Government Code, §403.610(11). The comptroller's office is unable to address this matter as it falls outside the scope of the proposed rules.

The new sections are adopted under Government Code, §403.623, which permits the comptroller to adopt rules regarding the Texas Jobs, Energy, Technology and Innovation Act as necessary to implement that chapter.

The new sections implement Government Code, Subchapter T, Chapter 403.

Proposed vs. Final/Adopted Rule Comparison

Rule	Proposed	Final/Adopted
<p>§9.5000 Definitions</p>	<p>As used in this subchapter, the following words and terms shall have the following meanings, unless the context clearly indicates otherwise:</p> <p>(1)Agreement holder--A business entity that is subject to an executed agreement under Government Code, §403.612.</p> <p>(2)Construction job--A job that is temporary in nature, typically performed on a full-time basis and takes place before the commencement of the eligible project's incentive period. The purpose of the job is to perform construction, maintenance, remodeling or repair work for an applicant's project.</p> <p>(3)Eligible project--The construction of a project, or the expansion of an existing facility that is:</p> <p>(A)a manufacturing facility, classified in NAICS 31-33;</p> <p>(B)a facility related to the provision of utility services, including an electric generation facility that is considered to be dispatchable because the facility's output can be controlled primarily by forces under human control, classified in NAICS 2211;</p> <p>(C)a facility related to the development of natural resources, defined as the following Goods-Producing Industries subsector groups as identified by the U.S. Bureau of Labor Statistics:</p> <p>(i)Agriculture, Forestry, Fishing and Hunting, classified in NAICS 11; and</p> <p>(ii)Mining, Quarrying, and Oil and Gas Extraction, classified in NAICS 21;</p> <p>(D)a facility engaged in research and development, classified in NAICS 5417, or manufacture of high-tech equipment or technology; or</p> <p>(E)related to critical infrastructure such as:</p> <p>(i)a water intake structure, water treatment facility, wastewater treatment plant, or pump station, classified in NAICS 2213;</p> <p>(ii)a liquid natural gas terminal or storage facility, classified in NAICS 424710;</p>	<p>As used in this subchapter, the following words and terms shall have the following meanings, unless the context clearly indicates otherwise:</p> <p>(1)Agreement holder--A person that is subject to an executed agreement under Government Code, §403.612.</p> <p>(2)Construction job--A job that is temporary in nature, typically performed on a full-time basis and occurs before the commencement of the eligible project's incentive period. The purpose of the job is to perform construction, maintenance, remodeling or repair work for an applicant's project.</p> <p>(3)Eligible project--The construction of a project, or the expansion of an existing facility that is:</p> <p>(A)a manufacturing facility, classified in NAICS 31-33;</p> <p>(B)a facility related to the provision of utility services, including an electric generation facility that is considered to be dispatchable because the facility's output can be controlled primarily by forces under human control, classified in NAICS 2211;</p> <p>(C)a facility related to the development of natural resources, defined as the following Goods-Producing Industries subsector groups as identified by the U.S. Bureau of Labor Statistics:</p> <p>(i)Agriculture, Forestry, Fishing and Hunting, classified in NAICS 11; and</p> <p>(ii)Mining, Quarrying, and Oil and Gas Extraction, classified in NAICS 21;</p> <p>(D)a facility engaged in research and development, classified in NAICS 5417, or manufacture of high-tech equipment or technology; or</p> <p>(E)related to critical infrastructure such as:</p> <p>(i)a water intake structure, water treatment facility, wastewater treatment plant, or pump station, classified in NAICS 2213;</p> <p>(ii)a liquid natural gas terminal or storage facility, classified in NAICS 424710;</p>

