

BILL ANALYSIS

Senate Research Center

C.S.H.B. 3360
By: Button et al. (Estes)
Natural Resources & Economic Development
5/19/2017
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Interested parties note that the Economic Incentive Oversight Board is tasked with examining many of the state's economic development incentive programs and the need for the board to examine the effectiveness, efficiency, and financial impact on the state of the property tax incentive program established by the Texas Economic Development Act. H.B. 3360 provides for that examination. (Original Author's / Sponsor's Statement of Intent)

C.S.H.B. 3360 amends current law relating to the Economic Incentive Oversight Board.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 490G.001, Government Code, by amending Subdivision (2-a) and adding Subdivision (2-b), as follows:

(2-a) Defines "office."

(2-b) Creates this subdivision from existing text and makes no further changes.

SECTION 2. Amends Sections 490G.002(a) and (b), Government Code, as follows:

(a) Provides that the Economic Incentive Oversight Board is an advisory body composed of nine members as follows:

(1) and (2) makes no changes to these subdivisions;

(3) two public members appointed by the Texas comptroller of public accounts (comptroller), one of whom is required to hold an advanced degree in economics; and

(4) three public members appointed by the governor, one of whom is required to hold an advanced degree in statistics and one of whom is required to hold an advanced degree in economics.

(b) Deletes existing text requiring each appointing officer, in appointing members of the board, to appoint one member who has expertise in the area of economic development. Provides that a person is ineligible to serve as a member of the board if the person has, within the five years preceding the person's appointment:

(1) served as an officer, director, or executive of an entity that received a monetary incentive or an ad valorem tax incentive under Chapter 313 (Texas Economic Development Act), Tax Code;

(2) accepted compensation to represent a person or entity that sought a monetary incentive or an ad valorem tax incentive under Chapter 313, Tax Code; or

(3) accepted compensation to represent a state agency, local government, school district, or economic development corporation with the authority to grant a monetary incentive or an ad valorem tax incentive under Chapter 313, Tax Code.

SECTION 3. Amends Chapter 490G, Government Code, by adding Section 490G.0055, as follows:

Sec. 490G.0055. REVIEW OF PROGRAM ESTABLISHED BY TEXAS ECONOMIC DEVELOPMENT ACT; PERFORMANCE MATRIX. (a) Requires the board to examine the effectiveness, efficiency, and financial impact on this state of the ad valorem tax incentive program (program) established by Chapter 313, Tax Code, including whether that chapter is being implemented by school districts (districts) and the comptroller in such a way as to accomplish the purposes of that chapter as expressed in Section 313.003 (Publication of Notice for Laws Primarily Affecting Persons) of that chapter and comply with the intent of the legislature in enacting that chapter as expressed in Section 313.004 (Proof of Publication or Posting) of that chapter.

(b) Requires the board to develop a performance matrix that clearly establishes the economic performance indicators, measures, and metrics that will guide the board's evaluation of the program.

(c) Requires the comptroller to provide to the board on request information concerning the program as necessary to enable the board to perform the board's duties under this chapter (Economic Incentive Oversight Board).

SECTION 4. Amends the heading to Section 490G.006, Government Code, to read as follows:

Sec. 490G.006. SCHEDULE OF REVIEW OF STATE INCENTIVE PROGRAMS; RECOMMENDATION TO LEGISLATIVE AUDIT COMMITTEE.

SECTION 5. Amends Chapter 490G, Government Code, by adding Section 490G.0065, as follows:

Sec. 490G.0065. SCHEDULE OF REVIEW OF PROGRAM ESTABLISHED BY TEXAS ECONOMIC DEVELOPMENT ACT. (a) Requires the board to develop a schedule for the review of the program established by Chapter 313, Tax Code, for the purpose of making recommendations concerning the effectiveness and efficiency of the program to the Texas Economic Development and Tourism Office (TEDTO) and reporting the findings and recommendations resulting from the review to the legislature as required by Section 490G.007 (Biennial Report). Requires the board to review and make findings and recommendations regarding the program according to the review schedule.

(b) Requires the board, on request, to provide to the governing body of a district or the comptroller any recommendations submitted to TEDTO under Subsection (a) concerning the program.

SECTION 6. Amends Section 490G.007, Government Code, to require the board, not later than January 1 of each odd-numbered year, to submit to certain government officials a report containing findings and recommendations resulting from each review of state incentive programs and funds and of the program established by Chapter 313, Tax Code, conducted by the board under this chapter during the preceding two calendar years.

SECTION 7. Requires that a serving board member who would have been ineligible for appointment under Section 490G.002(b), as amended by this Act, cease to be a board member as of the effective date of this Act.

SECTION 8. Effective date: September 1, 2017.