



Budget/Taxation/Economic Development Legislative Tracking Chart

Bill #	Author/Sponsor	Companion	Tag	Summary	Status/Date
HB 1	Pitts		General Appropriations Bill		See SB 1
HB 6	Eiland		Relating to supplemental appropriations to pay for damages and disruptions suffered by state agencies and institutions of higher education caused by natural disasters.	As Substituted: Appropriates funds out of the economic stabilization fund to pay for costs incurred from natural disasters. Funds are paid to among others: UTMB Galveston, Brazosport College, Parks and Wildlife, HHSC, UT MD Anderson, Alvin, TAMU Galveston, Texas Forest Service, Houston Community College, TDCJ, TCEQ, San Jacinto College, Galveston College, TAMU, TEES, Adj. General's Dept., UT Brownsville, Lamar University, Lamar IT, Lamar State College: Port Arthur, TSU, College of the Mainland, UT Pan Am, Texas AgriLife Research, GLO and VLB, Angelina College, Texas A&M Corpus Christi, Texas AgriLife Extension Service, UTHSC Tyler, UTHSC Houston, U of H System, TSTC Harlingen, Lamar State: Orange, Prairie View A&M, Stephen F. Austin, Tyler Junior College, Sam Houston State, UT HSC San Antonio, TAMU: Commerce, Lee College, and TDA. Funds must be used for general appropriations strategies. Act must have 2/3 vote to take effect.	03-27-09 H Reported from committee as substituted House Appropriations <u>*Portions amended to HB 4586</u>
HB 394	Rose	SB 355 by Van de Putte	Relating to use of money from the Texas Enterprise Fund to benefit small businesses.	As Finally Passed: Adds Subsection (k) to the Section 481.078 of the Government Code. Requires the Governor to consider making grants from the Texas Enterprise Fund to small businesses to create additional jobs, to small businesses outside the state to relocate, or for individual projects creating 100 or fewer jobs. Defines small business as legal entities formed to make a profit, independently owned/operated, and which has less than 100 employees.	6-03-09 Sent to the Governor
HB 464	Paxton		Relating to the preparation by the Legislative Budget Board of a dynamic	As Finally Passed: Amends Chapter 314 of the Government Code to require the LBB to prepare dynamic fiscal impact statements for bills: 1. that raise/lower rates/amounts of a tax or fee, and 2. for which a fiscal note is prepared indicating a positive/negative impact on revenue of at least \$75 million annually. Requires dynamic statement must project for a five year period, the estimated fiscal/economic impacts of raising/lowering rate including	6-03-09 Sent to the Governor



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			fiscal impact statement for certain bills and joint resolutions affecting taxes and fees.	tax or fee receipts and costs of the specific program the tax/fee is designed to support. Defines "dynamic scoring principles". Requires the impact statement to accompany a bill. On the 5th anniversary of the effective date of a bill which becomes law which has a dynamic fiscal impact statement, Comptroller is required to prepare and submit a report assessing the accuracy of the fiscal note and the dynamic impact statement.	
HB 516	Strama	SB 108 by Ellis	Relating to the establishment and funding of a green job skills training program.	<p>Adds Chapter 490D: Green Job Skills Development Fund and Training Program to Title 4 of the Government Code. Purpose of Chapter is to: 1. promote green industry employment opportunities, 2. foster regional collaboration for development of green industry employment opps, 3. assist in developing highly skilled/productive workforce in green industry, and 4. assist workers in obtaining education/skills/training/labor market information to enhance employability/earnings/standard of living.</p> <p>Defines "green job" as one in the field of renewable energy or energy efficiency including jobs related to: energy efficient building/construction/retrofitting, renewable electric power, biofuels, reuse of materials, energy efficiency assessments, manufacturing of sustainable products, and manufacturing using sustainable products/processes.</p> <p>Establishes the Green Job Skills Development Fund consisting of legislative appropriations and money received from the Texas Enterprise Fund, gifts/grants/donations, and other money. Requires the commission to establish a green job skills grant program to award grants for implementation/expansion/operation of green job skills training program.</p> <p>Establishes award criteria, program must: 1. be hosted by a regional partnership including one university/college/technical school, one local workforce/chamber/employer/public or private entity, and one eco devo authority; 2. assist eligible individuals in education/skills training and labor market info; and 3. assist in developing high skilled/productive workers in green industries.</p> <p>Training programs are to target: workers in high-demand green industries, workers in declining industries which can be retrained for high-demand green industries, agriculture/timber/energy workers who can be retrained, veterans/military personnel, unemployed, or disadvantaged individuals.</p> <p>Funding is available for up to three years. Grant applications require a plan to continue operation of the training program after the grant expires.</p> <p>Allows Workforce Commission to adopt rules to administer.</p>	03-19-09 H Reported from committee as substituted House Technology/Economic Dev/Workforce *Amended onto HB 1935 by Villarreal which passed.
HB	Taylor	SB 564 by Jackson	Relating to	As Substituted: Amends Chapter 11 of the Tax Code. Defines nonprofit community	05-19-09 S



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831			exempting from ad valorem taxation property used by certain nonprofit community business organizations to provide services to aid in the economic development of local communities.	business organization as one in existence for at least 5 years; is a nonprofit organized under the Texas Non-Profit Corporation Act, described by the IRC of 1986, and is not a statewide organization; for the preceding three years has maintained dues-paying membership of at least 50 members; and has a board of directors elected by membership which is not compensated for service on Board, is primarily supported by membership dues and other income; and does not support/has not formed a political action committee. To qualify, nonprofit community business organization must be primarily engaged in one or more: 1. promoting economic interests of commercial enterprise, 2. improving business conditions of one or more types of business, or 3. provides services to aid in economic development. Exempts nonprofit community business organizations from property taxes on: buildings and real property owned by the organization that is an incomplete improvement and the land on which the improvement sits will be necessary for the use of the improvement by the organization. Real property with incomplete improvements can not be exempted for more than 3 years. Defines an incomplete improvement. Section expires December 31, 2011.	Received in the Senate - Referred to Senate Finance <u>*Amended onto HB 770 which passed</u>
HB 1358	Keffer	SB 895 by Nelson	Relating to the Cancer Prevention and Research Institute	As Substituted: Amends Section 102.001(3) of the Health and Safety Code to change the definition of the "research and prevention programs committee" to mean the CPRIT Scientific Research and Prevention Programs committee appointed by the ED. Adds Section 102.056 to allow the Institute to supplement the ED and senior staff's salaries from gifts, grants, donations, or appropriations. Amends Section 102.103 to make the Oversight Committees' terms staggered six-year terms. Adds Section 102.108 to give Oversight Committee rule making authority to administer chapter. Amends Section 102.151 of the Health and Safety Code to require the ED, with simple majority approval from Oversight Committee, to appoint members of the scientific research and prevention programs committee, experts in the field of cancer research/prevention. Allows scientific research and prevention programs committee to receive an honorarium. Changes the heading of Subchapter D to: Committees. Amends Section 102.152 to provide that research and prevention programs committee members serve terms defined by ED. Amends Section 102.153 of the Health and Safety Code to state that members of the university advisory committee or any ad hoc advisory committee appointed serve.... Amends Subchapter D of Chapter 102 of the Health and Safety Code to state the Cancer Prevention and Research Institute of Texas University Advisory Committee is composed of: 1. 2 members appointed	5-26-09 Sent to the Governor



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			<p>by Chancellor of UT System to represent: UT Southwestern Medical Center at Dallas, UTMB Galveston, UTHSC Houston, UTHSC San Antonio, UTHSC Tyler, or UT MD Anderson Cancer Center; 2. One member appointed by Chancellor of Texas A&M to represent the A&M HSC or teaching hospital of the A&M HSC College of Medicine; 3. One member appointed by Chancellor of Texas Tech to represent Texas Tech HSC; 4. One member appointed by Chancellor of University of Houston System; 5. One member appointed by the Chancellor of Texas State University System; 6. One member appointed by Chancellor of University of North Texas System; 7. One member appointed by the president of Baylor College of Medicine; 9. Members appointed at ED's discretion by chancellors of other institutions. University advisory committee is to advise regarding role of institutions of higher education in cancer research. Requires Oversight Committee to create an ad hoc committee of experts to address childhood cancers. Allows Oversight Committee to create ad hoc committees as necessary of experts to advise. Requires member of research and prevention programs committee, university advisory committee, or ad hoc committee to disclose in writing to ED, interests in matter/substantial financial interest in entities with direct interests in matter. Requires member to recuse themselves from deliberations/action/committee decisions. Defines a substantial financial interest. Amends Section 102.203 of the Health and Safety Code to prohibit persons receiving money for cancer research to spend more than five% on indirect costs. Prohibits no more than 5% of money to be used for facility purchase/construction/remodel/renovation. Amends Section 102.251 of the Health and Safety Code. Requires oversight committee to issue rules regarding procedure for awarding grants including: 1. research and prevention committee is to review applications and make recommendations to ED regarding award of cancer research grants by prioritized list; and 2. Ed is required to submit to Oversight Committee list of applications prioritized which gives priority to listed items in section. Amends Section 102.252 of the Health and Safety Code to require the Oversight Committee to follow funding recommendations of the ED in the order submitted unless 2/3 vote overrides. Amends Section 102.260 to require as a condition of a grant, that recipients submit to regular inspection reviews by institute staff. ED is required to determine grant review process under section and is allowed to terminate grants not meeting contractual obligations. Requires annual reporting by ED to Oversight Committee on progress/merits of each funded program. Adds Section 102.262: Public Information to Chapter 102 of the Health and Safety Code. Provides that certain information is public and can be disclosed: 1. applicant name and address; 2. amount of funding applied for; 3. type of cancer to be</p>	
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				addressed; and 4. other information designated. Repeals Section 102.151(a) of the Health and Safety Code (Scientific Research and Prevention Programs Committee).	
HB 1640	Sheffield	SB 1033 by Fraser	Relating to the purposes and powers of the Temple Health and Bioscience Economic Development District.	Amends Section 3831.002 of the Special District Local Laws Code to include in the public purposes: 1. development/diversification of economy; 2. elimination of unemployment; 3. stimulation of agricultural innovation; 4. fostering growth of agricultural enterprises; and 5. development/expansion of transportation or commerce. Amends Chapter 3831 of the Special District Local Laws Code to allow all or part of the district to be included in a tax reinvestment zone or tax abatement reinvestment zone created by the city of Temple. Allows the City of Temple to grant money to the district, or give the district power to manage/implement reinvestment zone projects. Allows a nonprofit corporation to be organized to perform biomedical/scientific research/education for the benefit of the public. Prohibits bonds/obligations from ad valorem taxes to be used for projects located outside the district. Establishes where revenue bonds/district obligations can be payable from and secured by.	See SB 1033
HB 1911	Isett	SB 1988 by Estes	Relating to the Texas Rural Investment Fund.	Adds Section 12.046: Texas Rural Investment Fund to the Agriculture Code. Creates the Texas Rural Investment Fund as a dedicated account in GR. Funds can be used by TDA to pay for grants/loans in rural communities for projects that stimulate: local entrepreneurship, job creation/retention, new capital investment, strategic economic development, individual economic/community leadership training, housing development, or innovative workforce education. Establishes criteria to be considered for grants/loans.	03-17-09 H Committee action pending House Agriculture and Livestock *Amended to SB 1016 which passed
HB 1975	Hancock	SB 1465 by Lucio	Relating to refund of excess unearned premiums by insurance premium finance companies.	Amends Section 651.162 of the Insurance Code to raise the limit to \$5 from \$1 for entitling an insurer to a refund.	5-26-09 Sent to the Governor
HB	Chavez		Relating to the	Amends the Labor Code to allow TWC to establish additional job incentive programs using	6-03-09 Sent



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2169			establishment of additional job incentive programs by the Texas Workforce Commission using the skills development fund.	the Skills Development Fund to create incentives for community and technical colleges to partner with employers in providing workforce training to create/retain employment opportunities in the state.	to the Governor
HB 2312	Gattis		Relating to the creation of a rural economic development and investment program.	Amends the Agriculture Code to establish a rural economic development and investment program. Allows TDA to create a financial assistance program to encourage development in: counties with populations under 75,000 or municipalities with populations over 50,000. Funds can be used for: acquisition/development of land; attracting business including manufacturing facilities; construction of waste/transportation infrastructure; or economic development. Establishes methods by which financial assistance can be provided.	05-14-09 H Set on the House Calendar <u>*Portions amended onto SB 1016 which passed</u>
HB 2531	Chavez		Relating to a reporting requirement regarding the Texas emerging technology fund.	As Finally Passed. Amends Chapter 490 of the Government Code to require annual reporting on the Texas Emerging Technology Fund by Governor's Office on website. Report must include total number and amount of awards made; awards made under each subchapter; aggregate total of private sector investment/federal funds/contributions from other sources; name of each award recipient with award amount; and a brief description of the equity position that governor may take in companies receiving awards and names of companies in which state has taken an equity position. Annual report must also contain a brief description regarding: 1. intended outcomes of projects funded under Subchapter D during preceding two years and 2. the actual outcomes of all projects funded under Subchapter D during fund's existence, including any financial impact on the state. Report may not include information that is confidential by law.	6-03-09 Sent to the Governor
HB 2729	Pitts	SB 1588 by Ogden	Relating to directing payment, after approval, of	Makes appropriations out of general revenue to, among others: UNT HSC Forth Worth, Gainesville Healthcare Center Ltd., UTHSC Houston, City of Laredo, and Parkland Foundation.	6-03-09 Sent to Governor