Rule	Proposed	Final/Adopted
	<p>(iii) pipelines and pipeline appurtenances or facilities, including pipes, valves, meters, pumps, compressors, treating and processing facilities, cathodic protection facilities, and any other equipment, facilities, devices, structures, and buildings used or intended for use in the gathering, transportation, treating, storage, or processing of CO₂, oil, gas, or other minerals, and the liquefied or gaseous substances, constituents, products, or mixtures derived from those minerals through refining, processing, or other methods, classified in NAICS 486; and</p> <p>(iv) utility-scale water or wastewater storage, treatment, or transmission facilities, classified in NAICS 2213.</p> <p>(4) Eligible property--Property that is used in connection with an eligible project and is either wholly owned by an applicant or leased by an applicant through a capitalized lease. To be eligible, the property must be:</p> <p>(A) a new building or expansion of an existing building, including a permanent and nonremovable part of a building that is:</p> <p>(i) constructed after the execution of the agreement; and</p> <p>(ii) located in an area that is, at the time the agreement is executed, designated as a contiguous reinvestment zone under Tax Code, Chapter 311 or 312, or as an enterprise zone under Government Code, Chapter 2303; or</p> <p>(B) tangible personal property, excluding inventory, that is initially placed in a zone described in subparagraph (A)(ii) of this paragraph after the agreement execution.</p> <p>(5) Full-time job--A permanent position of employment, other than a construction job, requiring a minimum of 1,600 hours of work per year in connection with an eligible project.</p> <p>(6) Investment--Capital that is expended on the construction or acquisition of eligible property for an eligible project with the exclusion of expenses related to land and inventory for the project.</p> <p>(7) NAICS--North American Industry Classification System, developed by the U.S. Office of Management and Budget as the standard for use in classifying business establishments.</p>	<p>(iii) pipelines and pipeline appurtenances or facilities, including pipes, valves, meters, pumps, compressors, treating and processing facilities, cathodic protection facilities, and any other equipment, facilities, devices, structures, and buildings used or intended for use in the gathering, transportation, treating, storage, or processing of CO₂, oil, gas, or other minerals, and the liquefied or gaseous substances, constituents, products, or mixtures derived from those minerals through refining, processing, or other methods, classified in NAICS 486; and</p> <p>(iv) utility-scale water or wastewater storage, treatment, or transmission facilities, classified in NAICS 2213.</p> <p>(4) Eligible property--Property that is used in connection with an eligible project and is either wholly owned by an applicant or leased by an applicant through a capitalized lease. To be eligible, the property must be:</p> <p>(A) a new building or expansion of an existing building, including a permanent and nonremovable part of a building that is:</p> <p>(i) constructed after the execution of the agreement; and</p> <p>(ii) located in an area that is, at the time the agreement is executed, designated as a contiguous reinvestment zone under Tax Code, Chapter 311 or 312, or as an enterprise zone under Government Code, Chapter 2303; or</p> <p>(B) tangible personal property, excluding inventory, that is initially placed in a zone described in subparagraph (A)(ii) of this paragraph after the agreement execution.</p> <p>(5) Full-time job--A permanent position of employment, other than a construction job, requiring a minimum of 1,600 hours of work per year in connection with an eligible project.</p> <p>(6) Investment--Capital that is expended on the construction or acquisition of eligible property for an eligible project with the exclusion of expenses related to land and inventory for the project.</p> <p>(7) NAICS--North American Industry Classification System, developed by the U.S. Office of Management and Budget as the standard for use in classifying business establishments.</p>

Rule	Proposed	Final/Adopted
	<p>(8)Performance bond--A surety bond with an amount determined by the comptroller.</p> <p>(9)Required job--A job, other than construction jobs, that an applicant commits to create or demonstrate for an eligible project that meets the following requirements:</p> <p>(A)must be a new full-time job in this state;</p> <p>(B)must be performed at the site of the project by an employee hired by the applicant (including a Texans Work Program trainee under Labor Code, Chapter 308), or by an independent contractor or independent contractor's employee;</p> <p>(C)must require at least 1,600 hours of work a year;</p> <p>(D)may not be transferred by the applicant from an existing facility or location in this state unless the applicant fills the vacancy caused by the transfer;</p> <p>(E)may not create a job to replace an existing job, unless the applicant fills the vacancy caused by the replacement;</p> <p>(F)must offer and contribute to a group health benefit plan for each full-time employee of the applicant; and</p> <p>(G)must meet the wage requirement.</p> <p>(10)Trainee--An individual enrolled in the Texans Work Program who fulfills the following eligibility criteria:</p> <p>(A)receives a minimum monthly payment of \$300;</p> <p>(B)is engaged for a duration of at least 6 months but not exceeding one year;</p> <p>(C)contributes at least 30 hours weekly; and</p> <p>(D)constitutes no more than 20% of the employer's total workforce.</p> <p>(11)Wage Requirement--A wage that exceeds 110% of the statewide average annual wage for all jobs in the applicable industry sector as computed by the Texas Workforce Commission in the Quarterly Census of Employment and Wages publication and as described in the executed agreement under Government Code, §403.612. The term does not include the wages for trainees in the Texans Work Program.</p>	<p>(8)Performance bond--A surety bond with an amount determined by the comptroller.</p> <p>(9)Required job--A job, other than construction jobs, that an applicant commits to create or demonstrate for an eligible project that meets the following requirements:</p> <p>(A)must be a new full-time job in this state;</p> <p>(B)must be performed by an employee hired by the applicant (including a Texans Work Program trainee under Labor Code, Chapter 308), or by an independent contractor or independent contractor's employee, <u>primarily at the designated project site, allowing for hybrid work schedules but excluding 100% remote work;</u></p> <p>(C)must require at least 1,600 hours of work a year;</p> <p>(D)may not be transferred by the applicant from an existing facility or location in this state unless the applicant fills the vacancy caused by the transfer;</p> <p>(E)may not create a job to replace an existing job, unless the applicant fills the vacancy caused by the replacement;</p> <p>(F)must offer and contribute to a group health benefit plan for each full-time employee of the applicant; and</p> <p>(G)must meet the wage requirement.</p> <p>(10)Trainee--An individual enrolled in the Texans Work Program who fulfills the following eligibility criteria:</p> <p>(A)receives a minimum monthly payment of \$300;</p> <p>(B)is engaged for a duration of at least 6 months but not exceeding one year;</p> <p>(C)contributes at least 30 hours weekly; and</p> <p>(D)constitutes no more than 20% of the employer's total workforce.</p> <p>(11)Wage Requirement-- For all jobs in the applicable industry sector as computed by the Texas Workforce Commission in the Quarterly Census of Employment and Wages and as described in the executed agreement under Government Code, §403.612, <u>a wage for a job in a specified sector is determined by considering the average annual wage data available during the most recent four quarters. If county level data exists, the wage in a specified industry must exceed 110% of the county average annual wage.</u></p>

