

By: West

S.B. No. 106

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to a requirement that the Sunset Advisory Commission  
3 conduct a study and make recommendations regarding certain tax  
4 preferences that relate to ad valorem taxes and that are required or  
5 authorized by the state.

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

7 SECTION 1. Chapter 325, Government Code, is amended by  
8 adding Section 325.023 to read as follows:

9 Sec. 325.023. STUDY OF AD VALOREM TAX PREFERENCES. (a) The  
10 commission shall study the abatements, exemptions, credits,  
11 limitations on appraised value, special appraisal provisions, and  
12 other tax preferences that relate to ad valorem taxes and that are  
13 required or authorized by state statute or the state constitution.

14 (b) In the study, the commission must:

15 (1) determine the intended purpose of each preference  
16 and evaluate whether the preference achieves that purpose;

17 (2) evaluate the effect of each preference on local  
18 and state revenue; and

19 (3) evaluate the effect each preference has on:

20 (A) economic development;

21 (B) the number of high-wage jobs;

22 (C) industry retention; and

23 (D) the distribution of the tax burden by income  
24 class and business or industry class in this state.

1       (c) The commission shall prepare a report of its findings  
2 from the study. Not later than January 1, 2015, the commission  
3 shall file the report with the lieutenant governor, the speaker of  
4 the house of representatives, and the presiding officer of each  
5 standing committee of the senate and house of representatives  
6 having primary jurisdiction over matters affecting tax revenue.

7 The report must include:

8           (1) as to each tax preference examined, a  
9 recommendation to:

10                   (A) continue the preference;

11                   (B) amend a provision relating to the preference;

12 or

13                   (C) repeal the preference; and

14           (2) a complete explanation of each recommendation.

15       (d) If the report prepared by the commission under  
16 Subsection (c) includes a recommendation that a tax preference be  
17 repealed, the commission must also recommend whether the repeal  
18 should be immediate or phased in over time.

19       (e) On the request of the commission, the comptroller shall  
20 help the commission conduct the study.

21       (f) This section expires September 1, 2015.

22       SECTION 2. (a) The Sunset Advisory Commission shall pay the  
23 costs incurred by the commission in conducting the study required  
24 by Section 325.023, Government Code, as added by this Act, using  
25 money appropriated to the commission that is available to be spent  
26 for that purpose and shall reduce expenditures for other commission  
27 activities to the extent necessary to pay the costs incurred by the

1 commission in conducting the study.

2 (b) The comptroller of public accounts shall pay the costs  
3 associated with providing any help to the Sunset Advisory  
4 Commission in conducting the study as provided by Section  
5 325.023(e), Government Code, as added by this Act, using money  
6 appropriated to the comptroller that is available to be spent for  
7 that purpose and shall reduce expenditures for other comptroller  
8 activities to the extent necessary to pay the costs associated with  
9 providing any help to the commission in conducting the study.

10 SECTION 3. This Act takes effect September 1, 2013.