

SENATE AMENDMENTS

2nd Printing

By: Paxton, Hughes, Taylor, Laubenberg,
et al.

H.B. No. 464

A BILL TO BE ENTITLED

AN ACT

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

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

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

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

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

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

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

(1) tax or fee receipts; and

(2) the costs of the specific program, if any, that the

1 tax or fee is designed to directly support.

2 (c) In this section, "dynamic scoring principles" means a
3 method of estimating the pace of economic growth or the change in
4 the aggregate level of economic output and incomes, in response to a
5 change in the rate or amount of a tax or fee, that takes into
6 consideration factors including:

7 (1) the direct impact on tax or fee receipts and, if
8 the tax or fee is designed to directly support a specific program,
9 on program costs;

10 (2) the effects on incentives to work, save, invest,
11 and conduct economic affairs;

12 (3) the resulting change in the overall level of
13 economic activity;

14 (4) the impact of the resulting higher or lower level
15 of economic activity on tax or fee receipts and, if the tax or fee is
16 designed to directly support a specific program, on program costs;
17 and

18 (5) a calculation of the net impact of the legislation
19 proposing the change on the unified budget.

20 (d) The dynamic fiscal impact statement must be attached to
21 the bill or resolution immediately following the fiscal note
22 attached under Section 314.003.

23 (e) On the fifth anniversary of the effective date of a bill
24 that becomes law for which a dynamic fiscal impact statement was
25 prepared under this section, the comptroller shall prepare and
26 submit to the presiding officer of each house of the legislature a
27 report that assesses the accuracy of the relevant fiscal note

1 prepared for the bill and the accuracy of the relevant dynamic
2 fiscal impact statement prepared for the bill.

3 SECTION 2. Section 314.004(c), Government Code, is amended
4 to read as follows:

5 (c) The impact statement must be attached to the bill or
6 resolution immediately following:

- 7 (1) the fiscal note attached under Section 314.003; or
8 (2) if a dynamic fiscal impact statement is prepared
9 under Section 314.005, the dynamic fiscal impact statement.

10 SECTION 3. This Act takes effect September 1, 2009.

ADOPTED

MAY 26 2009

AMENDMENT NO. 1

Atty. Gen.
Secretary of the Senate

BY: *Roger W. N.*

1 Amend H.B. No. 464 (Senate Committee printing) as follows:

2 1. On page 1, line 21, strike "\$100 million" and
3 substitute "\$75 million".

4 2. On page 1, line 22, strike "during a period not to
5 exceed five years" and substitute "annually".

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 28, 2009

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

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

IN RE: HB464 by Paxton (relating to the preparation by the Legislative Budget Board of a dynamic fiscal impact statement for certain bills and joint resolutions affecting taxes and fees.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill would require the staff of the Legislative Budget Board to prepare a dynamic fiscal impact statement for certain bills or joint resolutions that raise or lower a tax or fee.

Under the provisions of the bill, on the fifth anniversary of the effective date of a bill for which a dynamic impact statement was produced, the Comptroller would be required to submit a report that assesses the accuracy of the fiscal note and the dynamic impact statement prepared for the bill.

According to the Comptroller, there could be administrative costs associated with the assessment of the fiscal notes and dynamic impact statements, those costs cannot be determined as it is not known how many assessments would be performed.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, MN, SD

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 22, 2009

TO: Honorable Steve Ogden, Chair, Senate Committee on Finance

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

IN RE: HB464 by Paxton (Relating to the preparation by the Legislative Budget Board of a dynamic fiscal impact statement for certain bills and joint resolutions affecting taxes and fees.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would require the staff of the Legislative Budget Board to prepare a dynamic fiscal impact statement for certain bills or joint resolutions that raise or lower a tax or fee.

Under the provisions of the bill, on the fifth anniversary of the effective date of a bill for which a dynamic impact statement was produced, the Comptroller would be required to submit a report that assesses the accuracy of the fiscal note and the dynamic impact statement prepared for the bill.

According to the Comptroller, there could be administrative costs associated with the assessment of the fiscal notes and dynamic impact statements, those costs cannot be determined as it is not known how many assessments would be performed.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, MN, SD

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: HB464 by Paxton (Relating to the preparation by the Legislative Budget Board of a dynamic fiscal impact statement for certain bills and joint resolutions affecting taxes and fees.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would require the staff of the Legislative Budget Board to prepare a dynamic fiscal impact statement for certain bills or joint resolutions that raise or lower a tax or fee.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: JOB, MN, SD

LEGISLATIVE BUDGET BOARD
Austin, Texas

TAX/FEE EQUITY NOTE

81ST LEGISLATIVE REGULAR SESSION

April 28, 2009

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

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

IN RE: HB464 by Paxton (Relating to the preparation by the Legislative Budget Board of a dynamic fiscal impact statement for certain bills and joint resolutions affecting taxes and fees.), **As Introduced**

Because the bill would not create or impact a state tax or fee, no comment from this office is required by the rules of the House as to the general effects of the proposal on the distribution of tax and fee burdens among individuals and businesses.

Source Agencies:

LBB Staff: JOB, MN