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S.B. No. 202

A BILL TO BE ENTITLED

AN ACT

relating to achievement benchmarks in fiscal notes and to legislative review of those benchmarks.

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

SECTION 1. Chapter 314, Government Code, is amended by adding Section 314.006 to read as follows:

Sec. 314.006. PURPOSE STATEMENT AND BENCHMARKS; LEGISLATIVE REVIEW. (a) In this section, "tax preference" means a credit, discount, exclusion, exemption, refund, special valuation, special accounting treatment, special rate, or special method of reporting authorized by state law that relates to a state or local tax imposed in this state.

(b) The Legislative Budget Board shall include in any fiscal note attached to a bill that authorizes or requires the expenditure or diversion of state funds or that authorizes or otherwise provides for a tax preference:

(1) a statement of the purposes of the bill; and

(2) a set of reasonable benchmarks that provide a mechanism for measuring whether and to what degree the bill's purposes have been achieved.

(c) In preparing the statement and benchmarks under Subsection (b), the board shall coordinate with the primary author of the bill to determine the purposes of the bill and to set reasonable benchmarks. The board shall begin coordinating with the

1 primary author of the bill immediately following the author's
2 request for a hearing on the bill.

3 (d) Before the first day of the third regular legislative
4 session after a bill subject to this section becomes law, the board
5 shall evaluate whether the benchmarks required under Subsection (b)
6 have been met and shall provide to the lieutenant governor, the
7 speaker of the house of representatives, the Senate Finance
8 Committee, and, as applicable, the House Ways and Means Committee
9 or the House Appropriations Committee a report on the board's
10 findings regarding each bill subject to review under this section.

11 (e) If the report submitted under Subsection (d) indicates
12 that the board finds a benchmark has not been met, the Senate
13 Finance Committee together with the House Appropriations
14 Committee, for a bill that authorizes or requires the expenditure
15 or diversion of state funds, or the House Ways and Means Committee,
16 for a bill that authorizes or otherwise provides for a tax
17 preference, shall review the statutes enacted or amended by the
18 bill to determine whether:

19 (1) additional expenditure or diversion of state funds
20 should be made to fund the purposes of the bill or, if applicable,
21 whether the authorization of or other provision for a tax
22 preference should be continued to further the purposes of the bill;
23 or

24 (2) the statutes enacted or amended by the bill should
25 be repealed or amended.

26 (f) Immediately after submitting the report under
27 Subsection (d), the board shall provide notice to the primary

1 author of a bill the benchmarks of which the board has determined
2 have not been met that the statutes enacted or amended by the bill
3 will be reviewed by the Senate Finance Committee and the House
4 Appropriations Committee.

5 (g) The board shall implement this section from available
6 funds that may be used for that purpose. The board shall reduce
7 other programs to the extent necessary to implement this section
8 without receiving additional appropriations for this purpose.

9 SECTION 2. This Act applies only to bills filed on or after
10 September 1, 2011.

11 SECTION 3. This Act takes effect September 1, 2011.