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			certain miscellaneous claims and judgments against the state out of funds designated by this Act.		
HB 3545	Leibowitz	SB 1969 by West	Relating to nonsubstantive additions to and corrections in enacted codes, to the nonsubstantive codification or disposition of various laws omitted from enacted codes, confirming codifications, repeal of unconstitutional laws.	Broad bill making nonsubstantive and conforming changes throughout numerous codes.	See SB 1969
HB 3676	Heflin		Relating to the Texas Economic Development Act.	As Finally Passed: Amends Section 313.007 of the Tax Code to extend the expiration date of Subchapters B, C, and D (limitations on property taxes to create jobs, in rural school districts, and school tax credits) to December 31, 2014. Adds to the definition of "qualified investment": tangible personal property first placed into service after January 1, 2010 used in connection with operating an advanced clean energy project. Changes the definition of "qualifying time period" to mean the period beginning on date a person's application for limitation on appraised value is approved by the school district governing body ending on	6-3-09 Sent to the Governor



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				<p>December 31 of the second tax year...in connection with an advanced clean energy project, the first five tax years that begin on/after the 3rd anniversary of approval. Changes the definition of county average weekly wage to mean the average weekly wage for manufacturing jobs during the most recent four quarters for which data is available or the average weekly wage for manufacturing jobs in teh region during the most recent four quarterly periods for which the data is available. Amends Section 313.024 of the Tax Code to add computer centers primarily used in connection with activities previously designated as eligible for limitations on appraised value. Amends Section 313.024(e) of the Tax Code to amend the definition of "manufacturing" to mean an entity primarily engaged in activities from sector codes 31-33 of the NAICS Codes. Alters the definition of "research and development" to mean an entity engaged in activities described by NAICS codes 541710. Amends Section 313.025 of the Tax Code to require that within seven days of receipt of an application for limitation, a school district must submit to the Comptroller a copy of the application and agreement between applicant and school district. Reporting and publishing requirement on Comptroller's website. Establishes guidelines for approval/disapproval of applications. Amends Section 313.026 of the Tax Code to include additional requirements of economic impact evaluation of application. Amends Section 313.027 of the Tax Code to state that the governing body of a school district and property owner can agree to delay effective. Adds Section 313.0275: Recapture of Ad Valorem Tax Revenue Lost to require entities entering into agreements with school district to make the minimum amount of qualified investment during the time period and create the required number of qualifying jobs during each year of the agreement. If in any tax year, the property owner fails to comply, they are liable to the state for penalty equal to subtracting from the market value for that tax year, the value of the property as limited and multiplying the difference by the M&O tax rate of the school district. Amends Section 313.028 to further define what is and what is not considered confidential information. Amends Section 313.051 of the Tax Code to apply to school districts in areas qualified as strategic investment areas under Subchapter O of the franchise tax code immediately before the subchapter expired. Repealer language.</p>	
HB 4064	Gonzalez Toureilles		Relating to the issuance of specialty license plates for cancer of	Amends Chapter 503 of the Transportation Code to create license plates with words, "A Fine Cause for Unknown Cancer". Proceeds will be deposited to cancer prevention and research fund.	5-29-09 Sent to the Governor



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			unknown primary origin awareness.		
HB 4586	Pitts		Relating to making supplemental appropriations and giving direction and adjustment authority regarding appropriations.	As Substituted in the Senate: Supplemental Appropriations bill. Allocates: \$11,796,415 to DSHS for swine flu; \$917,389 to CPRIT and an additional 16 FTE's; \$11 million for restoration of the Governor's Mansion; all Regional Trauma Account money from red light cameras to HHSC to reimburse uncompensated trauma care; Higher Education Group Insurance Contributions; \$500,000 to UTMB for fiscal year ending August 2009; Reduces Texas Tech University Health Science Center Higher Education Group Insurance Contributions by \$500,000; Restores HHSC transfer authority for Medicaid costs; Requires each state agency and institution of higher education receiving ARRA funds to develop/submit a plan to the Governor providing details on intended use of funds; Places limitations on DSHS caseloads; Allows HHSC to transfer funds for CHIP or Medicaid services; Reduces appropriations from HHSC for Children and Medically Needy strategy; Allocates to HHSC: \$790,589,278 from GR for Medicaid and \$323,850,650 for Medicare Part D giveback; and makes appropriations for general costs caused by natural disasters to numerous entities including UTMB, MD Anderson, TAMU Galveston, UTHCST, UTHCSH and TDA. *Includes language from HB 6.	6-03-09 Sent to the Comptroller for Certification
HB 4765	Oliveira		Relating to the total revenue exemption for the franchise tax.	As finally Passed: Amends Section 171.002 of the Tax Code to raise the exemption for businesses required to pay franchise tax to less than or equal to \$1 million of total revenue. Sunsets this increase until December 31, 2011. Only goes into effect if HB 2154 amends Section 155.0211 of the Tax Code and becomes law. Amends Section 171.002(d) of the Tax Code to state that entities are not required to pay tax if the total revenue is less than or equal to \$600,000. Section is effective January 1, 2012 if HB 2154 amends Section 155.0211 of the Tax Code and passes and becomes law. If HB 2154 does not pass, Section is effective January 1, 2010. Amends Section 171.0021(a) of the Tax Code to redistribute the discounts of the franchise tax as follows: 1. for entities with total revenue between \$600,000 and \$700,000, the discount is 40% and 2. for taxable entities with total revenue greater than \$700,000 but less than \$900,000, the discount is 20%. Section is effective January 1, 2012 if HB 2154 amends Section 155.0211 of the Tax Code and passes to become law. If HB 2154 does not pass, Section takes effect January 1, 2010. HB 2154 did pass.	6-03-09 Sent to the Governor



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SB 1	Ogden		Relating to the General Appropriations Bill	Separate summary available upon request.	6-01-09 Sent to the Comptroller for certification
SB 108	Ellis	HB 516 by Strama	Relating to the establishment and funding of a green job skills training program.	<p>Adds Chapter 490D: Green Job Skills Development Fund and Training Program to Title 4 of the Government Code. Purpose of Chapter is to: 1. promote green industry employment opportunities, 2. foster regional collaboration for development of green industry employment opps, 3. assist in developing highly skilled/productive workforce in green industry, and 4. assist workers in obtaining education/skills/training/labor market information to enhance employability/earnings/standard of living.</p> <p>Defines "green job" as one in the field of renewable energy or energy efficiency including jobs related to: energy efficient building/construction/retrofitting, renewable electric power, biofuels, reuse of materials, energy efficiency assessments, manufacturing of sustainable products, and manufacturing using sustainable products/processes.</p> <p>Establishes the Green Job Skills Development Fund consisting of legislative appropriations and money received from the Texas Enterprise Fund, gifts/grants/donations, and other money. Requires the commission to establish a green job skills grant program to award grants for implementation/expansion/operation of green job skills training program.</p> <p>Establishes award criteria, program must: 1. be hosted by a regional partnership including one university/college/technical school, one local workforce/chamber/employer/public or private entity, and one eco devo authority; 2. assist eligible individuals in education/skills training and labor market info; and 3. assist in developing high skilled/productive workers in green industries.</p> <p>Training programs are to target: workers in high-demand green industries, workers in declining industries which can be retrained for high-demand green industries, agriculture/timber/energy workers who can be retrained, veterans/military personel, unemployed, or disadvantaged individuals.</p>	<p>05-23-09 H Set on the House Calendar</p> <p><u>*Amended onto HB 1935 by Villarreal which passed.</u></p>



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				<p>Funding is available for up to three years. Grant applications require a plan to continue operation of the training program after the grant expires.</p> <p>Allows Workforce Commission to adopt rules to administer.</p>	
SB 355	Van de Putte	HB 394 by Rose	Relating to use of money from the Texas Enterprise Fund to benefit small businesses.	Adds Subsection (k) to the Section 481.078 of the Government Code. Requires the Governor to consider making grants from the Texas Enterprise Fund to small businesses in TX or using grants to create/relocate small businesses. Defines small business as legal entities formed to make a profit, independently owned/operated, and which has less than 100 employees.	See HB 394
SB 564	Jackson	HB 831 by Taylor	Relating to exempting from ad valorem taxation property used by certain nonprofit community business organizations to provide services to aid in the economic development of local communities.	<p>Amends Chapter 11 of the Tax Code. Defines nonprofit community business organization as one in existence for at least 5 years; is a nonprofit organized under the Texas Non-Profit Corporation Act, described by the IRC of 1986, and is not a statewide organization; for the preceding three years has maintained dues-paying membership of at least 50 members; and has a board of directors elected by membership which is not compensated for service on Board, is primarily supported by membership dues and other income; does not support/has not formed a political action committee; and who is primarily engaged in one or more: 1. promoting economic interests of commercial enterprise, 2. improving business conditions of one or more types of business, or 3. provides services to aid in economic development.</p> <p>Exempts nonprofit community business organizations from property taxes on: buildings personal property that they own or are used exclusively to perform their primary functions; and real property owned by the organization that is an incomplete improvement and the land on which the improvement sits will be necessary for the use of the improvement by the organization.</p> <p>Real property with incomplete improvements can not be exempted for more than 3 years.</p>	<p>2/23/09 Referred to Senate Finance</p> <p><u>*Amended onto HB 770 which passed</u></p>
SB 895	Nelson	HB 1358 by Keffer	Relating to the Cancer Prevention and Research	Amends Section 102.001(3) of the Health and Safety Code to change the definition of the "research and prevention programs committee" to mean the CPRIT Scientific Research and Prevention Programs committee appointed by the ED. Amends Section 102.151 of the Health and Safety Code to require the ED to appoint members of the scientific research and	See HB 1358



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			<p>Institute.</p>	<p>prevention programs committee, experts in the field of cancer research/prevention. Changes the heading of Subchapter D to: Committees. Amends Section 102.153 of the Health and Safety Code to state that members of the university advisory committee or any ad hoc advisory committee appointed serve.... Amends Subchapter D of Chapter 102 of the Health and Safety Code to state the Cancer Prevention and Research Institute of Texas University Advisory Committee is composed of: 1. 2 members appointed by governor representing private/independent higher ed institutions leading in cancer research; 2. 2 members appointed by UT chancellor to represent UT Southwestern/UTMB/UTHSC Houston/UTHSC San Antonio/UTHSC Tyler, or UTMD Anderson Cancer Center; 3. one member appointed by Texas A&M chancellor to represent Texas A&M HSC or teaching hospital for Texas A&M HSC College of Medicine; 4. one member appointed by chancellor of Texas Tech; 5. one member appointed by chancellor of U of H; 6. one member appointed by Texas State; and 7. one member appointed by chancellor of UNT. University advisory committee is to advise regarding role of institutions of higher education in cancer research. Allows Oversight Committee to create ad hoc committees as necessary of experts to advise. Requires member of research and prevention programs committee, university advisory committee, or ad hoc committee to disclose in writing to ED, interests in matter/substantial financial interest in entities with direct interests in matter. Requires member to recuse themselves from deliberations/action/committee decisions. Defines a substantial financial interest. Amends Section 102.203 of the Health and Safety Code to prohibit persons receiving money for cancer research to spend more than five% on indirect costs. Prohibits no more than 5% of money to be used for facility purchase/construction/remodel/renovation. Amends Section 102.251 of the Health and Safety Code. Requires oversight committee to issue rules regarding procedure for awarding grants including: 1. research and prevention committee is to review applications and make recommendations to ED regarding award of cancer research grants by prioritized list; and 2. Ed is required to submit to Oversight Committee list of applications prioritized which gives priority to listed items in section. Amends Section 102.252 of the Health and Safety Code to require the Oversight Committee to follow funding recommendations of the ED in the order submitted unless 2/3 vote overrides. Adds Section 102.262: Public Information to Chapter 102 of the Health and Safety Code. Provides that certain information is public and can be disclosed: 1. applicant name and address; 2. amount of funding applied for; 3. type of cancer to be addressed; and 4. other information designated. Repeals Section 102.151(a) of the Health and Safety Code (Scientific Research and</p>	
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				Prevention Programs Committee).	
SB 1033	Fraser	HB 1640 by Sheffield	Relating to the purposes and powers of the Temple Health and Bioscience Economic Development District.	Amends Section 3831.002 of the Special District Local Laws Code to include in the public purposes: 1. development/diversification of economy; 2. elimination of unemployment; 3. stimulation of agricultural innovation; 4. fostering growth of agricultural enterprises; and 5. development/expansion of transportation or commerce. Amends Chapter 3831 of the Special District Local Laws Code to allow all or part of the district to be included in a tax reinvestment zone or tax abatement reinvestment zone created by the city of Temple. Allows the City of Temple to grant money to the district, or give the district power to manage/implement reinvestment zone projects. Allows a nonprofit corporation to be organized to perform biomedical/scientific research/education for the benefit of the public. Prohibits bonds/obligations from ad valorem taxes to be used for projects located outside the district. Establishes where revenue bonds/district obligations can be payable from and secured by.	5-29-09 Sent to the Governor
SB 1465	Lucio	HB 1975 by Hancock	Relating to refund of excess unearned premiums by insurance premium finance companies.	Amends Section 651.162 of the Insurance Code to raise the limit to \$5 from \$1 for entitling an insurer to a refund.	See HB 1975
SB 1588	Ogden	HB 2729 by Pitts	Relating to directing payment, after approval, of certain miscellaneous claims and judgments against the state out of funds designated by	Makes appropriations out of general revenue to, among others: UNT HSC Forth Worth, Gainesville Healthcare Center Ltd., UTHSC Houston, City of Laredo, and Parkland Foundation.	See HB 2729



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SB 1969	West	HB 3545 by Leibowitz	<p>this Act.</p> <p>Relating to nonsubstantive additions to and correction in enacted codes, to the nonsubstantive codification or disposition of various laws omitted from enacted codes, to conforming codifications, and repeal of unconstitutional laws.</p>	<p>Broad bill making nonsubstantive and conforming changes throughout numerous codes.</p>	<p>09-01-09 G Earliest effective date</p>
HB 277	Zerwas		<p>Relating to the franchise tax and alternative revenue sources and spending priorities.</p>	<p>Amends Section 171.002 (d) of the Tax Code to raise the cap for taxable entities which are exempt from the margins tax from \$300,000 to \$600,000 for reports due after January 1, 2010 and from \$300,000 to \$1 million for reports dues after January 1, 2011.</p> <p>Requires a comprehensive study from the Comptroller: 1. analyzing/comparing feasibility of implementing alternative methods to franchise tax to generate revenue for state, effectiveness of each of these methods in generating sufficient revenue to meet state needs; and 2. prioritizing the revenue needs of state and identifying potential expenditure reductions.</p> <p>Requires comparison/analysis of: transaction tax, value-added tax, eliminating exemptions from sales and use tax under Chapter 151 of the Tax Code, increasing sales and use tax</p>	<p>04-15-09 H Committee action pending House Ways and Means</p>