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		giving priority to 6-digit NAICS level, followed by 5-digit NAICS level, and then 4-digit NAICS level. If county data is unavailable, the same evaluation is performed on regional data. In the absence of both county and regional data, statewide average annual wage must be utilized.
§9.5001 Applicant Eligibility Requirements	<p>(a)An applicant that is listed as ineligible to receive a state contract or investment or is otherwise ineligible to contract with a state governmental entity under Government Code, Chapters 808, 809, 2270, 2271, or 2274, is ineligible to apply for an agreement for limitation on taxable value of eligible property under Government Code, Chapter 403.</p> <p>(b)The comptroller may reject an application based on an applicant's ineligibility under subsection (a) of this section.</p> <p>(c)The comptroller shall send notice of the rejection described in subsection (b) of this section to the applicant.</p> <p>(d)An applicant may not submit an administrative appeal to the comptroller for reconsideration of an application that has been rejected under subsection (b) of this section.</p>	<p>(a)An applicant that is listed as ineligible to receive a state contract or investment or is otherwise ineligible to contract with a state governmental entity under Government Code, Chapters 808, 809, 2270, 2271, or 2274, is ineligible to apply for an agreement for limitation on taxable value of eligible property under Government Code, Chapter 403.</p> <p>(b)The comptroller may reject an application based on an applicant's ineligibility under subsection (a) of this section.</p> <p>(c)The comptroller shall send notice of the rejection described in subsection (b) of this section to the applicant.</p> <p>(d)An applicant may not submit an administrative appeal to the comptroller for reconsideration of an application that has been rejected under subsection (b) of this section.</p>
§9.5002 Application Requirements	<p>(a)Each application shall include:</p> <ul style="list-style-type: none"> (1)a completed application form; (2)proof of a \$30,000 payment as a nonrefundable application fee, payable to the applicable school district; (3)a sworn affidavit by an agent authorized to bind an applicant attesting that the applicant is not ineligible under Government Code, §403.606; (4)a map of the proposed project site; (5)an economic benefit statement for the proposed project as described in Government Code, §403.608; and (6)any additional information requested by the comptroller to complete its evaluation of the application. <p>(b)Applicants must segregate confidential information described by Government Code, §403.621, or information that is confidential as a matter of law from other information in their application, amended application or supplement to an application. A cover sheet marked "Confidential" with the legal</p>	<p>(a)Each application shall include:</p> <ul style="list-style-type: none"> (1)a completed application form; (2)proof of a \$30,000 payment as a nonrefundable application fee, payable to the applicable school district; (3)a sworn affidavit by an agent authorized to bind an applicant attesting that the applicant is not ineligible under Government Code, §403.606; (4)a map of the proposed project site; (5)an economic benefit statement for the proposed project as described in Government Code, §403.608; and (6)any additional information requested by the comptroller to complete its evaluation of the application. <p>(b)Applicants must segregate confidential information described by Government Code, §403.621, or information that is confidential as a matter of law from other information in their application, amended application or supplement to an application. A cover sheet marked "Confidential" with the legal</p>

