

By: Davis of Dallas

H.B. No. 1003

Substitute the following for H.B. No. 1003:

By: Darby

C.S.H.B. No. 1003

A BILL TO BE ENTITLED

AN ACT

relating to the periodic evaluation of certain exemptions from property taxes and state taxes.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter B, Chapter 403, Government Code, is amended by adding Section 403.0143 to read as follows:

Sec. 403.0143. EVALUATION OF AND REPORT ON EXEMPTIONS FROM PROPERTY AND STATE TAXES. (a) In this section, "exemption" includes:

(1) an exemption that is provided by the manner in which a term is defined in Subchapter A, Chapter 151, Tax Code; and

(2) an exemption provided by Chapter 162, Tax Code, from the taxes imposed by that chapter.

(b) The comptroller shall periodically evaluate each exemption provided by Chapters 11, 151, 152, 162, 171, 201, and 202, Tax Code, from the taxes imposed by those chapters.

(c) The comptroller shall conduct the evaluation required by Subsection (b) according to a schedule that the comptroller adopts. The schedule must provide for the comptroller to evaluate each tax exemption at an interval not to exceed six years. The comptroller shall provide the schedule to the governor, lieutenant governor, speaker of the house of representatives, and presiding officers of the senate finance committee and the house ways and means committee.

1       (d) The comptroller's evaluation of each tax exemption  
2 must:

3               (1) include an evaluation of the exemption's effect  
4 on:

5                       (A) revenue received from taxes imposed by the  
6 chapter providing the exemption;

7                       (B) the entities that receive the exemption;

8                       (C) sales of property, goods, and services made  
9 in this state, where applicable; and

10                      (D) economic investment and growth in this state;

11               (2) take into account any other factors the  
12 comptroller considers relevant in evaluating the exemption;

13               (3) consider whether retaining the exemption is in the  
14 public's best interest; and

15               (4) make recommendations relating to the exemption  
16 based on the evaluation.

17       (e) At each regular legislative session, the comptroller  
18 shall present to the legislature and the governor a report on the  
19 evaluation and recommendations the comptroller makes under  
20 Subsection (d). The report must include drafts of any legislation  
21 needed to carry out the comptroller's recommendations under that  
22 subsection.

23       (f) The evaluation described by this section does not apply  
24 to a tax exemption that is:

25               (1) explicitly provided by the constitution of this  
26 state; or

27               (2) for an item or service that this state is unable to

1 tax under the United States Constitution or federal law.

2         SECTION 2. The comptroller of public accounts shall adopt a  
3 schedule for evaluating exemptions from property taxes and state  
4 taxes as provided by Section 403.0143, Government Code, as added by  
5 this Act, on or before January 1, 2016.

6         SECTION 3. This Act takes effect immediately if it receives  
7 a vote of two-thirds of all the members elected to each house, as  
8 provided by Section 39, Article III, Texas Constitution. If this  
9 Act does not receive the vote necessary for immediate effect, this  
10 Act takes effect September 1, 2015.