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				<p>rate, imposing sales and use tax according to rate brackets, imposing a business sales tax, and any other method Comptroller considers effective.</p> <p>Requires reporting to Legislature by November 1, 2010.</p> <p>Repeals Chapter 171 of the Tax Code January 1, 2014.</p>	
HB 377	Sid Miller		<p>Relating to the creation and funding of the Texas Rural Job Development Fund</p>	<p>Amends Section 481.078 of the Government Code to add Subsection (k) which allows the Texas Enterprise Fund to make grants to ORCA for office's powers relating to rural job development.</p> <p>Creates Subchapter R: Texas Rural Job Development Fund in Chapter 487 (ORCA) of the Government Code. Purpose is to create rural employment opportunities, foster regional collaboration for rural employment opportunities, enhance leadership/civic participation in rural Texas, facilitate wealth creation/retention in rural communities, assist in high-skilled workforce development, assist with labor skills training, and assist rural communities with economic incentive programs for job creation/attraction/expansion.</p> <p>Creates the Texas Rural Job Development Fund with legislative appropriations, TEF money, and gifts/grants. Allows for solicitation of gifts/grants/donations. Allows ORCA to offer incentives in the form of grants/loans to entrepreneurs and businesses creating/retaining jobs in rural communities.</p> <p>Implementation contingent upon legislative appropriations. Allows rule-making for ORCA to implement.</p>	<p>03-10-09 H Committee action pending House Agriculture and Livestock</p>
HB 416	Leibowitz		<p>Relating to a requirement that a recipient of money from the Texas Enterprise Fund participate in a federal work eligibility</p>	<p>Adds Subsections (f-1), (g-1), and (k) to Section 481.078 of the Government Code (Texas Enterprise Fund). Prohibits the Governor from entering a grant agreement with an entity unless it has documentation it participates in the federal E-Verify program to verify work eligibility of employees. Annual reporting of eligibility of employees.</p>	<p>02-18-09 H Introduced and referred to committee on House Technology/Economic Dev/Workforce</p>



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			verification program.		
HB 508	Kolkhorst		Relating to a study of the effect on this state's economy of replacing all state and school district ad valorem tax revenue with revenue from a transaction tax.	Requires the Comptroller to conduct a study determining effect on Texas' economy of imposing a transaction tax which taxes every transaction occurring in TX and is electronically collected by financial institutions using banking data systems. Requires Comptroller to seek expertise before collecting information from: persons pioneering the concept of the transaction tax, those directing national projects on transaction taxes, and a higher ed professor of economics and a higher ed professor of law in TX. Prohibits Comptroller from incurring costs in excess of \$200,000 in conducting study. Requires reporting: 1. describing parameters/techniques/legal assumptions used for study; 2. estimates of tax base available for transaction tax; 3. states the transaction tax rate necessary to achieve revenue neutrality; and 4. analyzes effects of state's economy if transaction tax is imposed and all other state taxes and school district ad valorem taxes are abolished.	04-29-09 H Committee action pending House Ways and Means
HB 720	Creighton	HB 1019 by Betty Brown, HB 1220 by Hunter, SB 193 by Shapleigh	Relating to the total revenue exemption for the franchise tax.	Increases the exemption for total revenue from franchise tax from \$300,000 to \$1 million.	04-15-09 H Committee action pending House Ways and Means
HB 832	Hughes	SB 560 by Jackson	Relating to the computation of taxable margin for purposes of the franchise tax by certain taxable entities.	Amends Section 171.1013 of the Tax Code to allow entities electing to subtract compensation for computing their taxable margin to include as wages and cash compensation any compensation paid to an independent contractor.	04-20-09 H Committee action pending House Ways and Means
HB 847	Martinez		Relating to the maximum rate of certain local	Amends Sections 504.254 (Combined Sales and Use Tax Rate of Type A Corporations) of the Local Government Code, Section 321.101 (Municipal Sales and Use Tax, Tax Authorized) of the Tax Code, Section 321.102 (Municipal Sales and Use Tax, Effective	04-27-09 H Committee action pending



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			sales and use taxes.	Date) of the Tax Code, Section 323.101 (County Sales and Use Tax, Tax Authorized) of the Tax Code, and Section 8, Article 6550c-3 of the Revised Statutes (Commuter Rail Districts) to allow tax districts, counties, and municipalities to leverage up to 3% for the combined sales and use tax rate.	House Ways and Means
HB 977	Burnam	SB 878 by Wendy Davis	Relating to use of the money from the Texas Enterprise Fund to promote renewable technology.	As Substituted: Amends Section 481.078 of the Government Code to require 10% of the grants made from the Texas Enterprise Fund to be used for establishment/expansion of enterprises in TX that primarily provide energy derived from renewable energy. Annual reporting requirement. If Governor determines compliance would be impracticable/inconsistent with purpose/intent of fund, requires Governor to report specific information.	04-14-09 H Reported from committee as substituted House State Affairs
HB 1019	Betty Brown	HB 720 by Creighton, HB 1220 by Hunter, SB 193 by Shapleigh	Relating to the total revenue exemption for the franchise tax.	Increases the exemption for total revenue from franchise tax from \$300,000 to \$1 million.	02-23-09 H Introduced and referred to committee on House Ways and Means
HB 1036	Paxton		Relating to the method of computing the franchise tax and the rates of the tax.	Makes substantial changes to Chapter 171 of the Tax Code of how the franchise tax is calculated. Section 171.001: Imposes a franchise tax on each corporation doing business or chartered in TX and each LLC doing business or is organized in TX. Defines: banking corporation, beginning date, corporation, charter, Internal Revenue Code, Officer and director, savings and loan association, and shareholder. Eliminates qualifications as a passive entity. Section 171.0011: Imposes an additional tax on corporations no longer subject to the earned surplus component of tax regardless of if the corporation is subject to taxable capital component of tax. Additional tax is 2.25% of net taxable earned surplus. Section 171.002: Sets franchise tax rates at: .125% per year of privilege period of net taxable capital and 2.25% of net taxable earned surplus margin. Franchise tax on corporations is computed by: 1. applying .125% tax rate to corporation's net taxable capital and 2. difference between the 2.25% tax rate of corporation's net taxable earned surplus and the amount determined in 1. Amounts computed in 1 or 2 that is zero or less is computed as zero. Corporations do not pay and are not considered to owe if the amount of tax is less than \$100 or the corporation's gross receipts from entire business under Section 171.105 is less than \$150,000 and from entire business under Section 171.1051 and amount	04-15-09 H Committee action pending House Ways and Means



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			<p>excepted is less than \$150,000. Section 171.005: Corporations in process of liquidation have a franchise tax rate as established by Section 171.002. Section 171.052: repeals Subsection c holding entities subject to franchise tax when entity is in violation of a TDI order which is final after appeal or no longer subject to appeal. Amends heading of Subchapter C: Determination of Taxable Capital and Taxable Earned Surplus; Allocation and Apportionment. Section 171.101: Net taxable capital of a corporation is computed by: 1. adding corporation's stated capital and the corporation's surplus to determine taxable capital; 2. apportioning the corporation's taxable capital; and 3. subtracting other allowable deductions from the apportioned taxable capital. Net taxable capital of an LLC is computed by: 1. adding company's members' contributions and surplus to determine taxable capital; 2. apportioning amount under 1 the same way taxable capital of a corporation is apportioned; and 3. subtracting from the apportioned taxable capital any other allowable deductions. Net taxable capital of a savings and loan association is computed by: 1. determining association's net worth; and 2. apportioning net worth in the same manner that taxable capital of a corporation is apportioned. Section 171.102: Determination of Taxable Capital of Corporation in Process of Liquidation: defines "corporation in the process of liquidation". Taxable capital of a corporation in the process of liquidation is difference between amount of stock issued and amount of liquidating dividends paid on stock. President and secretary of corporation are required to file an affidavit with the Comptroller. Section 171.103: Determination of Gross Receipts from Business Done in This State for Taxable Capital. For apportioning taxable capital, gross receipts of a corporation is the sum of the corporation's receipts from: each sale of tangible personal property delivered/shipped to a buyer in state, and each sale of tangible personal property shipped out of state; each service performed in state; rental of property in state; use of patent/copyright/trademark/franchise/license in state; each sale of real property including royalties; and other business done in state. Section 171.1032: Determination of Gross Receipts from Business Done in this State for Taxable Earned Surplus. Except for gross receipts subject to 171.1061, gross receipts of a corporation doing business in TX is sum of receipts from: each sale of tangible personal property delivered/shipped to a buyer in state, and each sale of tangible personal property shipped out of state; each service performed in state; rental of property in state; use of patent/copyright/trademark/franchise/license in state; each sale of real property including royalties; each partnership/joint venture; and other business done in state. Corporations are required to deduct from gross receipts: amounts included because of application of Section 78 or Sections 951-964 of the IRC,</p>	
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Budget/Taxation/Economic Development Legislative Tracking Chart

				<p>amounts excludable under Section 171.110(k), and dividends from subsidiary/associate/affiliate corporations not transacting substantial business in US. Requires corporations to include in gross receipts those of each partnership and joint venture. Section 171.104: Gross Receipts from Business Done in Texas: Deduction for Food and Medicine Receipts. Allows corporations to deduct from receipts, the sale of the following items if they are shipped from outside this state: food exempted from the state sales and use tax and health care supplies exempted from the state sales and use tax under Section 151.313. Section 171.105: Determination of Gross Receipts from Entire Business for Taxable Capital.</p>	
HB 1073	Guillen		<p>Relating to a franchise tax credit for certain research and development activities.</p>	<p>Adds Subchapter O-1: Tax Credit for Certain Research and Development Activities. Taxable entities are eligible for business tax credits. Credit is 5% of the sum of: 1. excess of qualified research expenses and 2. basic research payments during period. Makes allowances for taxable entities to elect to compute credit for qualified research expenses consistent with the alternative incremental credit if federal election was made to compute under 41 (c)(4) IRC, entity was a member of a consolidated group, or the entity did not claim the federal credit under 41(a)(1). Credit %ages in this case are .41%, .55%, and .69%. In computing the credit, an entity may multiply amount of qualified research expenses and basic research payments in an SIA by 2. The sum of the total credit claimed including any carryforward credit may not exceed 50% of the amount of tax due. Unused credits may be carried forward for up to 20 consecutive reports. Credits are to be used in following order: 1. a credit carryforward of unused credits under Subchapter O before repeal on January 1, 2008; 2. a carryforward under this chapter; and 3. a current year credit. Requires comptroller to determine areas that qualify as strategic investment areas (SAEs) and public list. Requires Comptroller to report to Governor, Speaker, and Lt. Governor by beginning of each regular session. Included in report: 1. total amount of expenses/payments incurred by entities that claim a credit; 2. total amount of credits applied against tax and amount of unused credits including total franchise tax dues, average % reduction in tax by entities claiming a credit, % of tax credits awarded to entities with fewer than 100 employees, and 2 digit standard industrial classification of entities claiming a credit; 3. geographical</p>	02-24-09 H Introduced and referred to committee on House Ways and Means



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				<p>distribution of expenses/payments giving rise to credit; 4. effect of credit on amount of research and development performed/employment; and 5. effect of credit on employment, capital investment, and personal income and on state tax revenue.</p> <p>Final report must include historical information. Confidential information can not be included.</p> <p>Rulemaking authority to Comptroller.</p> <p>Subchapter expires December 31, 2019. Expiration does not affect carry forward.</p>	
HB 1116	Button		Relating to tax incentives for certain businesses for job creation and retention.	<p>Adds Subchapter H: Business Tax Incentives for Certain Job Creation and Retention Activities to Chapter 111 of the Tax Code. Allows qualified businesses a refund of or credit against state sales and use taxes and franchise taxes. Prohibits total amount of credit/refund from exceeding amount of new state sales and use taxes and franchise taxes paid by business in calendar year. Businesses qualify if the total wages/salaries paid in TX by business during calendar year exceed total wages/salaries paid during previous year. Credit is computed by: 1. determining total wages/salaries paid during calendar year refund/credit is requested; 2. subtracting average total wages/salaries paid during three calendar years preceding or the period preceding the first day of period which refund/credit is requested if business has been paying wages/salaries less than 3 years; 3. subtracting \$200,000 from amount determined in 2; and multiplying the result by 5%. Businesses apply for refund/credit from comptroller. Credits against franchise tax must be claimed for the accounting period in which the wages/salaries are paid.</p>	02-25-09 H Introduced and referred to committee on House Ways and Means
HB 1122	Bolton		Relating to the amount of the franchise tax incentive for certain small employers that provide health care benefits to employees.	<p>Amends Section 171.1013 (b-1) of the Tax Code to increase the % of cost of health care benefits small employers are allowed to deduct as compensation for computing taxable margin to 75% from 50% during the first 12 month period, from to 50% from 25% for the second 12 month period, and adds a provision for a 3rd 12 month period in which a taxable entity provides health care benefits to all of its employees, an amount equal to 25%.</p>	05-04-09 H Committee action pending House Ways and Means
HB 1180	Chavez		Relating to distributions from the employment and training	<p>Amends Section 204.123(a) of the Labor Code: Transfer to Texas Enterprise Fund, Skills Development Fund, Training Stabilization Fund, and Compensation Fund. Changes the amounts deposited into the Enterprise Fund and Skills Development Fund when the Compensation Fund exceeds 100% of its floor. From the first \$160 million deposited in the holding fund in any fiscal biennium: 50% is deposited into the Texas Enterprise Fund and</p>	04-17-09 H Reported favorably from committee on House