Rule	Proposed	Final/Adopted
	<p>justification for confidential treatment must accompany all information that is considered confidential.</p> <p>(c)If an applicant proposes to place an eligible property in a qualified opportunity zone, the entire project including its boundaries must fall within that qualified opportunity zone in order to be subject to the taxable value prescribed in Government Code, §403.605(a)(2).</p>	<p>justification for confidential treatment must accompany all information that is considered confidential.</p> <p>(c)If an applicant proposes to place an eligible property in a qualified opportunity zone, the entire project including its boundaries must fall within that qualified opportunity zone in order to be subject to the taxable value prescribed in Government Code, §403.605(a)(2).</p>
<p>§9.5003 Economic Benefit Statement Criteria</p>	<p>(a)The economic benefit statement must include the information described in Government Code, §403.608(b), including the sources relied upon.</p> <p>(b)The comptroller may require an applicant to supplement or modify the economic benefit statement to provide further clarity or if there are changes to project-related information.</p> <p>(c)Information provided as an estimate of the associated economic benefits that may be reasonably attributed to the project may be generated from standard economic estimation techniques and multipliers. This information shall be used to obtain a generalized estimation of the economic benefits to be associated with the proposed project. Any economic estimation modeling software used and all modifiers that were incorporated in the calculations must be disclosed.</p> <p>(d)The economic benefit statement must include the project's associated economic benefits that, at minimum, consist of the following:</p> <ol style="list-style-type: none"> (1)the impact on the gross revenues and employment levels of local businesses that provide goods or services in connection with the project or to an applicant's employees; (2)the amount of state and local taxes that will be generated as a result of the indirect economic impact of the project; (3)the development of complementary businesses or industries that locate in this state as a direct consequence of the project; (4)the total impact of the project on the gross domestic product of this state; (5)the total impact of the project on personal income in this state; and (6)the total impact of the project on state and local taxes. 	<p>(a)The economic benefit statement must include the information described in Government Code, §403.608(b), including the sources relied upon.</p> <p>(b)The comptroller may require an applicant to supplement or modify the economic benefit statement to provide further clarity or if there are changes to project-related information.</p> <p>(c)Information provided as an estimate of the associated economic benefits that may be reasonably attributed to the project may be generated from standard economic estimation techniques and multipliers. This information shall be used to obtain a generalized estimation of the economic benefits to be associated with the proposed project. Any economic estimation modeling software used and all modifiers that were incorporated in the calculations must be disclosed.</p> <p>(d)The economic benefit statement must include the project's associated economic benefits that, at minimum, consist of the following:</p> <ol style="list-style-type: none"> (1)the impact on the gross revenues and employment levels of local businesses that provide goods or services in connection with the project or to an applicant's employees; (2)the amount of state and local taxes that will be generated as a result of the indirect economic impact of the project; (3)the development of complementary businesses or industries that locate in this state as a direct consequence of the project; (4)the total impact of the project on the gross domestic product of this state; (5)the total impact of the project on personal income in this state; and (6)the total impact of the project on state and local taxes.

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	<p>(e)The comptroller may reject an economic benefit statement that is determined to be unreasonable or relies on unrealistic assumptions of economic conditions.</p> <p>(f)If the economic benefit statement is rejected, then the comptroller may recommend not to approve the application.</p>	<p>(e)The comptroller may reject an economic benefit statement that is determined to be unreasonable or relies on unrealistic assumptions of economic conditions.</p> <p>(f)If the economic benefit statement is rejected, then the comptroller may recommend not to approve the application.</p>
<p>§9.5004 Application Process</p>	<p>(a)An applicant must submit an application for a limitation on taxable value of eligible property in the form and manner prescribed by the comptroller. The comptroller may require applications to be submitted electronically.</p> <p>(b)After the eligibility of the applicant is assessed in §9.5001 of this chapter, the comptroller shall review an application to determine if it is administratively complete. An application is considered administratively complete when it includes all the information requested by the comptroller.</p> <p>(c)The comptroller shall provide notice of an administratively complete application to the applicant, the governor and the applicable school district. The comptroller may provide notice electronically.</p> <p>(d)If an application is not administratively complete, the comptroller may require an applicant to submit the necessary information by a deadline.</p> <p>(e)The comptroller shall publish on its website information from each application including maps, economic benefit statement and any amendments within 10 business days of receiving an administratively complete application.</p> <p>(f)To assess whether a project proposed in an application is an eligible project, the comptroller must find that:</p> <ol style="list-style-type: none"> (1)an applicant satisfies the application requirements; (2)the proposed project meets the definition of eligible project in §9.5000 of this title and Government Code, §403.602(8); and (3)The applicant is willing to agree and accept the terms described in Government Code, §403.604, and the agreement terms. <p>(g)To assess whether an agreement is a compelling factor and whether the applicant would make the proposed investment in</p>	<p>(a)An applicant must submit an application for a limitation on taxable value of eligible property in the form and manner prescribed by the comptroller. The comptroller may require applications to be submitted electronically.</p> <p>(b)After the eligibility of the applicant is assessed in §9.5001 of this chapter, the comptroller shall review an application to determine if it is administratively complete. An application is considered administratively complete when it includes all the information requested by the comptroller.</p> <p>(c)The comptroller shall provide notice of an administratively complete application to the applicant, the governor and the applicable school district. The comptroller may provide notice electronically.</p> <p>(d)If an application is not administratively complete, the comptroller may require an applicant to submit the necessary information by a deadline.</p> <p>(e)The comptroller shall publish on its website information from each application including maps, economic benefit statement and any amendments within 10 business days of receiving an administratively complete application.</p> <p>(f)To assess whether a project proposed in an application is an eligible project, the comptroller must find that:</p> <ol style="list-style-type: none"> (1)an applicant satisfies the application requirements; (2)the proposed project meets the definition of eligible project in §9.5000 of this title and Government Code, §403.602(8); and (3)The applicant is willing to agree and accept the terms described in Government Code, §403.604, and the agreement terms. <p>(g)To assess whether an agreement is a compelling factor and whether the applicant would make the proposed investment in</p>

