

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 29, 2009

TO: Honorable Rene Oliveira, Chair, House Committee on Ways & Means

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB1402 by Villarreal (Relating to a periodic review of state and local taxes.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would create a 15 member Commission on Periodic Tax Review (commission) and a 12 member Joint Legislative Tax Review Committee (committee) to perform periodic reviews of state and local taxes. The commission would be required to develop a schedule by January 15, 2010 for each tax to be reviewed over a 12 month period. The committee would be required to review and report biannually on the impact of each tax, make recommendations to repeal, retain, or amend a tax, as well as any related exemptions, discounts, or credits, and provide drafts of any proposed legislation needed to implement the committee's recommendations. The commission would be required to review the report biannually and submit comments to the committee to incorporate into the final report to be submitted to the governor and the presiding officers of the senate finance committee and the house ways and means committee not later than December 1 of each even-numbered year.

The committee would be allowed to hire staff and would be required to provide committee staff to assist the commission in performing its duties. The Legislative Budget Board, the Texas Legislative Council, the Office of the Governor, the Comptroller, the senate, and the house of representatives would be required to provide other staff as necessary. Other state agencies, departments, and offices would also be required to provide assistance upon request. The operating expenses would be paid for by the Office of the Governor from funds available and the contingent expense funds of the senate and the house of representatives. Members would be entitled to reimbursement for expenses incurred.

The Texas Legislative Council reports staffing and member travel expenses may entail a significant cost to the agency since the agency typically funds joint interim committees on behalf of the legislature. In addition, it is not known what other kinds of assistance would be required of the agency and therefore costs associated with this bill cannot be estimated for the agency. It is assumed that costs associated with this bill pertaining to the Office of the Governor could be absorbed within existing agency resources.

The bill would be effective immediately if it receives a vote or two-thirds or on September 1, 2009.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 103 Legislative Council, 301 Office of the Governor

LBB Staff: JOB, MN, MS, BTA