

By: Davis

S.B. No. 1391

A BILL TO BE ENTITLED

AN ACT

relating to a requirement that the comptroller perform a study of the Texas Economic Development Act.

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

SECTION 1. STUDY OF TEXAS ECONOMIC DEVELOPMENT ACT.

(a) The comptroller of public accounts shall conduct a study of the Texas Economic Development Act. The purpose of the study is to determine:

(1) if the Act, as implemented:

(A) accomplishes the intended purposes of the Act, as stated in Section 313.003, Tax Code; and

(B) complies with the intent of the legislature in enacting the Act, as expressed in Section 313.004, Tax Code; and

(2) if legislative action is needed to increase the efficiency or effectiveness of any part of the Act.

(b) The comptroller of public accounts shall conduct an in-depth and cumulative study of certain agreements entered into under Chapter 313, Tax Code, as determined under this subsection. To determine the agreements to study, the comptroller shall perform risk assessments on each agreement entered into under Chapter 313, Tax Code, that is active on the effective date of this Act. In addition to the requirements of a risk assessment prescribed by Chapter 321, Government Code, a risk assessment conducted under this subsection must specifically consider the items listed in

1 Subsection (a), Section 313.009, Tax Code, and whether the
2 qualifying period for the agreement has expired. The comptroller
3 shall select five energy-related agreements and five
4 manufacturing-related agreements under Chapter 313, Tax Code, that
5 pose the greatest risk to the state, as identified by the risk
6 assessment conducted under this subsection, on which to conduct an
7 in-depth study.

8 (c) In conducting the study required by Subsection (a) of
9 this section, the comptroller of public accounts must:

10 (1) determine for each of the 10 agreements
11 identified:

12 (A) if the terms of the agreement were
13 implemented in a manner that complies with Sections 313.003 and
14 313.004, Tax Code;

15 (B) what changes to Chapter 313, Tax Code, if
16 any, would increase the effectiveness and efficiency of the
17 administration of the agreement;

18 (C) the number of jobs actually created, and the
19 median wage for the new jobs created, under the agreement; and

20 (D) whether any requirements relating to the
21 number of jobs, or the wages paid for those jobs, specified in the
22 agreement were waived; and

23 (2) consider the entire period the agreement has been
24 in effect when making the determinations required under Subdivision
25 (1) of this subsection.

26 (d) The comptroller of public accounts may require a party
27 to an agreement under Chapter 313, Tax Code, to submit information

1 to complete the study required by this Act.

2 (e) At the comptroller of public accounts' request, the
3 state auditor may assist the comptroller in conducting the study
4 required by this Act.

5 SECTION 2. REPORT. (a) Not later than December 1, 2014,
6 the comptroller of public accounts shall submit a report of the
7 results of the study to the governor and the legislature.

8 (b) The report must include:

9 (1) a complete discussion of each agreement studied by
10 the comptroller of public accounts; and

11 (2) the comptroller's recommendations, based on the
12 study's findings, of ways to increase the effectiveness and
13 efficiency of agreements entered into under Chapter 313, Tax Code.

14 (c) If the report recommends amending a provision of Chapter
15 313, Tax Code, the comptroller of public accounts shall include
16 proposed legislation necessary to implement the suggested
17 amendment.

18 (d) The report may not include information that is
19 confidential by law.

20 SECTION 3. EXPIRATION DATE. This Act expires January 1,
21 2015.

22 SECTION 4. EFFECTIVE DATE. This Act takes effect
23 immediately if it receives a vote of two-thirds of all the members
24 elected to each house, as provided by Section 39, Article III, Texas
25 Constitution. If this Act does not receive the vote necessary for
26 immediate effect, this Act takes effect September 1, 2013.