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	<p>the absence of the agreement under Government Code, §403.609(b)(3), the comptroller may consider:</p> <p>(1)any public documents and statements relating to the applicant, the proposed project or the proposed eligible property that is subject to the application;</p> <p>(2)official statements by the applicant, government officials or industry officials concerning the proposed project;</p> <p>(3)alternative sites and prospects explored including any specific incentive information;</p> <p>(4)any information concerning the proposed project's impact on the Texas economy;</p> <p>(5)previous applications for and subsequent granting of economic development incentives;</p> <p>(6)documents pertaining to the proposed project's financials, real estate transactions, utilities, infrastructure, transportation, regulatory environment, permits, workforce, marketing, existing facilities, nature of market conditions, and raw materials that demonstrate whether the incentive is a compelling factor in a competitive site selection process to locate the proposed project in Texas; and</p> <p>(7)any other information that may aid the comptroller in its determination.</p> <p>(h)Upon request, the comptroller may require that an applicant provides additional documents to demonstrate a compelling factor in a competitive site selection process to locate the proposed project in Texas. Failure to provide these documents may result in the comptroller being unable to make a recommendation under Government Code, §403.609.</p> <p>(i)Within 60 days of an application being deemed complete, the comptroller shall examine and determine whether the application should be recommended or not recommended for approval based on the criteria in Government Code, §403.609(b).</p> <p>(j)The comptroller shall provide written notice of action under Government Code, §403.609(a), to the applicant, the governor and the applicable school district.</p> <p>(1)The notice shall indicate the comptroller's recommendation either for approval or non-approval of the application along with</p>	<p>the absence of the agreement under Government Code, §403.609(b)(3), the comptroller may consider:</p> <p>(1)any public documents and statements relating to the applicant, the proposed project or the proposed eligible property that is subject to the application;</p> <p>(2)official statements by the applicant, government officials or industry officials concerning the proposed project;</p> <p>(3)alternative sites and prospects explored including any specific incentive information;</p> <p>(4)any information concerning the proposed project's impact on the Texas economy;</p> <p>(5)previous applications for and subsequent granting of economic development incentives;</p> <p>(6)documents pertaining to the proposed project's financials, real estate transactions, utilities, infrastructure, transportation, regulatory environment, permits, workforce, marketing, existing facilities, nature of market conditions, and raw materials that demonstrate whether the incentive is a compelling factor in a competitive site selection process to locate the proposed project in Texas; and</p> <p>(7)any other information that may aid the comptroller in its determination.</p> <p>(h)Upon request, the comptroller may require that an applicant provides additional documents to demonstrate a compelling factor in a competitive site selection process to locate the proposed project in Texas. Failure to provide these documents may result in the comptroller being unable to make a recommendation under Government Code, §403.609.</p> <p>(i)Within 60 days of an application being deemed complete, the comptroller shall examine and determine whether the application should be recommended or not recommended for approval based on the criteria in Government Code, §403.609(b).</p> <p>(j)The comptroller shall provide written notice of action under Government Code, §403.609(a), to the applicant, the governor and the applicable school district.</p> <p>(1)The notice shall indicate the comptroller's recommendation either for approval or non-approval of the application along with</p>

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	<p>a copy of the application, and all documents or information relied upon to make the findings prescribed by Government Code, §403.609(b).</p> <p>(2) A recommendation for approval shall specify a performance bond amount that is at minimum 20% of the required investment prescribed by Government Code, §403.604.</p> <p>(k) An applicant may submit an amended or supplemental application to the comptroller at any time after the submission of the original application. If an applicant modifies an application recommended by the comptroller prior to the execution of the agreement, the applicant must submit said modifications to the comptroller to make a recommendation pursuant to Government Code, §403.609, before the agreement can be executed.</p>	<p>a copy of the application, and all documents or information relied upon to make the findings prescribed by Government Code, §403.609(b).</p> <p>(2) A recommendation for approval shall specify a performance bond amount that is 10% of the estimated gross tax benefit to the applicant.</p> <p>(k) An applicant may submit an amended or supplemental application to the comptroller at any time after the submission of the original application. If an applicant modifies an application recommended by the comptroller prior to the execution of the agreement, the applicant must submit said modifications to the comptroller to make a recommendation pursuant to Government Code, §403.609, before the agreement can be executed.</p>
<p>§9.5005 Agreement for Limitation on Taxable Value of Eligible Property</p>	<p>(a) An applicant, the governor and the governing body of the applicable school district must mutually agree to enter into an agreement for limitation on taxable value of eligible property that includes the requisite terms in Government Code, §403.604 and §403.612.</p> <p>(b) An applicant must satisfy the criteria required to enter in a contract with the state of Texas.</p> <p>(c) The agreement must be based on information from an application that was recommended for approval by the comptroller.</p> <p>(d) The agreement must comply with all applicable rules, regulations and statutes.</p>	<p>(a) An applicant, the governor and the governing body of the applicable school district must mutually agree to enter into an agreement for limitation on taxable value of eligible property that includes the requisite terms in Government Code, §403.604 and §403.612.</p> <p>(b) An applicant must satisfy the criteria required to enter in a contract with the state of Texas.</p> <p>(c) The agreement must be based on information from an application that was recommended for approval by the comptroller.</p> <p>(d) The agreement must comply with all applicable rules, regulations and statutes.</p>
<p>§9.5006 Agreement Process</p>	<p>(a) Both the governor and the governing body of the applicable school district must decide under Government Code, §403.610(a) and §403.611(a), that they are agreeable to entering into an agreement with the applicant for a limitation on taxable value of eligible property.</p> <p>(b) The governor and the governing body of the applicable school district must provide written notice of their determination in compliance with Government Code, §403.610(b) and §403.611(d).</p>	<p>(a) Both the governor and the governing body of the applicable school district must decide under Government Code, §403.610(a) and §403.611(a), that they are agreeable to entering into an agreement with the applicant for a limitation on taxable value of eligible property.</p> <p>(b) The governor and the governing body of the applicable school district must provide written notice of their determination in compliance with Government Code, §403.610(b) and §403.611(d).</p>

