

By: Howard of Fort Bend

H.B. No. 4274

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the sale of certain goods and services by a political
3 subdivision.

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

5 SECTION 1. Chapter 140, Local Government Code, is amended
6 by adding Section 140.009 to read as follows:

7 Sec. 140.009. SALE OF GOODS AND SERVICES ORDINARILY SOLD OR
8 PROVIDED BY PRIVATE BUSINESS. (a) A county, municipality, or other
9 political subdivision that sells a good or provides a service
10 ordinarily offered by a private business shall provide public
11 notice stating:

12 (1) the political subdivision's operating costs
13 associated with selling the good or providing the service,
14 including:

15 (A) the cost and depreciation of equipment;

16 (B) personnel costs;

17 (C) transportation costs;

18 (D) the cost of acquiring raw materials;

19 (E) manufacturing costs;

20 (F) toll road costs;

21 (G) utility costs;

22 (H) facility rental costs;

23 (I) internal and external audit costs;

24 (J) advertising and marketing costs;

1 (K) distribution costs;
2 (L) preventative maintenance costs;
3 (M) repair costs;
4 (N) cost of safety training;
5 (O) clothing and uniform costs;
6 (P) freight costs;
7 (Q) bad debt costs;
8 (R) billing costs;
9 (S) information technology support costs;
10 (T) administrative cost of invoices and payroll;
11 (U) overhead and production costs;
12 (V) cost of providing employee benefits;
13 (W) fuel costs; and
14 (X) costs necessary to manage risk, including
15 legal fees, insurance costs, and expenses related to workers'
16 compensation;

17 (2) benefits received by the political subdivision
18 resulting in lower operating costs for the political subdivision,
19 including any tax incentives or exemptions not available to a
20 private business, such as exemptions from a:

21 (A) fuel tax;
22 (B) excise tax;
23 (C) franchise and margins tax;
24 (D) sales tax on non-manufacturing equipment; or
25 (E) real and personal property tax; and

26 (3) an estimate of the profits to be realized from the
27 sale of goods or provision of services, which must be used to

1 provide the tax cut prescribed by Subsection (c).

2 (b) The chief financial officer of the political
3 subdivision shall certify that generally accepted accounting
4 principals were used in determining the information included in the
5 notice required under Subsection (a).

6 (c) In setting the annual budget, a political subdivision
7 shall specifically consider any profits realized from selling a
8 good or providing a service ordinarily offered by a private
9 business and shall lower taxes as necessary to return to the
10 subdivision's taxpayers the amount of those profits.

11 SECTION 2. This Act takes effect September 1, 2009.