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			investment holding fund.	50% is deposited into the Skills Development Fund.	Technology/Economic Dev/Workforce
HB 1198	Button		Relating to the qualifications for certification of a person as a qualified business under the enterprise zone program.	Amends Section 2303.402 of the Government Code to define "emerging technology" as: semiconductors, information and computer technology, micro-electromechanical systems, manufactured energy systems, nanotechnology, and biotechnology. Furthers the requirements for qualified businesses that if it is an emerging technology trade/business, it has at least 25% of new employees in enterprise zone that are economically disadvantaged. if the business is conducting business in an area not qualified as an enterprise zone, the trade/business is qualified if at least 35% of the business' new employees are economically disadvantaged.	05-14-09 H Set on the House Calendar
HB 1220	Hunter	HB 720 by Creighton, HB 1019 by Betty Brown, SB 193 by Shapleigh	Relating to the total revenue exemption for the franchise tax.	Increases the exemption for total revenue from franchise tax from \$300,000 to \$1 million.	04-15-09 H Committee action pending House Ways and Means
HB 1274	Kolkhorst		Relating to the availability and reporting of certain information regarding applications under the Texas Economic Development Act to the public and the state.	Amends Section 313.025 of the Tax Code to requires school districts to post on their website each application for a limitation on appraised value for M&O taxes on ad valorem property. Governing bodies can approve applications only if: 1. the Comptroller recommends approval of the application in the economic impact evaluation; 2. the school district has posted on their website for 30 consecutive days the information designated by the Comptroller; 3. the Comptroller has posted on her website for 30 consecutive days designated information; and 4. the governing body finds the application correct and believes the applicant is eligible and determines granting the application is in the best interest of the district/state. Amends Section 313.026 of the Tax Code to require the following additional information in an economic impact evaluation: name of school district, name of applicant, general nature of investment, number of qualifying jobs to be created by applicant, projected market value of qualified property, proposed limitation on appraised value, projected dollar amount of taxes imposed on property if it does not receive limitation, projected dollar amount of taxes imposed if it receives limitation, projected effect on Foundation School Program payments to district by year, projected future tax credits if applicant also applies for school tax credits, and total amount of taxes projected to	05-14-09 H Set on the House Calendar



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				<p>be lost or gained by district over life of agreement. Adds Section 313.0265: Disclosure of Appraised Value Limitation Information to Chapter 313 of the Tax Code. Requires schools to post on their website documents concerning appraised limitations and school tax credits. Information must be posted until limitation expires. Requires Comptroller to post on website document/information designated as substantive until limitation expires. Substantive includes: 1. each application requesting limitation on appraised value, economic impact evaluation, all information provided by owner to school district and comptroller under section 313.017 (f)(3-c), and each application requesting school tax credits. Gives Comptroller rule making authority to determine requirements for districts to post on website. Annual certification by TEA and Comptroller of school districts. Amends Section 313.027(f) of the Tax Code to require agreements to additionally include: 1. explicit performance targets for each year of agreement - qualifying investment/jobs/average wage or salary; 2. compensation to school districts for failure to attain targets; 3. annual progress report; and 4. prohibit district from assigning payments/benefits from property owner to any other party. Adds Section 313.0275: Computation of Recapture of Ad Valorem Tax Revenue Lost to establish a formula for recapture payments to districts. Formula is computed by: 1. subtracting number of qualifying jobs created from number of qualifying jobs owner committed to create; and 2. multiplying the result by the average wage/salary owner committed to offer. Amends Section 313.028 to prohibit information in custody of district/comptroller in connection with application from being considered confidential business information if being considered. Adds Section 42.25151: Adjustment for Recaptured Taxes Lost Associated with Agreements Under Texas Economic Development Act to require TEA Commissioner to reduce amounts due to a district by an amount equal to all recapture payments received during year or increase amounts for district to comply with Chapter 41 by an amount equal to all recapture payments received. Recapture payments must be reported through PEIMS.</p>	
HB 1277	Button		<p>Relating to the use of money from the Texas enterprise fund to retain businesses located in the state.</p>	<p>States that money in the Texas Enterprise Fund which is to be used for incentives to retain businesses located in TX expires January 1, 2012.</p> <p>Amends Section 481.078 of the Government Code to require the use of the Texas Enterprise Fund to be used for economic development/infrastructure development/community development in bienniums when the unemployment rate is 7% or more.</p>	<p>05-23-09 S Voted favorably from committee as substituted Senate Economic Development</p>



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HB 1280	McClendon		Relating to use of money from the Texas Enterprise Fund for rail projects.	Amends Section 481.078 of the Government Code to allow the Texas Enterprise Fund to be used to make grants to TXDoT to implement rail facilities projects.	04-06-09 No action taken in House Technology/Economic Dev/Workforce
HB 1402	Villarreal		Relating to a periodic review of state and local taxes.	Adds Chapter 320A: Review of State and Local Taxes to Title 3 of the Government Code. Creates a Select Commission on Periodic Tax Review of: 1. 3 House members appointed by Speaker; 2. 3 Senators appointed by Lt. Governor; 3. 8 public members representing geographic/cultural diversity of state (4 appointed by Gov, 2 appointed by Lt. Gov, and 2 appointed by Speaker) and 4. the Comptroller. Commission members serve 2 year terms, and Speaker selects appointed House member as chair. Requires commission to: 1. identify each state and local tax authorized by law; 2. develop a yearly review schedule; and 3. identify on schedule the taxes to be reviewed for each report, any tax whose revenue did not exceed \$10 million, and components of review commission recommends are unnecessary. Taxes must be scheduled for review in order in which they were enacted/authorized. Schedule is to be revised biennially. Requires public comment process. Establishes a Joint Legislative Tax Review Committee composed of six House members appointed by Speaker, and six Senators appointed by Lt. Governor. Committee is to meet once each quarter. Requires Committee to periodically review each state and local tax authorized by law to: 1. evaluate impact/expenditures on economic development in TX; 2. examine relationship between tax and revenue sources and revenue needs and tax burden on taxpayers by income level and benefits received; 3. develop recommendations for retaining/repealing/amending tax; and 4. make recommendations for retaining/repealing/amending credits, exemptions, discounts, exclusions, etc. Committee is required to report to the commission on reviews of taxes with drafts of proposed legislation. Commission is to review preliminary report/legislation and submit comments to committee. Committee must issue a final report to Governor, Senate Finance and House Ways and Means Committees on taxes and proposed legislation. Requires House Ways and Means and Senate Finance to hold a joint public hearing on the final report/proposed legislation.	04-29-09 H Committee action pending House Ways and Means
HB 1403	Villarreal	SB 966 by Ellis	Relating to the repeal of state	Repeals Subchapter F of Chapter 111 of the Tax Code: Tax Refund for Economic Development. Repeal does not affect right to claim a refund established in chapter in	05-04-09 H Reported



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			sales tax and franchise tax refunds for certain ad valorem tax payers.	relation to taxes paid before effective date of act.	favorably from committee on House Ways and Means
HB 1573	Thompson		Relating to a requirement that a recipient of money from the Texas Enterprise Fund provide a health benefit plan for its employees.	Amends Section 481.078: Texas Enterprise Fund of the Government Code to require grant agreements to contain provisions requiring recipient provide health benefit plan to employees.	04-17-09 H Reported favorably from committee on House Technology/Economic Dev/Workforce
HB 1582	Flynn	SB 2585 by Averitt	Relating to certain investments by insurance companies and related organizations.	Amends Section 228.001 of the Insurance Code to define: low income community; Program One as that for investment of certified capital before Jan 1, 2007; Program Two as that for investment of certified capital between Jan 1, 2007, and Jan 1, 2010; and Program Three as that for investment of certified capital after January 1, 2010. Repealer language. Amends Chapter 228 of the Insurance Code to require the Comptroller to accept premium tax credit claims for Program Three by Jan 1, 2010. Allows credits earned under Program Three to be taken beginning with tax report due March 2015 up to 25% of vested premium tax credit in any year. Amends Section 228.254 of the Insurance Code to allow \$200 million for Program One; \$200 million for Program Two; and \$200 million for Program Three.	05-07-09 H Recommended for Local and Consent Calendar
HB 1613	Betty Brown		Relating to the computation of taxable margin for purposes of the franchise tax by certain taxable entities.	Amends Section 171.1013 of the Tax Code to allow taxable entities electing to subtract compensation for computing taxable margin to include compensation paid to independent contractors.	04-20-09 H No action in Committee House Ways and Means



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HB 1651	Swinford		Relating to the expiration of certain parts of the Texas Economic Development Act.	Amends Section 313.007 of the Tax Code to extend the expiration date of Subchapters B: Limitation on Appraised Value of Certain Property Used to Create Jobs , C: Limitation on Appraised Value of Property in Certain Rural School Districts, and D: School Tax Credits to December 31, 2015.	03-03-09 H Introduced and referred to committee on House Ways and Means
HB 1652	Ortiz		Relating to use of money from the Texas Enterprise Fund and the Texas emerging technology fund to promote alternative energy sources and energy efficient technologies.	Amends Section 481.078 of the Government Code to require 20% of the total amount of grants from the Texas Enterprise Fund to be used for alternative energy sources or conservation of energy through efficiency technology. Amends Section 490.151 of the Government Code to require the Governor, Lt. Governor, and Speaker to ensure at least 30% of the Emerging Technology Fund commercialization awards to be used for alternative energy/energy efficiency technologies.	04-22-09 H Committee action pending House Technology/Economic Dev/Workforce
HB 1667	Edwards		Relating to the computation and rates of the franchise tax.	Amends Section 171.002 to decrease the franchise tax rate to .75% of taxable margin; .375% of taxable margin for retail and wholesale trade entities; and raises the exemption from paying franchise tax to \$1 million. Repeals Section 171.0021 and 171.1016(d) of the Tax Code.	04-15-09 H Committee action pending House Ways and Means
HB 1715	Gonzalez Toureilles	SB 684 by Lucio	Relating to the establishment of the Texas Rural Development Fund and to the	Amends Chapter 487 of the Government Code: Office of Rural Community Affairs. Allows Office to develop/administer training program. Adds Subchapters R through X. Subchapter R: Texas Rural Development Fund: Creates an account in general revenue fund. Money may be used only for implementing/maintaining programs established. Subchapter S: Rural Entrepreneurship and Business Innovation Program. Defines "microenterprise", "minimum wage", "program", and "small business". Requires ORCA to create a rural entrepreneurship and business innovation program to: assist in	03-25-09 H Reported favorably from committee on House Agriculture and Livestock



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			establishment, operation, and funding of certain programs for rural economic development.	development/expansion of business in rural areas, assist entrepreneurs in rural areas, and recruit out-of-state businesses to locate in rural areas. Allows offering loans as incentives to entrepreneurs/businesses for creation/retention of jobs in rural areas. To be eligible for a loan, applicant must provide at least 5% of equity for each project. Defines who ORCA can make a loan to under the program. Maximum amount of loan is \$35,000 for each eligible employee position retained/created. Establishes loan schedule based on minimum wage level positions created/retained. After job creation, office can forgive up to 25% of the total amount of the loan. Prohibits loans from being used to attract businesses from other locations in the state. Loan rates based on capacity of borrower/risk of project. Subchapter T: Rural Area Regional Planning and Implementation Matching Grant Program. Requires Office to create the rural area regional planning/implementation matching grant program to foster regional collaboration. Designates eligible entities and requirements for joint submissions. Subchapter U: Rural Capacity and Leadership Enhancement Program. Requires ORCA to create the rural capacity and leadership enhancement program to assist municipalities/unincorporated communities in rural areas to: develop leadership capacity, improve business practices of municipal government, increase awareness of benefits of renewable energy, identify community assets, and provide assistance for emergency services districts. Allows coordination with junior colleges/public technical institutes to develop rural leadership curriculum. Subchapter V: Rural Community Asset Study Matching Grant Program. Requires ORCA to create rural community asset study matching grant program to assist in identifying assets. Subchapter W: Texas Rural Youth Corps Program. Requires ORCA to create program to encourage youth participation in civic improvement activities in rural areas. Subchapter X: Rural Wealth Creation and Retention Program. Requires ORCA to create a rural wealth creation/retention program to assist in: identifying community wealth, educating residents about charitable giving, and encouraging creation of community foundations to build sustainable wealth.	
HB 1756	Eissler	SB 1590 by Ogden	Relating to the functions performed by the comptroller in connection with applications	Amends Section 313.008 of the Tax Code to require the Comptroller additionally include in report: the amount of any payment in lieu of taxes to each school district/foundation/other entity to benefit the district; the investment amount each recipient will expend/allocate per project; and number of qualifying jobs which will be created. Requires school districts party to limitation on appraised property value agreements to assist comptroller.	04-01-09 H Committee action pending House Ways and Means



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			and agreements under the Texas Economic Development Act.	Amends Section 313.025 of the Tax Code to require TEA to determine local revenue gains/losses realized by school district and impact on state aid. Comptroller will determine if property meets eligibility requirements for limitation on appraise value. If Comptroller determines property does not qualify, Comptroller is not required to provide an economic impact evaluation or submit a recommendation to school district.	
HB 1788	Phil King		Relating to the minimum franchise tax amount for which no tax payment is due.	Amends Section 171.002 of the Tax Code to raise the threshold for entities not required to pay tax if the amount of tax is less than \$10,000.	04-15-09 H Not heard in committee House Ways and Means
HB 1825	Paxton	SB 1161 by Mike Jackson	Relating to the computation of the franchise tax.	Amends Section 171.002 of the Tax Code to state the rate of the franchise tax is zero for taxable margin of \$1 million or less; .5% of the taxable margin over \$1 million to \$10 million; and for taxable margin over \$10 million it is \$45,000 and 1% of the taxable margin over \$10 million. For those retail/wholesale trade entities, the rate is: zero for \$1 million or less; .25% of the taxable margin over \$1 million up to \$10 million; and for taxable margin over \$10 million it is \$22,500 plus .5% of the taxable margin over \$10 million. Repealer language.	04-15-09 H Committee action pending House Ways and Means
HB 1853	Darby		Relating to the authorization of school district ad valorem tax incentives for historic redevelopment and economic development.	Adds Chapter 314: Historic Redevelopment and Economic Development Act to Title 3 of the Tax Code. Purpose of chapter is to encourage capital investment in historic and blighted community areas; assist local governments in diversifying economic opportunities; preventing continued deterioration; enable local government officials/eco devo professionals to reduce costs associated with urban sprawl; strengthen overall performance of municipalities/counties by allowing them to promote capital investments; expand/enlarge ad valorem property tax; and enhance redevelopment/economic development efforts. Legislative intent is for redevelopment/economic development decisions should be made at the local level. Allows for an exemption of qualified property from taxation for a portion of the value. Establishes an application process with school districts for exemption from taxation. Establishes procedures for school district to request/receive assistance in evaluating applications. Requires school district governing body and property owner to enter into an agreement for implementation of the exemption.	04-29-09 H Voted favorably from committee as substituted House Ways and Means