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	(c)The agreement must be written in the manner and form prescribed by the governor.	(c)The agreement must be written in the manner and form prescribed by the governor.
§9.5007 Amendment Process	<p>(a)An agreement holder may propose to modify the beginning and ending dates of the incentive period. Notice of the proposed modification must be provided to the comptroller, the governor, and the applicable school district not later than the 90th day before the first day of the incentive period specified in Government Code, §403.612(b)(3), or not later than the 90th day before the first day of the proposed incentive period, whichever is earlier.</p> <p>(b)Failure to provide notice of a proposed modification in a timely manner could lead to a denial of the modification request.</p> <p>(c)To change the beginning and ending dates of the incentive period, the agreement holder must update the most recent schedules and economic benefit statement as necessary to reflect the proposed change to the incentive period. The agreement holder must include the revised schedules and economic benefit statement with the notice provided to the comptroller, the governor, and the applicable school district under this section.</p> <p>(d)The comptroller shall make the finding required by Government Code, §403.609(b)(2), regarding the project as proposed to be modified or determine that the finding cannot be made.</p> <p>(e)The comptroller shall notify the agreement holder, the governor and the applicable school district of the comptroller's finding not later than the 60th day after the date the comptroller receives the notice and revised economic benefit statement from the agreement holder of the proposed modification.</p> <p>(f)The incentive period for the project may not be modified if the comptroller determines that the finding required by Government Code, §403.609(b)(2), regarding the project as proposed to be modified cannot be made or if the governor or the applicable school district objects to the proposed modification.</p>	<p>(a)An agreement holder may propose to modify the beginning and ending dates of the incentive period. Notice of the proposed modification must be provided to the comptroller, the governor, and the applicable school district not later than the 90th day before the first day of the incentive period specified in Government Code, §403.612(b)(3), or not later than the 90th day before the first day of the proposed incentive period, whichever is earlier.</p> <p>(b)Failure to provide notice of a proposed modification in a timely manner could lead to a denial of the modification request.</p> <p>(c)To change the beginning and ending dates of the incentive period, the agreement holder must update the most recent schedules and economic benefit statement as necessary to reflect the proposed change to the incentive period. The agreement holder must include the revised schedules and economic benefit statement with the notice provided to the comptroller, the governor, and the applicable school district under this section.</p> <p>(d)The comptroller shall make the finding required by Government Code, §403.609(b)(2), regarding the project as proposed to be modified or determine that the finding cannot be made.</p> <p>(e)The comptroller shall notify the agreement holder, the governor and the applicable school district of the comptroller's finding not later than the 60th day after the date the comptroller receives the notice and revised economic benefit statement from the agreement holder of the proposed modification.</p> <p>(f)The incentive period for the project may not be modified if the comptroller determines that the finding required by Government Code, §403.609(b)(2), regarding the project as proposed to be modified cannot be made or if the governor or the applicable school district objects to the proposed modification.</p>

