

MINUTES

SENATE COMMITTEE ON FINANCE

Tuesday, February 20, 2018

10:00 AM

Capitol Extension, Room E1.036

Pursuant to a notice posted in accordance with Senate Rule 11.10 and 11.18, a public hearing of the Senate Committee on Finance was held on Tuesday, February 20, 2018, in the Capitol Extension, Room E1.036, at Austin, Texas.

MEMBERS PRESENT:

Senator Jane Nelson, Chair
Senator Juan Hinojosa, Vice Chair
Senator Paul Bettencourt
Senator Brian Birdwell
Senator Kelly Hancock
Senator Joan Huffman
Senator Lois Kolkhorst
Senator Robert Nichols
Senator Charles Schwertner
Senator Larry Taylor
Senator Kirk Watson
Senator Royce West
Senator John Whitmire

MEMBERS ABSENT:

Senator Kel Seliger
Senator Carlos Uresti

The chair called the meeting to order at 10:02 AM. There being a quorum present, the following business was transacted:

Senator Nelson made opening remarks.

An update was given on the Hurricane Harvey Relief and Recovery Charge.

Testimony was heard on the following interim charges:

Property Tax on Business Personal Property: Evaluate the property tax as it applies to business personal property and the current \$500 exemption. Quantify the economic effect of taxing business personal property and determine whether the tax places Texas at a competitive disadvantage relative to other states. Evaluate the burden on taxpayers and local governments of administering the property tax on business personal property and determine whether the current \$500 exemption should be increased.

Interest Rate Disparity: Evaluate the rate of interest charged on delinquent property taxes and delinquent state taxes, compared to the rate of interest paid on property tax refunds and state tax refunds.

- Evaluate the effect of interest rate disparity on the assessment decisions of governments and the payment decisions of taxpayers.
- Quantify the amount by which state and local governments profit from interest rate disparity.
- Identify best practices among other states regarding interest rates charged and paid.
- Recommend a plan and timeline to reduce interest rate disparity.

Monitoring: Monitor the implementation of the following funding initiatives:

- Sporting Goods Sales Tax - Identify state and local park needs and determine whether the Sporting Goods Sales Tax is meeting those needs.

Witnesses registering and testifying are shown on the attached list.

Senator Nelson closed public testimony.

Senator Nelson announced that the next Senate Finance Committee hearing will be held on March, 20 2018.

There being no further business, at 4:03 PM Senator Nelson moved that the Committee stand recessed subject to the call of the chair. Without objection, it was so ordered.

Senator Jane Nelson, Chair

Stephanie Hoover, Clerk