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				Information in applications are considered confidential.	
HB 1942	Herrero		Relating to a franchise tax credit for wages paid to graduates of certain institutions of higher education.	Adds Subchapter Y: Tax Credit for Wages Paid to Graduates of Certain Institutions of Higher Education to Chapter 171 of the Tax Code. Allows taxable entities to qualify for a tax credit for each employee who: 1. is a graduate of an institution of higher education located in the same county in which the employee does primary job functions; or 2. graduates from a public/private institution of higher education during time employed and attends campus in county. Credit is 10% of the wages paid for each qualified employee.	03-05-09 H Introduced and referred to committee on House Ways and Means
HB 1991	Anchia		Relating to the use of money from the Texas emerging technology fund for the research and development of clean energy.	Adds Section 490.1027: Use of Money for Research and Development of Certain Energy-Related Initiatives to the Government Code. Requires Gov, Speaker, and Lt. Gov to ensure that all money distributed from ETF from 2009-2011 less amounts for biotechnology, medicine, and life sciences and less money required for staffing to be used for the development of low carbon fuels, low carbon electric generation technologies, and carbon emissions mitigation. Gives section preemption over other provisions of chapter. Expires January 1, 2012.	04-06-09 H Committee action pending House Technology/Economic Dev/Workforce
HB 1996	McCall	SB 1444 by Shapiro	Relating to exempting the sale of certain property used for research and development from the sales tax.	Amends Chapter 151 of the Tax Code to allow an exemption from state sales tax for tangible personal property sold, used, or consumed directly in the research/development of invention, products, processes or technology in manufacturing/telecommunications or scientific services for manufacturing or provision of telecommunications services. Does not apply to office equipment or supplies or those used in sales, distribution, or transportation services. Taxpayer receives a credit of amount paid against taxes or a refund.	04-27-09 H Committee action pending House Ways and Means
HB 2017	Strama	SB 737 by Watson	Relating to conducting a study to improve transparency	Requires the Governor and LBB to lead a collaborative study on improved transparency in state's budgeting process and electronic access to state budget information. Requires the following to designate an appointee to participate on study team: Comptroller, DIR, TLC, LBJ School of Public Affairs, and any other officer/agency/institution invited to participate. Study team must address improving transparency and electronic access to	03-09-09 H Introduced and referred to committee on House



Budget/Taxation/Economic Development Legislative Tracking Chart

			in the state's budgeting process and electronic access to information about the state budget.	process of developing state's budget, writing/consideration of the general appropriations bill, and expenditure of appropriated funds. Specifically, study should address: 1. providing public information/analysis on all state budgetary information, emphasis on 25 state programs accounting for greatest amount of state expenditures; 2. providing timely electronic access in an open standards format to proposed riders/line-item appropriations/reports; and 3. enhancements/additions to information technologies necessary to improve access/transparency. Requires Comptroller and LBB to develop cost estimates for team's recommendations. Reporting to Lt. Governor and each legislator by June 1, 2010.	Appropriations
HB 2103	Geren	SB 885 by Harris	Relating to a franchise tax credit for certain research and development activities.	Amends Chapter 171 of the Tax Code to add Subchapter O-1: Tax Credit for Certain Research and Development Activities. Taxable entities are eligible for a franchise tax credit of 5% of the sum of: 1. excess qualified research expenses incurred over the base amount; and 2. the basic research payments as defined by the IRC. Provides for election to compute the credit for qualified research expenses consistent with the alternative incremental credit described by IRC if: 1. federal election was made to compute it; 2. entity was a member of a consolidated group for which a federal election was made; or 3. the entity did not claim the federal credit under section 41(a)(1)IRC. For alternate credit computation, following %ages apply: .41%, .55%, and .65%. Allows taxable entities to multiply by 2 the amount of qualified research expenses and basic research payments made in a strategic investment area. Prohibits sum of total credits claimed from exceeding 50% of the franchise tax due. Allows carryforward only for 20 consecutive report and establishes priority for use of credits. Comptroller must determine strategic investment areas by Sept. 1 of each year. Requires biennial report by Comptroller of total amount of expenses/payments incurred by entities claiming a credit; total amount of credits applied against franchise tax and amount of unused credits; geographical distribution of expenses/payments; effect of credit on amount of R&D performed in TX and employment in R&D; and effect of credit on employment, capital investment, and personal income on state tax revenue. Chapter expires December 31, 2013.	04-27-09 H Committee action pending House Ways and Means
HB 2227	Parker		Relating to the total revenue exemption for the franchise tax.	Amends franchise tax to increase exemption level from payment to total revenue less than/equal to \$1.5 million. Repealer language.	04-15-09 H Committee action pending House Ways and Means
HB	Yvonne Davis		Relating to	Adds Chapter 2267: Restricting State Investment in and Provision of Tax Benefits to	03-09-09 H



Budget/Taxation/Economic Development Legislative Tracking Chart

2300			restriction on the use of state funds to benefit private entities that outsource jobs to foreign countries.	Entities that Outsource Jobs to Foreign Countries to the Government Code. Applies in connection with state funds managed/invested under Texas Constitution and for public retirement systems, institutions of higher education, or another entity part of state government managing/investing state funds. Prohibits state governmental entity from investing state funds in a domestic private entity that in the previous 2 years outsourced jobs to foreign countries.	Introduced and referred to committee on House Technology/Economic Dev/Workforce
HB 2503	Swinford	SB 1593 by Seliger,	Relating to agreements for limitations on appraised value under the Texas Economic Development Act.	Amends Section 313.007 of the Tax Code to extend the expiration date of Subchapters B, C, and D (limitations on property taxes to create jobs, in rural school districts, and school tax credits) to December 31, 2015. Changes the definition of county average weekly wage to include all jobs not just manufacturing and to be computed from the most recent four quarters. Amends Section 313.024 of the Tax Code to change the definition of manufacturing to mean an entity primarily engaged in activities from sector codes 31-33 of the NAICS Codes. Alters the definition of "research and development" to mean an entity engaged in activities described by NAICS codes 541710. Amends Section 313.027 of the Tax Code to state that the governing body of a school district and property owner can agree to delay effective date up to 5 years from approval date. Amends Section 313.051 of the Tax Code to apply to school districts in areas qualified as strategic investment areas under Subchapter O of the franchise tax code immediately before the subchapter expired. Eliminates requirement that qualifying jobs pay at least 110% of the average weekly wage.	04-01-09 H Committee action pending House Ways and Means
HB 2505	Kolkhorst		Relating to the rates and imposition of the state sales and franchise taxes and to the allocation of certain revenue.	Raises the state sales tax to 6.75% and allocates the additional revenue to the property tax relief fund. Lowers the franchise tax rate to .75% of taxable margin and .375% of taxable margin for retail/wholesale entities. Raises the exemption level to \$1 million. Recomputes how taxable margin is calculated. Is the lesser of: 1. 25% of total revenue if business is less than \$10 million; 50% if total revenue is less than \$50 million; and 70% if total revenue is more than \$50 million OR 2. total revenue minus cost of goods sold/compensation. Repealer language.	05-04-09 H Committee action pending House Ways and Means
HB 2534	Bonnen		Relating to the total revenue exemption for the franchise	Amends the franchise tax to raise the exemption from payment to \$5 million. Repealer language.	04-15-09 H Committee action pending House Ways



Budget/Taxation/Economic Development Legislative Tracking Chart

			tax.		and Means
HB 2688	Villarreal		Relating to the authority of certain counties to establish economic development projects or create improvement districts to construct educational facilities.	Allows counties with a population between 850,000 and 1.4 million to establish economic development projects or create districts to build facilities to accomplish economic development and be eligible to receive public money for diversification of economy, eliminating unemployment, stimulating agriculture, and expansion of transportation or commerce.	03-16-09 H Introduced and referred to committee on House County Affairs
HB 2830	Parker		Relating to transferring to the property tax relief fund one	half of any unencumbered balance of general revenue at the end of a state fiscal biennium.	04-29-09 H Committee action pending House Ways and Means
HB 2866	Strama		Relating to encouraging technology-related economic development projects that pay competitive compensation for associated workforce.	Amends Section 313.021 of the Tax Code to include in the definition of a qualifying job, paying the lesser of average annual wage of \$50,000 or 110% of county average weekly wage. Allows for limitations on appraised value for computer operations facilities or corporate headquarter operations. Repeals the restriction on school districts which prohibits exceeding the rollback tax rate districts grant application an appraisal limitation.	03-17-09 H Introduced and referred to committee on House Ways and Means
HB 2943	Harper-Brown		Relating to a temporary	Amends the Franchise Tax to apply to reports between January 1, 2010, and January 1, 2011. Allows entities a discount of 25% of the tax after determining taxable margin to	05/04/2009 H No action



Budget/Taxation/Economic Development Legislative Tracking Chart

			franchise tax discount for job creation and retention.	enable creation and retention of jobs. Prohibits Comptroller from requiring taxable entities to provide proof of use of money.	taken in committee
HB 2944	Harper-Brown		Relating to the franchise tax rates.	Amends the Franchise Tax to decrease the rates to .5% of taxable margin and .25% of taxable margin for those primarily engaged in retail/wholesale trade.	04-15-09 H Committee action pending House Ways and Means
HB 2945	Harper-Brown	SB 2157 by Shapiro	Relating to the total revenue exemption from the franchise tax.	Amends the Franchise Tax to state that entities are not required to pay/do not owe if total revenue is less than \$1 million for the year. Expires January 1, 2011.	04-15-09 H Committee action pending House Ways and Means
HB 3103	Leibowitz		Relating to a change in ownership of entities awarded grants from the Texas Enterprise Fund.	Amends Section 481.078 of the Government Code to require entities acquiring/merging control of a grant recipient to report the change to the Governor and comply with terms of grant. Requires grant agreement to include a provision relating to transfer informing entity of obligations.	05-04-09 S Received in the Senate - Referred to Senate Economic Development
HB 3237	Callegari		Relating to the franchise tax.	Amends the Franchise Tax to raise the exemption to \$1 million. Allows alternative methods for determining cost of goods sold. Allows taxable entities electing to subtract wages/compensation to subtract those paid to an independent contractor. Repealer language.	04-15-09 H Committee action pending House Ways and Means
HB 3277	Phillips		Relating to the imposition of the franchise tax on certain combined groups.	Amends the definition of an affiliated group in the Franchise Tax Code to include a group of one or more entities in which all owners have an equal interest or all member entities if none have more than 50 employees.	05-04-09 H Committee action pending House Ways and Means



Budget/Taxation/Economic Development Legislative Tracking Chart

HB 3281	Chavez		Relating to eligibility for a grant of money from the Texas Enterprise Fund.	Prohibits entities from receiving money from the Texas Enterprise Fund if the US Treasury has funded commitments to purchase troubled assets from the entity.	04-06-09 H Committee action pending House Technology/Economic Dev/Workforce
HB 3291	Callegari		Relating to the constitutional limit on the rate of growth of appropriations and the use of surplus state revenues.	Prohibits rate of growth in fiscal biennium from all sources of revenue other than federal from exceeding the estimated rate of increase/decrease in population and estimated rate of inflation/deflation in prices of set of goods. Requires LBB to establish maximum allowable rate of growth of appropriations. Requires by 180th day of each biennium, the comptroller to issue a franchise tax rebate to each payer if there is an unencumbered positive balance.	03-18-09 H Introduced and referred to committee on House Appropriations
HB 3329	Ortiz		Relating to funds promoting economic development.	Amends Chapter 481 of the Government Code to remove the fund as a dedicated account. Allows more uses of the fund than those statutorily listed. The fund is a function of the Governor's Office instead of a trustee program. Establishes a Texas Enterprise Fund Board and requires approval of board instead of Speaker and Lt. Gov before Governor can award grants. Award recipients must provide health care benefits to all of employees. Enterprise Fund Board is 9 directors appointed by Gov with consent of Senate from following regions: West Texas/Upper Rio Grande; North Texas Region; East Texas Region; Central Texas Region; Gulf Coast Region; Lower South Texas Region; South Texas Region; and 2 representing the entire state. Directors serve staggered 2 year terms. Amends Section 490 of the Government Code to make changes to the Emerging Technology Fund. Account is no longer dedicated in GR, and allows fund to be used for other purposes. Fund is a function of the Governor's Office and no longer a trustee program. Changes the Advisory Committee to an Advisory Board. Restructures Board to be 9 directors appointed by Governor with consent of the Senate. Requires Governor to appoint directors from regional centers of innovation and commercialization: West Texas CIC; North Texas CIC; Gulf Coast CIC; Central Texas CIC; South Texas CIC; Rio Grande CIC; El Paso/Trans-Pecos CIC; and 2 representing the entire state. Staff and administration	04-22-09 H Committee action pending House Technology/Economic Dev/Workforce