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<p>§9.5008 Job and Wage Requirements Penalty for Failing to Comply with Job or Wage Requirement</p>	<p>(a)Except as otherwise provided in Government Code, §403.604(a), the number of required jobs may not be waived.</p> <p>(b)The wage requirement applies to required jobs and additional jobs, as the terms are defined in §9.5000 of this title and Government Code, §403.602. The wage requirement may not be waived.</p> <p>(c)The comptroller shall conduct a biennial review of the periods covered by two consecutive reports submitted by an agreement holder to determine whether the agreement holder has created the number of required jobs and has met the wage requirement under Government Code, Chapter 403.</p> <p>(d)To make the determination, the comptroller may:</p> <ul style="list-style-type: none"> (1)review the Biennial Compliance Report submitted by the agreement holder; (2)request additional information from the agreement holder to substantiate the number of required jobs and the wage requirement and/or inspect the eligible property with a 3-day advance notice to the agreement holder in order to perform the inspection at a mutually agreeable time during regular business hours; or (3)consider any other information that is available to the comptroller. <p>(e)The comptroller may issue a determination that a job created by the agreement holder is not a required job if the job as identified by the agreement holder:</p> <ul style="list-style-type: none"> (1)does not provide 1,600 hours or more of work for that year; (2)is not a new job but rather a position that was transferred from a facility of the agreement holder from one area of the state to the project covered by the agreement, unless the agreement holder fills the vacancy caused by the transfer; (3)is not a new job but rather a position that replaced an existing job of the agreement holder, unless the agreement holder filled the vacancy caused by the replacement; (4)is not covered by a group health benefit plan for which the agreement holder contributes; or (5)does not meet the wage requirement. 	<p>(a)Except as otherwise provided in Government Code, §403.604(a), the number of required jobs may not be waived.</p> <p>(b)The wage requirement applies to required jobs and additional jobs, as the terms are defined in §9.5000 of this title and Government Code, §403.602. The wage requirement may not be waived.</p> <p>(c)The comptroller shall conduct a biennial review of the periods covered by two consecutive reports submitted by an agreement holder to determine whether the agreement holder has created the number of required jobs and has met the wage requirement under Government Code, Chapter 403.</p> <p>(d)To make the determination, the comptroller may:</p> <ul style="list-style-type: none"> (1)review the Biennial Compliance Report submitted by the agreement holder; (2)request additional information from the agreement holder to substantiate the number of required jobs and the wage requirement and/or inspect the eligible property with a 3-day advance notice to the agreement holder in order to perform the inspection at a mutually agreeable time during regular business hours; or (3)consider any other information that is available to the comptroller. <p>(e)The comptroller may issue a determination that a job created by the agreement holder is not a required job if the job as identified by the agreement holder:</p> <ul style="list-style-type: none"> (1)does not provide 1,600 hours or more of work for that year; (2)is not a new job but rather a position that was transferred from a facility of the agreement holder from one area of the state to the project covered by the agreement, unless the agreement holder fills the vacancy caused by the transfer; (3)is not a new job but rather a position that replaced an existing job of the agreement holder, unless the agreement holder filled the vacancy caused by the replacement; (4)is not covered by a group health benefit plan for which the agreement holder contributes; or (5)does not meet the wage requirement.

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	<p>(f)If the comptroller makes a determination that the agreement holder did not create the required number of jobs or meet the wage requirement, the comptroller shall provide notice to the agreement holder, which shall include an explanation for the adverse determination.</p> <p>(g)If the comptroller finds that an agreement holder received two consecutive adverse determinations for failing to meet the wage requirement prescribed by the agreement, the comptroller shall impose a penalty on the agreement holder in an amount equal to two times the difference between:</p> <p>(1)the product of:</p> <p>(A)the actual average annual wage paid to all persons employed by the agreement holder in connection with the project that is the subject of the agreement as computed under Government Code, §403.612(b)(6); and</p> <p>(B)the number of required jobs prescribed by the agreement; and</p> <p>(2)the product of:</p> <p>(A)the average annual wage prescribed by the agreement; and</p> <p>(B)the number of required jobs prescribed by the agreement.</p> <p>(h)If the comptroller finds that an agreement holder received two consecutive adverse determinations for failing to maintain at least the number of required jobs prescribed by the agreement, the comptroller shall impose a penalty on the agreement holder in an amount equal to two times the difference between:</p> <p>(1)the product of:</p> <p>(A)the number of required jobs prescribed by the agreement; and</p> <p>(B)the number of required jobs actually created as stated in the most recent report submitted by the agreement holder under Government Code, §403.616; and</p> <p>(2)the average annual wage prescribed by the agreement during the most recent four quarters for which data is available, as computed by the Texas Workforce Commission.</p> <p>(i)A determination by the comptroller under subsection (f) of this section is a deficiency determination under Tax Code, §111.008.</p>	<p>(f)If the comptroller makes a determination that the agreement holder did not create the required number of jobs or meet the wage requirement, the comptroller shall provide notice to the agreement holder, which shall include an explanation for the adverse determination.</p> <p>(g)If the comptroller finds that an agreement holder received two consecutive adverse determinations for failing to meet the wage requirement prescribed by the agreement, the comptroller shall impose a penalty on the agreement holder in an amount equal to two times the difference between:</p> <p>(1)the product of:</p> <p>(A)the actual average annual wage paid to all persons employed by the agreement holder in connection with the project that is the subject of the agreement as computed under Government Code, §403.612(b)(6); and</p> <p>(B)the number of required jobs prescribed by the agreement; and</p> <p>(2)the product of:</p> <p>(A)the average annual wage prescribed by the agreement; and</p> <p>(B)the number of required jobs prescribed by the agreement.</p> <p>(h)If the comptroller finds that an agreement holder received two consecutive adverse determinations for failing to maintain at least the number of required jobs prescribed by the agreement, the comptroller shall impose a penalty on the agreement holder in an amount equal to two times the difference between:</p> <p>(1)the product of:</p> <p>(A)the number of required jobs prescribed by the agreement; and</p> <p>(B)the number of required jobs actually created as stated in the most recent report submitted by the agreement holder under Government Code, §403.616; and</p> <p>(2)the average annual wage prescribed by the agreement during the most recent four quarters for which data is available, as computed by the Texas Workforce Commission.</p> <p>(i)A determination by the comptroller under subsection (f) of this section is a deficiency determination under Tax Code, §111.008.</p>

