

1-1 By: Paxton, et al. (Senate Sponsor - Nelson) H.B. No. 464
1-2 (In the Senate - Received from the House May 18, 2009;
1-3 May 19, 2009, read first time and referred to Committee on Finance;
1-4 May 25, 2009, reported favorably by the following vote: Yeas 10,
1-5 Nays 1; May 25, 2009, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the preparation by the Legislative Budget Board of a
1-9 dynamic fiscal impact statement for certain bills and joint
1-10 resolutions affecting taxes and fees.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Chapter 314, Government Code, is amended by
1-13 adding Section 314.005 to read as follows:

1-14 Sec. 314.005. DYNAMIC FISCAL IMPACT STATEMENT ON TAX OR FEE
1-15 MEASURE. (a) The board shall prepare a dynamic fiscal impact
1-16 statement for each bill or joint resolution:

1-17 (1) that raises or lowers the rate or amount of a tax
1-18 or fee or proposes an amendment to the Texas Constitution that would
1-19 raise or lower the rate or amount of a tax or fee; and

1-20 (2) for which a fiscal note is prepared indicating a
1-21 positive or negative impact on revenue of at least \$100 million
1-22 during a period not to exceed five years.

1-23 (b) The dynamic fiscal impact statement must, based on
1-24 dynamic scoring principles, project for the five-year period
1-25 beginning on the proposed effective date of the change in the rate
1-26 or amount of the tax or fee the estimated fiscal and economic
1-27 impacts of raising or lowering the rate or amount of the tax or fee
1-28 as proposed, including the impact on:

1-29 (1) tax or fee receipts; and

1-30 (2) the costs of the specific program, if any, that the
1-31 tax or fee is designed to directly support.

1-32 (c) In this section, "dynamic scoring principles" means a
1-33 method of estimating the pace of economic growth or the change in
1-34 the aggregate level of economic output and incomes, in response to a
1-35 change in the rate or amount of a tax or fee, that takes into
1-36 consideration factors including:

1-37 (1) the direct impact on tax or fee receipts and, if
1-38 the tax or fee is designed to directly support a specific program,
1-39 on program costs;

1-40 (2) the effects on incentives to work, save, invest,
1-41 and conduct economic affairs;

1-42 (3) the resulting change in the overall level of
1-43 economic activity;

1-44 (4) the impact of the resulting higher or lower level
1-45 of economic activity on tax or fee receipts and, if the tax or fee is
1-46 designed to directly support a specific program, on program costs;
1-47 and

1-48 (5) a calculation of the net impact of the legislation
1-49 proposing the change on the unified budget.

1-50 (d) The dynamic fiscal impact statement must be attached to
1-51 the bill or resolution immediately following the fiscal note
1-52 attached under Section 314.003.

1-53 (e) On the fifth anniversary of the effective date of a bill
1-54 that becomes law for which a dynamic fiscal impact statement was
1-55 prepared under this section, the comptroller shall prepare and
1-56 submit to the presiding officer of each house of the legislature a
1-57 report that assesses the accuracy of the relevant fiscal note
1-58 prepared for the bill and the accuracy of the relevant dynamic
1-59 fiscal impact statement prepared for the bill.

1-60 SECTION 2. Section 314.004(c), Government Code, is amended
1-61 to read as follows:

1-62 (c) The impact statement must be attached to the bill or
1-63 resolution immediately following:

1-64 (1) the fiscal note attached under Section 314.003; or

2-1 (2) if a dynamic fiscal impact statement is prepared
2-2 under Section 314.005, the dynamic fiscal impact statement.
2-3 SECTION 3. This Act takes effect September 1, 2009.

2-4 * * * * *