Budget/Taxation/Economic Development Legislative Tracking Chart

				for both funds handled by the Governor's Office. Requires ETF Board to review and approve each award. Awardees must provide health care benefits to all employees. Amends Section 204.123 of the Labor Code to eliminate transfers of surplus from the compensation fund to the Enterprise Fund.	
HB 3470	Coleman		Relating to the administration and funding of and eligibility for the child health plan, medical assistance, and other programs.	Amends Chapter 533 of the Government Code to require the commission to adjust fees/charges/rates for primary care and nursing home services annually. Amends Chapter 531 to require HHSC to take all actions to modify enrollment and retention for child health plan and Medicaid program to ensure full receipt of federal payments, including: 12 month eligibility, liberalizing asset test, eliminating personal interview requirements, using same application for child health and Medicaid, and using automatic processes. Requires HHSC to take all actions necessary to qualify for temporary increase in FMAP land temporary increase in DSH allotment. Requires prompt payment of claims. Funds received as a result of increased FMAP must be credited to GR and not the economic stabilization fund.	03-19-09 H Introduced and referred to committee on House Human Services
HB 3618	Harless		Relating to the use and management of dedicated funds by the state.	Amends Chapter 316 of the Government Code to state that it is in the state's best interest that revenues collected and dedicated are used exclusively for their specific purposes. Requires dedicated funds which are unexpended at the end of a fiscal year, remain as balances in those funds. Prohibits appropriating unobligated fund balances to the general revenue fund. Repealer language.	03-19-09 H Introduced and referred to committee on House Appropriations
HB 3789	Morrison	SB 783 by Shapiro	Relating to the Texas emerging technology fund.	Transfers Section 490.057 of the Government Code to Section 490.004: Certain Information Confidential. Allows information provided by or on behalf of individual companies/entities being considered for awards or recipients of awards to be considered confidential and not subject to disclosure under the Open Records Act. Information includes: that contained in/accompanying/derived from any application and information concerning identity/background/finance/marketing plans/trade secrets/other commercially sensitive information. Applications for awards withdrawn by applicants before the award is made or which is denied are to be returned on request with all materials submitted on behalf of the applicant. Requires the Governor's office by the 10th day after an award contract is entered to make a summary available to the public with: award recipient's name/address/amount of funding applied for/type of technology. Prohibits summary from including confidential information. Adds Section 490.005: Authority to Contract with an Outside Entity to allow the Governor to contract with an outside entity to assist in negotiating/drafting contracts between state and award recipient; oversee awards and	03-23-09 H Introduced and referred to committee on House Technology/Economic Dev/Workforce



Budget/Taxation/Economic Development Legislative Tracking Chart

				<p>monitor contract compliance; evaluate ETF investment portfolio; advise Governor's Office on value/performance of portfolio; and assist Governor in preparing annual report. Allows for outside entity to receive compensation from the fund each year. Entity must have substantial experience evaluating institutional investment practices/performance. Requires Governor to submit annually a report to the LBB with: 1. total number/amount of awards made; 2. number/amount of awards made under Subchapters D, E, and F; 3. name/organizational structure/amount of each award recipient; 4. total amount of funds received by each recipient from any source for a project under Subchapter D (ETF award, private money, and federal grants/loans); 5. brief description of investments in fund's portfolio; 6. total value of fund's investment portfolio; and 7. value of each investment in portfolio. Report must also include planned/actual outcomes of awards from preceding two state fiscal years. Prohibits disclosure of names of persons in private sector which invest in Subchapter D awards. Amends Section 490.102 of the Government Code to redistribute the % of the Fund for each Subchapter: 60% to commercialization collaborations, 10% to research matching grants, and 30% to acquisition of research superiority. Amends Section 490.243 to clarify that research acquisition awards can be used to attract research superiority from entities other than higher education regardless of location in-state or out-of-state.</p>	
HB 3944	Charlie Howard		Relating to an exemption from the franchise tax for certain taxable entities during an initial period of operation.	Amends the franchise tax to provide an exemption from taxation for two years from the date a taxable entity is chartered or organized in TX.	04-20-09 H Committee action pending House Ways and Means
HB 3984	Strama		Relating to an analysis of available federal funding, state-federal matching	Amends Chapter 403 of the Government Code to require the comptroller to prepare a report on federal money available for state-federal matching expenditures. Report must include: amount of state money expended on programs attracting federal matching money; maximum amount of federal money state could qualify for in each program; additional programs state could qualify for; and amount of money received compared to amount received by other states. Report must include recommendations.	04-29-09 H Committee action pending House Ways and Means



Budget/Taxation/Economic Development Legislative Tracking Chart

			expenditures, and related legislation.		
HB 4003	Paxton		Relating to the rates and computation of the franchise tax.	Amends the Franchise tax to establish the rate at zero for margin of \$1 million or less; .5% of margin exceeding \$1 million for taxable margin between \$1 million to \$10 million; and \$45,000 plus 1% of taxable margin exceeding \$10 million. For wholesale retail: zero for \$1 million in taxable margin or less; .25% of taxable margin for \$1 million to \$10 million; and \$22,500 plus .5% of taxable margin exceeding \$10 million. Entities are not required to pay taxes if it is less than \$5,000. Changes the definition of taxable income for corporations, partnerships, and all others. Restructures cost of goods sold as a deduction. Allows entities to include compensation paid to independent contractors in wages and compensation for deduction purposes. Repealer language.	04-15-09 H Committee action pending House Ways and Means
HB 4005	Charlie Howard	SB 1037 by Mike Jackson	Relating to the franchise tax liability of certain taxable entities.	Amends Chapter 171 of the Tax Code to redefined taxable income: 1. for corporations, the amount on line 30 IRS form 1120; 2. for partnerships, the amount on line 22 IRS form 1065; or 3. for others, the amount determine equivalent to above by the Comptroller. Taxable entities are not required to pay/owe tax if income for period is zero or less, unless it is a combined group.	03-23-09 H Introduced and referred to committee on House Ways and Means
HB 4073	Chavez		Relating to a franchise tax credit for certain research and development activities.	Amends Chapter 171 of the Tax Code to add Subchapter O-1: Tax Credit for Certain Research and Development Activities. Allows eligible entities to take a credit against franchise taxes of 5% of the sum of: 1. excess qualified research expenses and 2. basic research payments. Can compute credit only if a federal election was made, entity was a member of a consolidated group, and entity did not claim the federal credit. Limits credit to 50% of amount of tax due. Establishes a carryforward. Biennial reporting by Comptroller. Entity cannot convey credit to another entity. Expires December 31, 2019.	03-23-09 H Introduced and referred to committee on House Ways and Means
HB 4165	Chisum	SB 736 by Watson	Relating to the funds consolidation process and the use of state revenue dedicated by law for a particular	Amends Sections 403.095 (b), (d), and (e) of the Government Code relating to the use of dedicated revenue to state that beyond any law dedicating/setting aside revenue for specific purpose/entity, dedicated revenues, on August 31, 2011, exceeding amounts appropriated by budget bill are available for general governmental purposes and are available for certification. Extends expirations to 2011. Repeals Subchapter D (Appropriation of Unobligated Fund Balances to General Revenue Fund) of Chapter 316: Appropriations of the Government Code.	03-24-09 H Introduced and referred to committee on House Appropriations



Budget/Taxation/Economic Development Legislative Tracking Chart

			purpose.		
HB 4263	Sylvester Turner		Relating to the creation of the Texas Recovery Accountability and Transparency Board.	Amends Title 3 of the Government Code to create the Texas Recovery Accountability and Transparency Board to provide oversight on all American Recovery and Reinvestment Act funds. Board is composed of 11 members: 4 appointed by Lt. Governor, 4 appointed by Speaker, 2 members appointed by Governor, and the Governor's designee. Agencies receiving funds are required to report quarterly to Board: total recovery funds received, detailed list of projects funds were obligated/expended on, and performance measures, including job creation. Requires Board to establish a website that includes reports.	05-07-09 H Reported favorably from committee on House State Affairs
HB 4264	Charlie Howard		Relating to the determination of cost of goods sold for purposes of computing the franchise tax.	Redefines cost of goods sold. Amends Section 171.1012: for corporations, cost of goods sold is that reported on line 2, IRS form 1120; for partnerships, it is that reported on line 2, IRS form 1065; for S corporations, it is that reported on line 2, IRS form 1120S; or for any other entity, it is a substantially equivalent amount determined by rules adopted by comptroller. Deletes Subsections a-o.	04-20-09 H Committee action pending House Ways and Means
HB 4265	Charlie Howard		Relating to the definition of controlling interest for purposes of the franchise tax.	Amends Section 171.0001 of the Tax Code to change the definition of a controlling interest: for partnerships, a controlling interest is more than 50% owned of the capital or profits interest; for associations, more than 50% of the capital or profits interest; for trusts, more than 50% of current beneficial interest in trust corpus/income; for LLCs, either more than 50% of membership interest or more than 50% of beneficial ownership interest; and for other entities, more than 50% of capital or profits.	05-22-09 S Voted favorably from committee on Senate Finance
HB 4266	Charlie Howard		Relating to the computation of taxable margin for purposes of the franchise tax by tier partnerships.	Amends Section 171.1015 of the Tax Code to allow upper tier entities to include in calculating taxable margin, total revenue and related deductions for cost of goods sold or compensation and benefits of a lower tier entity.	04-20-09 H Committee action pending House Ways and Means
HB 4267	Charlie Howard		Relating to the determination of ownership of goods for the purpose of	Amends Section 171.1012 of the Tax Code to state taxable entities are considered the owner of good sold for tax purposes if the entity reports gross revenue and separate cost of sales.	04-20-09 H Committee action pending House Ways and Means



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			deducting the cost of goods sold under the franchise tax.		
HB 4268	Charlie Howard		Relating to the determination of cost of goods sold for purposes of computing the franchise tax.	Amends Section 171.1012 of the Tax Code to add that a taxable entity can alternatively determine cost of goods sold as: for corporations, that reported on line 2, IRS form 1120; for partnerships, that on line 2, IRS form 1065; for S corporations, the amount reported on line 2, IRS form 1120S; or for other entities, in an equivalent amount determined by Comptroller rules.	04-20-09 H Committee action pending House Ways and Means
HB 4269	Charlie Howard		Relating to the definition of passive entity for purposes of the franchise tax.	Amends Section 171.0003 of the Tax Code to change what constitutes a passive entity by eliminating the requirement that the entity receives no more than 10% of federal gross income from active trade/business. Repealer language.	04-15-09 H Committee action pending House Ways and Means
HB 4270	Charlie Howard		Relating to the computation of cost of goods sold for purposes of the franchise tax by certain affiliated taxable entities.	Amends Section 171.1012 to add that if a transaction is not at arm's length, the purchaser can subtract the market value of the transaction as cost of goods sold and the seller can include the market value in their gross receipts.	05-21-09 S Committee action pending Senate Finance
HB 4325	Strama		Relating to the creation of a Sunny Day Fund to attract competitive federal grants to Texas under	Amends Chapter 481 of the Government Code to establish the Texas Recovery and Reinvestment Fund, aka Sunny Day Fund. Requires \$1 billion to be deposited from the Economic Stabilization Fund. Fund is to be used to provide matching grants to entities receiving competitive grants for investments in TX out of the American Recovery and Reinvestment Act. Priority is based on date of competitive federal grant awarded. Grant amounts are for 1/3 of total amount awarded applicant from US and private entities. Establishes requirements for uses of awards. Sunsets Fund on December 31, 2010, and	05-05-09 H Meeting set for On first adj., Desk 96 House Appropriations



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			the American Recovery and Reinvestment Act.	returns remaining funds to Texas Economic Stabilization Fund.	
HB 4525	Parker		Relating to qualified manufacturing project zones.	Amends Chapter 2303 of the Government Code to add Subchapter H: Qualified Manufacturing Project Zone. Defines a qualified manufacturing project as a proposed new/expanded facility that entered into a property tax abatement or economic development agreement before January 1, 2015; which has an investment of at least \$200 million, is engaged in manufacturing and construction began after September 1, 2009; and is forecast to create at least 300 full-time positions. Establishes qualification date. Allows counties in which projects are proposed to apply for designation as a qualified manufacturing zone. Counties may only have one qualified manufacturing project zone at any one time. Projects qualify for designation as enterprise projects. Designation remains in effect until expiration of tax credit/rebate/abatements under agreements. Qualified manufacturing project zones are eligible for refund of state sales and use taxes. Defines eligible taxable proceeds. Allows governmental bodies to agree to rebate/refund/pay eligible taxable proceeds to the owner of a qualified project. Amends Section 151.429: Tax Funds for Enterprise Projects of the Tax Code to entitle owner of qualified manufacturing project to refund of 50% of additional sales and use tax for preceding year. Total amount of refunds over course of designation is prohibited from exceeding 5% of the investment in the facility. Refunds are to be used to pay for expenses for workforce development.	05-23-09 S Voted favorably from committee as substituted Senate Economic Development
HB 4585	Pitts	SB 2354 by Ogden	Relating to ensuring that Texas state government has sufficient general law authority to apply for and receive the maximum amount of federal funds available	Gives authority to DPS, HHSC, TEA, HECB, TXDoT, and other state governmental entities to apply for and receive the maximum amount of federal stimulus money available for expenditure by or through agency.	4/1/09 Meeting cancelled for 4/1/09 House Appropriations



