

## **The Chapter 313 Process**

### **First Steps**

- The process starts with a company presenting an application for a project at a called board meeting of a school district.
- At this initial board meeting, the school district will accept the application and application fee.
- The application fee covers the districts expenses for hiring legal counsel and consultants who negotiate the agreement with the company and advise the district on the financial impact of the project.
- Moak Casey will determine if the application is complete, and the district's attorney will forward the application to the State Comptroller's Office for review.

### **Comptroller's Review**

- The Comptroller will then determine if the application is complete. This process can typically take anywhere from two weeks to two months.
- Once the Comptroller issues a completeness letter, a school district has 150 days to finally approve the project and enter into an agreement with the company, although projects are generally eligible for extensions and a Comptroller's certificate is required before final board action.
- Within 90 days of issuing the completeness letter, the Comptroller will issue a certificate for the project if it meets all state standards.
- In the certificate the Comptroller determines and certifies that the project will be a benefit to the school district, and that the limitation on appraised value of the project was a determining factor in the company's decision to invest capital and construct the project in Texas.

### **Negotiations and Final Board Action**

- After the Comptroller issues the certificate, the district's attorneys and the company negotiate the final agreement for the project, including protection for any potential revenue losses the district may incur because of the project and the amount of the supplemental payments to the district.
- Twenty days before the board meeting to finally approve the project, the final agreement is submitted to the Comptroller for review and approval.
- After the Comptroller determines the final agreement complies with all applicable rules and regulations, the board holds a meeting to formally enter into an agreement with the company.
- After the agreement is executed, the project continues to be regulated by the Comptroller, which requires Annual Eligibility Reports (used to determine if the company is complying with the agreement and applicable rules and regulations) and Biennial Reports (used to assess the progress of each project).