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	<p>A penalty imposed under this section is an amount the comptroller is required to collect, receive, administer, or enforce and is subject to the payment and redetermination requirements of Tax Code, §111.0081 and §111.009. A redetermination under Tax Code, §111.009, of a determination under this section is a contested case as defined by Government Code, §2001.003.</p> <p>(j)In no event shall a penalty imposed under this section exceed the amount of the ad valorem tax benefit received by the agreement holder under the agreement.</p> <p>(k)The comptroller shall deposit a penalty collected under this section and any interest on the penalty to the credit of the foundation school fund.</p>	<p>A penalty imposed under this section is an amount the comptroller is required to collect, receive, administer, or enforce and is subject to the payment and redetermination requirements of Tax Code, §111.0081 and §111.009. A redetermination under Tax Code, §111.009, of a determination under this section is a contested case as defined by Government Code, §2001.003.</p> <p>(j)In no event shall a penalty imposed under this section exceed the amount of the ad valorem tax benefit received by the agreement holder under the agreement.</p> <p>(k)The comptroller shall deposit a penalty collected under this section and any interest on the penalty to the credit of the foundation school fund.</p>
<p>§9.5009 Biennial Compliance Report</p>	<p>(a)Each agreement holder must submit a biennial compliance report with the supportive documents required by Government Code, §403.616 in the manner and form prescribed by the comptroller. The comptroller may require the report to be submitted electronically.</p> <p>(b)The report must be submitted by June 1 of every even numbered year from the start to the conclusion of the incentive period.</p> <p>(c)The report must include the minimum number of required jobs described in Government Code, §403.604(b) for every tax year throughout the duration of the incentive period.</p> <p>(d)The report must include the signature of agreement holder's authorized representative(s) by which the representative confirms and attests to the truth and accuracy of the information submitted in the form to the best knowledge and belief of the agreement holder and its representative(s).</p> <p>(e)Agreement holders must segregate confidential information described by Government Code, §403.621(b) or information that is confidential as a matter of law from other information within the biennial report. A cover sheet marked "Confidential" with the legal justification for confidential treatment must accompany all information that is considered confidential.</p> <p>(f)For trainees identified in the report, the agreement holder must also submit documentation confirming its approval to take</p>	<p>(a)Each agreement holder must submit a biennial compliance report with the supportive documents required by Government Code, §403.616 in the manner and form prescribed by the comptroller. The comptroller may require the report to be submitted electronically.</p> <p>(b)The report must be submitted by June 1 of every even numbered year from the start to the conclusion of the incentive period.</p> <p>(c)The report must include the minimum number of required jobs described in Government Code, §403.604(b) for every tax year throughout the duration of the incentive period.</p> <p>(d)The report must include the signature of agreement holder's authorized representative(s) by which the representative confirms and attests to the truth and accuracy of the information submitted in the form to the best knowledge and belief of the agreement holder and its representative(s).</p> <p>(e)Agreement holders must segregate confidential information described by Government Code, §403.621(b) or information that is confidential as a matter of law from other information within the biennial report. A cover sheet marked "Confidential" with the legal justification for confidential treatment must accompany all information that is considered confidential.</p> <p>(f)For trainees identified in the report, the agreement holder must also submit documentation confirming its approval to take</p>

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	part in the Texans Work Program as set forth in Labor Code, §308.003, along with proof of the trainee's participation in the program including the beginning and ending dates of the trainee's participation.	part in the Texans Work Program as set forth in Labor Code, §308.003, along with proof of the trainee's participation in the program including the beginning and ending dates of the trainee's participation.
§9.5010 Biennial Report to Legislature	(a)Each agreement holder must submit information for the report described in Government Code, §403.617(b), in the form and manner prescribed by the comptroller. (b)Not later than December 1 of each even year, the comptroller may electronically submit the report under Government Code, §403.617(b), to the lieutenant governor, the speaker of the house of representatives, and each other member of the legislature.	(a)Each agreement holder must submit information for the report described in Government Code, §403.617(b), in the form and manner prescribed by the comptroller. (b)Not later than December 1 of each even year, the comptroller may electronically submit the report under Government Code, §403.617(b), to the lieutenant governor, the speaker of the house of representatives, and each other member of the legislature.
§9.5011 Conflicts	To comply with Government Code, §403.619, both applicant and applicable school district must disclose any potential conflicts of interest related to a submitted application or an agreement, as mandated by state and federal laws, before executing the same agreement.	To comply with Government Code, §403.619, both applicant and applicable school district must disclose any potential conflicts of interest related to a submitted application or an agreement, as mandated by state and federal laws, before executing the same agreement.
§9.5012 Electronic Submission; Notices	Unless otherwise required by law, the comptroller may require forms, notices and other documents to be submitted electronically (including via web form).	Unless otherwise required by law, the comptroller may require forms, notices and other documents to be submitted electronically (including via web form).