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			under the American Recovery and Reinvestment Act of 2009.		
HB 4766	Oliveira		Relating to the computation of the franchise tax.	Amends Section 171.002 of the Tax Code to raise the exemption for businesses required to pay franchise tax to \$750,000 of total revenue. Amends Section 171.0021 to change the limits of total revenue entitling businesses to a discount: between \$750,000 and \$900,000 a discount of 50%; and greater than \$900,000 but less than \$1 million a discount of 33%. Sunsets both changes until January 1, 2012, when statute reverts back to original specifications.	04-15-09 H Committee action pending House Ways and Means
SB 19	Dan Patrick		Relating to the franchise tax.	Amends the franchise tax to increase the exemption to \$1 million. Lowers the multiplier to .4%. Repealer language.	04-09-09 S Committee action pending Senate Finance
SB 148	Ellis		Relating to required community investment by certain insurers.	<p>Adds Chapter 428: Community Investment by Insurers to Title 4 of the Insurance Code. States findings of legislature: insurers are a major source of investment capital in Texas and many low-income communities need greater access to capital for small business/economic development. Financial institutions are required to address credit needs of low-income communities in areas they serve. Insurers collect premiums throughout the state. There is no national requirement that a portion of insurers' investments by made in low-income communities. Insurers that write a significant amount of coverage in the state should be required to invest part of their total investable assets in low-income communities.</p> <p>Definitions.</p> <p>Establishes the minimum investment % fore each insurer in state authorized to write life/health/accident/other policies at 1/2 of one percent. Allows investments to be made directly, through intermediaries, or partnerships/consortia.</p> <p>Requires insurers which wrote at least \$15 million of direct written premiums in the 2009 calendar year is required to invest in economically targeted investments in the 2010 calendar year in the amount of the investment % multiplied by total of 2009 direct written premiums. Insurers writing \$30 million of direct written premiums in the 2009 and 2010 calendar years is required to invest in economically targeted investments during 2011 in an</p>	2/10/09 Referred to Senate Business and Commerce



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				<p>amount multiplying the investment % by the total of aggregate 2009 and 2010 direct written premiums. Insurers writing \$45 million of direct written premiums in three preceding calendar years is required to have economically targeted investments in an amount not less than the investment % multiplied by total aggregate direct written premiums for preceding 3 calendar years.</p> <p>Allows for a reduction in the amount required to invest of \$1 for each \$1 invested in economically targeted investments that are: loans in community development corporations promoting small opps for low-income individuals; or are loans to small businesses or farms with gross annual revenues of less than \$1 million.</p> <p>States exemptions. Requires insurers to submit to TDI annual community investment report and adopt an annual community investment plan. Outlines reporting and enforcement measures as well as administrative and civil penalties.</p>	
SB 180	Gallegos		Relating to the creation of a state occupational health and safety plan.	<p>Adds Subchapter I: State Occupational Health and Safety Plan to Chapter 411 of the Labor Code. Requires Worker's Comp Commissioner to develop a state plan on enforcement of occupational health and safety standards. TDI is charged with implementation and enforcement. Requires Division to gather/publish statistics on occupational health and safety programs operated by other states for a comparative evaluation, design/research prevention of job-related injuries/disease, publish results of research, consult with employers, develop programs to reduce job-related injuries/disease, and collect information on occupational safety. Division can charge fees for publications/training.</p> <p>Requires collection of job-related accidents by employers and then classify employers and identify hazardous occupations.</p> <p>Creates the Task Force on Certain High-risk Worksites. Task force is to inspect high-risk worksites engaged in manufacture/distribution of products: known/probably carcinogens or known flammable/explosive properties.</p> <p>Occupational health and safety plan is funded by assessment of an annual maintenance tax from each stock insurance company, mutual insurance company, reciprocal/interinsurance exchange, and Lloyd's plan writing workers' compensation insurance in TX. Tax is not to exceed 1% of gross workers' compensation insurance premiums.</p> <p>Requires employers to furnish/maintain safe and healthful work environment and report to Division injury/accident/fatality information.</p> <p>Repeals Section 411.018 of the Labor Code: Federal OSHA Compliance.</p>	2/10/09 Referred to Senate State Affairs
SB	Shapleigh	HB 720 by	Relating to the	Increases the exemption for total revenue from franchise tax from \$300,000 to \$1 million.	2/10/09



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193		Creighton, HB 1019 by Betty Brown, HB 1220 Hunter	total revenue exemption for the franchise tax.		Referred to Senate Finance
SB 247	Shapleigh		Relating to the computation of the cost of goods sold for franchise tax purposes by certain taxable entities.	<p>Adds Section 171.10125: Computation of Cost of Goods Sold by Taxable Entity Doing Business Near Border to Chapter 171 of the Tax Code. Establishes definitions. Section applies to taxable entities with business/facility located in a strategic investment area and conducts at least 90% of total business in strategic investment area, and at least 2 of the following apply: 1. entity is licensed to conduct border trade by appropriate agencies on both sides of the border; 2. entity is enrolled in the Customs-Trade Partnership Against Terrorism and Free and Secure Trade programs; 3. entity invests in/implements security/tracking/communication/surveillance technology systems on commercial vehicles; 4. entity makes direct expenditures related to a business that conducts/shares information with federal/state agencies on assessment of dock and fundamental personnel; 5. entity incurs direct costs of creating/training personnel for new jobs in specialized/high-skilled positions in biotechnology/defense/medical/software/manufacturing fields in border region; or 6. entity makes other direct investments in integrated supply chain transportation systems incorporating sophisticated communications technology integrating with disaster/HAZMAT/EMS systems.</p> <p>Allows applicable entities to subtract as a cost of goods sold a ny expenditure made/cost incurred relating to above that is not otherwise included as a cost of goods sold. Expenditures of up to \$150,000 can be subtracted in one report, otherwise, must be taken on three consecutive reports. Limits amount which can be subtracted to \$3 million.</p> <p>Allows a carryforward. Requires Comptroller to determine strategic investment areas and publish in a map. Credit expires January 1, 2017.</p>	2/11/09 Referred to Senate Finance
SB 250		Shapleigh	Relating to a report on the use of money from the	Amends Section 481.079(a) of the Government Code to require additional reporting items on the Texas Enterprise Fund. Deletes the reporting of the amount of capital investment a recipient committed, and the amount of capital investment a recipient expended. Adds to reporting: the total amount of tax credits/local incentives/other money or credits distributed	2/11/09 Referred to Senate Economic



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			Enterprise Fund.	to each recipient by governmental entities of TX; the % of money granted to recipients with fewer than 100 employees; the geographical distribution of grants by county; and the effect of grants on employment/personal income/capital investment in TX and in each regional planning commission area.	Development
SB 251		Shapleigh	Relating to the posting of certain business tax incentives on Internet websites maintained by certain political subdivisions.	Adds Section 140.008: Internet Posting of Certain Tax Incentives Required to the Local Government Code. Requires counties/municipalities with populations over 250,000 to post on their website: 1. current local sales and use tax incentives offered to a business, including exemptions/rebates from those taxes; and 2. proposed local sales and use tax incentives to be offered to a business including exemptions/rebates from those taxes. Requires posting agendas on website whenever these tax incentives are up for consideration by local governing bodies.	2/11/09 Referred to Senate Economic Development
SB 278	Nelson		Relating to appropriations to the Department of State Health Services for the prevention and treatment of substance abuse.	Appropriates: \$10 million to DSHS from general revenue fund for preventing substance abuse by students in Texas schools; \$10 million to DSHS from GR to provide 350 to 450 additional Texas schools with evidence-based prevention programs to decrease risk factors for substance abuse; \$10 million from GR to DSHS for evidence-based treatment practices, including pharmacological interventions for substance abuse; and \$10 million to DSHS from GR to establish case management and early recovery support services for substance abuse in the 11 state HHS regions.	2/11/09 Referred to Senate Finance
SB 295	West		Relating to a project that may be undertaken by a development corporation to promote higher education	Amends Section 501.1055: Projects Related to Promoting Higher Education Opportunities to the Local Government Code. The definition of "project" includes expenditures to provide scholarships to students enrolled at higher ed institutions to retract/retain graduates for a highly trained workforce.	2/11/09 Referred to Senate Economic Development



Budget/Taxation/Economic Development Legislative Tracking Chart

			opportunities.		
SB 323	Shapleigh		Relating to the franchise tax liability of certain taxable entities during an initial period of operation.	Adds Section 171.0023: Tax Liability of Certain Taxable Entities During Initial Period of Operation to the Tax Code. Exempts taxable entities from business tax if it is before the third anniversary of the organization's charter and the organization's income for that period is zero or less.	2/11/09 Referred to Senate Finance
SB 402	Eltife		Relating to the authority of the voters of a municipality or a county to adopt a one-quarter cent sales and use tax in the municipality or county to provide property tax relief.	<p>Adds Chapter 326: Municipal and County Sales and Use Tax for Property Tax Relief to Title 3 of the Tax Code.</p> <p>Prohibits rate of county/municipal sales and use tax under this chapter from being considered in determining combined/overlapping rate of local sales/use taxes in other area of law.</p> <p>Allows municipalities/counties to adopt/abolish sales and use tax in this chapter at an election. Tax rate is 1/4 of 1 percent.</p> <p>Provides for election procedures.</p> <p>Revenue from sales and use tax under this chapter is additional revenue for purposes of calculating the effective tax rate and rollback tax rate.</p>	05-01-09 S Placed on the Senate Intent Calendar
SB 500	Shapiro		Relating to the powers, duties, and financing of cultural education facilities finance corporations.	<p>Amends Article 1528m of Vernon's Texas Civil Statutes to include in the definition of "cultural facility" any capital expenditure by a user. Requires corporations to be created and organized in the same manner as health facilities development corporations under Chapter 221 of the Health and Safety Code.</p> <p>Authorizes: nonprofits exempt from state franchise tax under Section 171.063 of the Tax Code; charitable organizations under Section 11.18 of the Tax Code; or 501(c)(3) organizations to finance any activity in which they are permitted to engage.</p>	05-23-09 H Set on the House Calendar
SB	Watson		Relating to the	Adds Section 490.1027: Use of Money for Research and Development of Certain Energy-	04-27-09 S



Budget/Taxation/Economic Development Legislative Tracking Chart

542			use of money from the Texas emergency technology fund for the research and development of clean energy.	Related Initiatives to the Government Code. Requires Gov, Speaker, and Lt. Gov to ensure that all money distributed from ETF from 2009-2011 less amounts for biotechnology, medicine, and life sciences and less money required for staffing to be used for the development of low carbon fuels, low carbon electric generation technologies, and carbon emissions mitigation. Gives section preemption over other provisions of chapter. Expires January 1, 2012.	Committee action pending Senate Economic Development
SB 560	Jackson	HB 832 by Hughes	Relating to the computation of taxable margin for purposes of the franchise tax by certain taxable entities.	Amends Section 171.1013 of the Tax Code to allow entities electing to subtract compensation for computing their taxable margin to include as wages and cash compensation any compensation paid to an independent contractor.	2/23/09 Referred to Senate Finance
SB 684	Lucio	HB 1715 by Gonzalez Toureilles	Relating to the establishment of the Texas Rural Development Fund and to the establishment, operation, and funding of certain program for rural economic development.	Amends Chapter 487 of the Government Code: Office of Rural Community Affairs. Allows Office to develop/administer training program. Adds Subchapters R through X. Subchapter R: Texas Rural Development Fund: Creates an account in general revenue fund. Money may be used only for implementing/maintaining programs established. Subchapter S: Rural Entrepreneurship and Business Innovation Program. Defines "microenterprise", "minimum wage", "program", and "small business". Requires ORCA to create a rural entrepreneurship and business innovation program to: assist in development/expansion of business in rural areas, assist entrepreneurs in rural areas, and recruit out-of-state businesses to locate in rural areas. Allows offering loans as incentives to entrepreneurs/businesses for creation/retention of jobs in rural areas. To be eligible for a loan, applicant must provide at least 5% of equity for each project. Defines who ORCA can make a loan to under the program. Maximum amount of loan is \$35,000 for each eligible employee position retained/created. Establishes loan schedule based on minimum wage level positions created/retained. After job creation, office can forgive up to 25% of the total amount of the loan. Prohibits loans	05-23-09 H Set on the House Calendar



Budget/Taxation/Economic Development Legislative Tracking Chart

				<p>from being used to attract businesses from other locations in the state. Loan rates based on capacity of borrower/risk of project. Subchapter T: Rural Area Regional Planning and Implementation Matching Grant Program. Requires Office to create the rural area regional planning/implementation matching grant program to foster regional collaboration. Designates eligible entities and requirements for joint submissions. Subchapter U: Rural Capacity and Leadership Enhancement Program. Requires ORCA to create the rural capacity and leadership enhancement program to assist municipalities/unincorporated communities in rural areas to: develop leadership capacity, improve business practices of municipal government, increase awareness of benefits of renewable energy, identify community assets, and provide assistance for emergency services districts. Allows coordination with junior colleges/public technical institutes to develop rural leadership curriculum. Subchapter V: Rural Community Asset Study Matching Grant Program. Requires ORCA to create rural community asset study matching grant program to assist in identifying assets. Subchapter W: Texas Rural Youth Corps Program. Requires ORCA to create program to encourage youth participation in civic improvement activities in rural areas. Subchapter X: Rural Wealth Creation and Retention Program. Requires ORCA to create a rural wealth creation/retention program to assist in: identifying community wealth, educating residents about charitable giving, and encouraging creation of community foundations to build sustainable wealth.</p>	
SB 736	Watson	HB 4165 by Chisum	Relating to the funds consolidation process and the use of state revenue dedicated by law for a particular purpose.	Amends Sections 403.095 (b), (d), and (e) of the Government Code relating to the use of dedicated revenue to state that beyond any law dedicating/setting aside revenue for specific purpose/entity, dedicated revenues, on August 31, 2011, exceeding amounts appropriated by budget bill are available for general governmental purposes and are available for certification. Extends expirations to 2011. Repeals Subchapter D (Appropriation of Unobligated Fund Balances to General Revenue Fund) of Chapter 316: Appropriations of the Government Code.	2/25/09 Referred to Senate Finance
SB	Watson	HB 2017 by Strama	Relating to	Requires the Governor and LBB to lead a collaborative study on improved transparency in	2/25/09



