

1-1 By: Paddie, Meyer, Tinderholt H.B. No. 3702
 1-2 (Senate Sponsor - Springer)
 1-3 (In the Senate - Received from the House May 5, 2021;
 1-4 May 13, 2021, read first time and referred to Committee on Finance;
 1-5 May 21, 2021, reported favorably by the following vote: Yeas 12,
 1-6 Nays 0; May 21, 2021, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14			X	
1-15	X			
1-16	X			
1-17			X	
1-18	X			
1-19			X	
1-20	X			
1-21	X			
1-22	X			
1-23	X			

1-24 A BILL TO BE ENTITLED
 1-25 AN ACT

1-26 relating to prohibiting the enactment of a law that imposes a tax on
 1-27 certain transactions that either convey a security or involve
 1-28 specified derivative contracts.

1-29 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-30 SECTION 1. Chapter 101, Tax Code, is amended by adding
 1-31 Section 101.010 to read as follows:

1-32 Sec. 101.010. PROVISIONS RELATING TO SECURITIES MARKET
 1-33 OPERATORS. (a) After January 1, 2022, no law may be enacted that
 1-34 imposes an occupation tax on a registered securities market
 1-35 operator or a tax on a securities transaction of a registered
 1-36 securities market operator.

1-37 (b) The term "registered securities market operator" means
 1-38 a self-regulatory organization, national securities exchange,
 1-39 financial institution, alternative trading system, trade reporting
 1-40 facility, broker, dealer, clearing agency, or transfer agent, as
 1-41 those terms are defined in the Securities Exchange Act of 1934 (15
 1-42 U.S.C. 78a et seq.) or a board of trade, commodities pool operator,
 1-43 derivatives clearing organization, electronic trading facility, or
 1-44 organized exchange, as that term is defined in the Commodity
 1-45 Exchange Act (7 U.S.C. Section 1 et seq.), or an affiliate,
 1-46 subsidiary, or facility thereof, to the extent that such regulated
 1-47 securities market operator is subject to registration with and
 1-48 regulation by the U.S. Securities and Exchange Commission or the
 1-49 U.S. Commodities Futures Trading Commission.

1-50 (c) The term "security" or "securities" means the
 1-51 definition of that term set forth in the Securities Exchange Act of
 1-52 1934 (15 U.S.C. Section 78c(a)(10)).

1-53 (d) The term "securities transaction" means the purchase or
 1-54 sale of securities by a registered securities market operator on
 1-55 behalf of a customer, any contract or agreement to do the same, and
 1-56 any service by a registered securities market operator to
 1-57 facilitate, match parties to, process, report, clear, or settle the
 1-58 purchase or sale of securities on behalf of a customer.

1-59 (e) This section does not prohibit:

1-60 (1) the imposition of a general business tax measured
 1-61 by business activity;

- 2-1 (2) the imposition of a tax on the production of
- 2-2 minerals;
- 2-3 (3) the imposition of a tax on insurance premiums;
- 2-4 (4) the imposition of a general sales tax on tangible
- 2-5 personal property or services;
- 2-6 (5) the imposition of a fee based on the cost of
- 2-7 processing documents; or
- 2-8 (6) the change of a rate of a tax in existence on
- 2-9 January 1, 2022.

2-10 SECTION 2. This Act takes effect January 1, 2022, but only
2-11 if the constitutional amendment proposed by the 87th Legislature,
2-12 Regular Session, 2021, to authorize the legislature to prohibit the
2-13 enactment of a law that imposes a tax on certain transactions that
2-14 either convey a security or involve specified derivative contracts
2-15 is approved by the voters. If that amendment is not approved by the
2-16 voters, this Act has no effect.

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