

1-1 By: Button, et al. (Senate Sponsor - Estes) H.B. No. 3360  
 1-2 (In the Senate - Received from the House May 3, 2017;  
 1-3 May 10, 2017, read first time and referred to Committee on Natural  
 1-4 Resources & Economic Development; May 21, 2017, reported  
 1-5 adversely, with favorable Committee Substitute by the following  
 1-6 vote: Yeas 8, Nays 2; May 21, 2017, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13			X	
1-14	X			
1-15		X		
1-16	X			
1-17	X			
1-18	X			
1-19		X		

1-20 COMMITTEE SUBSTITUTE FOR H.B. No. 3360 By: Estes

1-21 A BILL TO BE ENTITLED  
 1-22 AN ACT

1-23 relating to the Economic Incentive Oversight Board.  
 1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:  
 1-25 SECTION 1. Section 490G.001, Government Code, is amended by  
 1-26 amending Subdivision (2-a) and adding Subdivision (2-b) to read as  
 1-27 follows:  
 1-28 (2-a) "Office" means the Texas Economic Development  
 1-29 and Tourism Office.  
 1-30 (2-b) "Rural county" means a county with a population of  
 1-31 less than 60,000.  
 1-32 SECTION 2. Sections 490G.002(a) and (b), Government Code,  
 1-33 are amended to read as follows:  
 1-34 (a) The Economic Incentive Oversight Board is an advisory  
 1-35 body composed of nine members as follows:  
 1-36 (1) two public members appointed by the speaker of the  
 1-37 house of representatives, one of whom must be from a rural county;  
 1-38 (2) two public members appointed by the lieutenant  
 1-39 governor, one of whom must be from a rural county;  
 1-40 (3) two public members appointed by the comptroller,  
 1-41 one of whom must hold an advanced degree in economics; and  
 1-42 (4) three public members appointed by the governor,  
 1-43 one of whom must hold an advanced degree in statistics and one of  
 1-44 whom must hold an advanced degree in economics.  
 1-45 (b) A person is ineligible to serve as a member of the board  
 1-46 if the person has, within the five years preceding the person's  
 1-47 appointment:  
 1-48 (1) served as an officer, director, or executive of an  
 1-49 entity that received a monetary incentive or an ad valorem tax  
 1-50 incentive under Chapter 313, Tax Code;  
 1-51 (2) accepted compensation to represent a person or  
 1-52 entity that sought a monetary incentive or an ad valorem tax  
 1-53 incentive under Chapter 313, Tax Code; or  
 1-54 (3) accepted compensation to represent a state agency,  
 1-55 local government, school district, or economic development  
 1-56 corporation with the authority to grant a monetary incentive or an  
 1-57 ad valorem tax incentive under Chapter 313, Tax Code. [~~In~~  
 1-58 appointing members of the board, each appointing officer shall  
 1-59 appoint one member who has expertise in the area of economic  
 1-60 development].

2-1 SECTION 3. Chapter 490G, Government Code, is amended by  
2-2 adding Section 490G.0055 to read as follows:

2-3 Sec. 490G.0055. REVIEW OF PROGRAM ESTABLISHED BY TEXAS  
2-4 ECONOMIC DEVELOPMENT ACT; PERFORMANCE MATRIX. (a) The board shall  
2-5 examine the effectiveness, efficiency, and financial impact on this  
2-6 state of the ad valorem tax incentive program established by  
2-7 Chapter 313, Tax Code, including whether that chapter is being  
2-8 implemented by school districts and the comptroller in such a way as  
2-9 to:

2-10 (1) accomplish the purposes of that chapter as  
2-11 expressed in Section 313.003 of that chapter; and

2-12 (2) comply with the intent of the legislature in  
2-13 enacting that chapter as expressed in Section 313.004 of that  
2-14 chapter.

2-15 (b) The board shall develop a performance matrix that  
2-16 clearly establishes the economic performance indicators, measures,  
2-17 and metrics that will guide the board's evaluation of the program.

2-18 (c) The comptroller shall provide to the board on request  
2-19 information concerning the program as necessary to enable the board  
2-20 to perform the board's duties under this chapter.

2-21 SECTION 4. The heading to Section 490G.006, Government  
2-22 Code, is amended to read as follows:

2-23 Sec. 490G.006. SCHEDULE OF REVIEW OF STATE INCENTIVE  
2-24 PROGRAMS; RECOMMENDATION TO LEGISLATIVE AUDIT COMMITTEE.

2-25 SECTION 5. Chapter 490G, Government Code, is amended by  
2-26 adding Section 490G.0065 to read as follows:

2-27 Sec. 490G.0065. SCHEDULE OF REVIEW OF PROGRAM ESTABLISHED  
2-28 BY TEXAS ECONOMIC DEVELOPMENT ACT. (a) The board shall develop a  
2-29 schedule for the review of the ad valorem tax incentive program  
2-30 established by Chapter 313, Tax Code, for the purpose of making  
2-31 recommendations concerning the effectiveness and efficiency of the  
2-32 program to the office and reporting the findings and  
2-33 recommendations resulting from the review to the legislature as  
2-34 required by Section 490G.007. The board shall review and make  
2-35 findings and recommendations regarding the program according to the  
2-36 review schedule.

2-37 (b) The board, on request, shall provide to the governing  
2-38 body of a school district or the comptroller any recommendations  
2-39 submitted to the office under Subsection (a) concerning the  
2-40 program.

2-41 SECTION 6. Section 490G.007, Government Code, is amended to  
2-42 read as follows:

2-43 Sec. 490G.007. BIENNIAL REPORT. Not later than January 1  
2-44 of each odd-numbered year, the board shall submit to the lieutenant  
2-45 governor, the speaker of the house of representatives, and each  
2-46 standing committee of the senate and house of representatives with  
2-47 primary jurisdiction over economic development a report containing  
2-48 findings and recommendations resulting from each review of state  
2-49 incentive programs and funds and of the ad valorem tax incentive  
2-50 program established by Chapter 313, Tax Code, conducted by the  
2-51 board under this chapter during the preceding two calendar years.

2-52 SECTION 7. A serving board member who would have been  
2-53 ineligible for appointment under Section 490G.002(b) as amended by  
2-54 this Act shall cease to be a board member as of the effective date of  
2-55 this Act.

2-56 SECTION 8. This Act takes effect September 1, 2017.

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