Budget/Taxation/Economic Development Legislative Tracking Chart

737			conducting a study to improve transparency in the state's budgeting process and electronic access to information about the state budget.	state's budgeting process and electronic access to state budget information. Requires the following to designate an appointee to participate on study team: Comptroller, DIR, TLC, LBJ School of Public Affairs, and any other officer/agency/institution invited to participate. Study team must address improving transparency and electronic access to process of developing state's budget, writing/consideration of the general appropriations bill, and expenditure of appropriated funds. Specifically, study should address: 1. providing public information/analysis on all state budgetary information, emphasis on 25 state programs accounting for greatest amount of state expenditures; 2. providing timely electronic access in an open standards format to proposed riders/line-item appropriations/reports; and 3. enhancements/additions to information technologies necessary to improve access/transparency. Requires Comptroller and LBB to develop cost estimates for team's recommendations. Reporting to Lt. Governor and each legislator by June 1, 2010.	Referred to Senate Finance
SB 738	Watson		Relating to a state agency review and analysis of the revenue sources that pay for the agency's functions and the adjustment by certain agencies of fee amounts.	Amends Chapter 2056 of the Government Code to require state agencies as part of the strategic plan to: 1. review their functions paid for fully by general revenue and determine if they could be paid for by fees/other revenue sources; 2. determine whether sources of revenue could be increased; and 3. for agencies deeming functions can be paid for with new fees/increases, they are required to recommend fee amounts/who would pay fee/estimate amount of revenue received from recommended fee amount. Amends Section 316.045 of the Government Code to require agencies that determine fees exceed costs to provide services to charge reduced fees.	2/25/09 Referred to Senate Finance
SB 739	Watson		Relating to transferring the Legislative Budget Board's performance review duties to the	Transfers LBB performance reviews to the authority of the Comptroller. Sections 322.015 (Interscholastic Competition), 322.016 (School Districts), 322.0165 (Institutions of Higher Education), 322.017 (Efficiency Reviews of State Agencies), and 322.018 (Records Management Review) of the Government Code are relocated to Chapter 403 of the Government Code under newly created Subchapter O: Performance Reviews.	2/25/09 Referred to Senate Finance



Budget/Taxation/Economic Development Legislative Tracking Chart

			comptroller.		
SB 740	Watson		Relating to the computation of the franchise tax	Amends Section 171.002 (d) of the Tax Code to exempt entities from paying the franchise tax if their total revenue is \$1 million or less. Amends Section 171.0021 (a) of the Tax Code to change the amounts for which taxable entities are eligible for a discount: 80% discount = from between \$300,000 and \$400,000 to \$1 million and \$1.1 million; 60% discount = from between \$400,000 and \$500,000 to \$1.1 million and \$1.2 million; 40% discount = from between \$500,000 and \$700,000 to \$1.2 million and \$1.35 million; and 20% discount = from between \$700,000 and \$900,000 to \$1.35 million and \$1.5 million.	2/25/09 Referred to Senate Finance
SB 783	Shapiro	HB 3789 by Morrison	Relating to the Texas emerging technology fund.	Transfers Section 490.057 of the Government Code to Section 490.004: Certain Information Confidential. Allows information provided by or on behalf of individual companies/entities being considered for awards or recipients of awards to be considered confidential and not subject to disclosure under the Open Records Act. Information includes: that contained in/accompanying/derived from any application and information concerning identity/background/finance/marketing plans/trade secrets/other commercially sensitive information. Applications for awards withdrawn by applicants before the award is made or which is denied are to be returned on request with all materials submitted on behalf of the applicant. Requires the Governor's office by the 10th day after an award contract is entered to make a summary available to the public with: award recipient's name/address/amount of funding applied for/type of technology. Prohibits summary from including confidential information. Adds Section 490.005: Authority to Contract with an Outside Entity to allow the Governor to contract with an outside entity to assist in negotiating/drafting contracts between state and award recipient; oversee awards and monitor contract compliance; evaluate ETF investment portfolio; advise Governor's Office on value/performance of portfolio; and assist Governor in preparing annual report. Allows for outside entity to receive compensation from the fund each year. Entity must have substantial experience evaluating institutional investment practices/performance. Requires Governor to submit annually a report to the LBB with: 1. total number/amount of awards made; 2. number/amount of awards made under Subchapters D, E, and F; 3. name/organizational structure/amount of each award recipient; 4. total amount of funds received by each recipient from any source for a project under Subchapter D (ETF award, private money, and federal grants/loans); 5. brief description of investments in fund's portfolio; 6. total value of fund's investment portfolio; and 7. value of each investment in portfolio. Report must also include planned/actual outcomes of awards from preceding two state fiscal years. Prohibits disclosure of names of persons in private sector which invest in	05-23-09 H Set on the House Calendar



Budget/Taxation/Economic Development Legislative Tracking Chart

				Subchapter D awards. Amends Section 490.102 of the Government Code to redistribute the % of the Fund for each Subchapter: 60% to commercialization collaborations, 10% to research matching grants, and 30% to acquisition of research superiority. Amends Section 490.243 to clarify that research acquisition awards can be used to attract research superiority from entities other than higher education regardless of location in-state or out-of-state.	
SB 856	Hinojosa		Relating to expiration of certain parts of the Economic Development Act.	Amends Section 313.007 of the Tax Code to change the expiration date of Subchapter B (Limitation on Appraised Value of Certain Property Used to Create Jobs); Subchapter C (Limitation on Appraised Value of Property in Certain Rural School Districts); and Subchapter D (School Tax Credits) of the Tax code to September 1, 2009 instead of December 31, 2011.	03-09-09 S Introduced and referred to committee on Senate Economic Development
SB 878	Wendy Davis	HB 977 by Burnam	Relating to use of the money from the Texas enterprise fund to promote renewable energy technology.	Amends Section 481.078 of the Government Code to require 20% of the grants made from the Texas Enterprise Fund to be used for establishment/expansion of enterprises in TX that primarily provide energy derived from renewable energy.	03-09-09 S Introduced and referred to committee on Senate Economic Development
SB 885	Harris	HB 2103 by Geren	Relating to a franchise tax credit for certain research and development activities.	Amends Chapter 171 of the Tax Code to add Subchapter O-1: Tax Credit for Certain Research and Development Activities. Taxable entities are eligible for a franchise tax credit of 5% of the sum of: 1. excess qualified research expenses incurred over the base amount; and 2. the basic research payments as defined by the IRC. Provides for election to compute the credit for qualified research expenses consistent with the alternative incremental credit described by IRC if: 1. federal election was made to compute it; 2. entity was a member of a consolidated group for which a federal election was made; or 3. the entity did not claim the federal credit under section 41(a)(1)IRC. For alternate credit computation, following %ages apply: .41%, .55%, and .65%. Allows taxable entities to multiply by 2 the amount of qualified research expenses and basic research payments made in a strategic investment area. Prohibits sum of total credits claimed from exceeding 50% of the franchise tax due. Allows carryforward only for 20 consecutive report and establishes priority for use of credits. Comptroller must determine strategic investment	05-06-09 S Placed on the Senate Intent Calendar



Budget/Taxation/Economic Development Legislative Tracking Chart

				areas by Sept. 1 of each year. Requires biennial report by Comptroller of total amount of expenses/payments incurred by entities claiming a credit; total amount of credits applied against franchise tax and amount of unused credits; geographical distribution of expenses/payments; effect of credit on amount of R&D performed in TX and employment in R&D; and effect of credit on employment, capital investment, and personal income on state tax revenue. Chapter expires December 31, 2013.	
SB 966	Ellis	HB 1403 by Villarreal	Relating to the repeal of state sales tax and franchise tax refunds for certain ad valorem tax payers.	Repeals Subchapter F of Chapter 111 of the Tax Code: Tax Refund for Economic Development. Repeal does not affect right to claim a refund established in chapter in relation to taxes paid before effective date of act.	04-20-09 S Committee action pending Senate Finance
SB 1037	Mike Jackson	HB 4005 by Charlie Howard	Relating to the franchise tax liability of certain taxable entities.	Amends Chapter 171 of the Tax Code to redefined taxable income: 1. for corporations, the amount on line 30 IRS form 1120; 2. for partnerships, the amount on line 22 IRS form 1065; or 3. for others, the amount determine equivalent to above by the Comptroller. Taxable entities are not required to pay/owe tax if income for period is zero or less, unless it is a combined group.	3-13-09 S Introduced and referred to committee on Senate Finance
SB 1161	Mike Jackson	HB 1825 by Paxton	Relating to the computation of the franchise tax.	Amends Section 171.002 of the Tax Code to state the rate of the franchise tax is zero for taxable margin of \$1 million or less; .5% of the taxable margin over \$1 million to \$10 million; and for taxable margin over \$10 million it is \$45,000 and 1% of the taxable margin over \$10 million. For those retail/wholesale trade entities, the rate is: zero for \$1 million or less; .25% of the taxable margin over \$1 million up to \$10 million; and for taxable margin over \$10 million it is \$22,500 plus .5% of the taxable margin over \$10 million. Repealer language.	03-13-09 S Introduced and referred to committee on Senate Finance
SB 1444	Shapiro	HB 1996 by McCall	Relating to exempting the sale of certain property used for research and development from the sales	Amends Chapter 151 of the Tax Code to allow an exemption from state sales tax for tangible personal property sold, used, or consumed directly in the research/development of invention, products, processes or technology in manufacturing/telecommunications or scientific services for manufacturing or provision of telecommunications services. Does not apply to office equipment or supplies or those used in sales, distribution, or transportation services. Taxpayer receives a credit of amount paid against taxes or a refund.	03-17-09 S Introduced and referred to committee on Senate Finance



Budget/Taxation/Economic Development Legislative Tracking Chart

SB 1451	West		tax. Relating to limiting use of money in the Texas Enterprise Fund to recipients that provide health benefit plans.	Requires grant recipients of Texas Enterprise Funds to provide health benefit plans to full-time employees.	03-17-09 S Introduced and referred to committee on Senate Economic Development
SB 1590	Ogden	HB 1756 by Eissler	Relating to the functions performed by the comptroller in connection with applications and agreements under the Texas Economic Development Act.	Amends Section 313.008 of the Tax Code to require the Comptroller additionally include in report: the amount of any payment in lieu of taxes to each school district/foundation/other entity to benefit the district; the investment amount each recipient will expend/allocate per project; and number of qualifying jobs which will be created. Requires school districts party to limitation on appraised property value agreements to assist comptroller. Amends Section 313.025 of the Tax Code to require TEA to determine local revenue gains/losses realized by school district and impact on state aid. Comptroller will determine if property meets eligibility requirements for limitation on appraise value. If Comptroller determines property does not qualify, Comptroller is not required to provide an economic impact evaluation or submit a recommendation to school district.	03-17-09 S Introduced and referred to committee on Senate Finance
SB 1593	Seliger	HB 2503 by Swinford	Relating to agreements for limitations on appraised value under the Texas Economic Development Act.	Amends Section 313.007 of the Tax Code to extend the expiration date of Subchapters B, C, and D (limitations on property taxes to create jobs, in rural school districts, and school tax credits) to December 31, 2015. Changes the definition of county average weekly wage to include all jobs not just manufacturing and to be computed from the most recent four quarters. Amends Section 313.024 of the Tax Code to change the definition of manufacturing to mean an entity primarily engaged in activities from sector codes 31-33 of the NAICS Codes. Alters the definition of "research and development" to mean an entity engaged in activities described by NAICS codes 541710. Amends Section 313.027 of the Tax Code to state that the governing body of a school district and property owner can agree	04/29/2009 S Not again placed on intent calendar



Budget/Taxation/Economic Development Legislative Tracking Chart

				to delay effective date up to 5 years from approval date. Amends Section 313.051 of the Tax Code to apply to school districts in areas qualified as strategic investment areas under Subchapter O of the franchise tax code immediately before the subchapter expired. Eliminates requirement that qualifying jobs pay at least 110% of the average weekly wage.	
SB 1602	Shapleigh		Relating to creating a microloan guarantee program using funds appropriated to the Texas Enterprise Fund.	Amends Chapter 481 of the Government Code to establish the Texas Enterprise Fund Microloan Guarantee Program. 1% of TEF must be used to administer. Provides microloans of up to \$10K to eligible businesses. Establishes eligibility requirements. Works with financial institutions to guarantee microloans.	03-17-09 S Introduced and referred to committee on Senate Economic Development
SB 1988	Estes	HB 1911 by Isett	Relating to the Texas Rural Investment Fund.	Adds Section 12.046: Texas Rural Investment Fund to the Agriculture Code. Creates the Texas Rural Investment Fund as a dedicated account in GR. Funds can be used by TDA to pay for grants/loans in rural communities for projects that stimulate: local entrepreneurship, job creation/retention, new capital investment, strategic economic development, individual economic/community leadership training, housing development, or innovative workforce education. Establishes criteria to be considered for grants/loans.	04-20-09 H Referred to House Committee on House Agriculture and Livestock
SB 2157	Shapiro	HB 2945 by Harper-Brown	Relating to the total revenue exemption from the franchise tax.	Amends the Franchise Tax to state that entities are not required to pay/do not owe if total revenue is less than \$1 million for the year. Expires January 1, 2011.	3/31/09 Introduced and Referred to Senate Finance
SB 2354	Ogden	HB 4585 by Pitts	Relating to ensuring the state government has sufficient general law	Gives authority to DPS, HHSC, TEA, HECB, TXDoT, and other state governmental entities to apply for and receive the maximum amount of federal stimulus money available for expenditure by or through agency.	3/31/09 Introduced and Referred to Senate Finance



Budget/Taxation/Economic Development Legislative Tracking Chart

			authority to apply and receive maximum amount of federal funds.		
SB 2585	Averitt	HB 1582 by Flynn	Relating to reauthorization of small business incentive program.	Amends Section 228.001 of the Insurance Code to define: low income community; Program One as that for investment of certified capital before Jan 1, 2007; Program Two as that for investment of certified capital between Jan 1, 2007, and Jan 1, 2010; and Program Three as that for investment of certified capital after January 1, 2010. Repealer language. Amends Chapter 228 of the Insurance Code to require the Comptroller to accept premium tax credit claims for Program Three by Jan 1, 2010. Allows credits earned under Program Three to be taken beginning with tax report due March 2015 up to 25% of vested premium tax credit in any year. Amends Section 228.254 of the Insurance Code to allow \$200 million for Program One; \$200 million for Program Two; and \$200 million for Program Three.	05-25-09 S Placed on the Senate Intent Calendar