

By: J. Davis of Harris

H.B. No. 2785

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the creation of the Select Committee on Economic
3 Development.

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

5 SECTION 1. DEFINITION. In this Act, "committee" means the
6 Select Committee on Economic Development.

7 SECTION 2. COMPOSITION. (a) The Select Committee on
8 Economic Development is composed of 12 members as follows:

9 (1) four public members appointed by the governor:

10 (A) two of whom must be owners or employees of a
11 business with its principal place of business in this state; and

12 (B) one of whom must be a member of the governing
13 body of a municipality or county;

14 (2) two public members appointed by the lieutenant
15 governor, one of whom must be an owner or employee of a business
16 with its principal place of business in this state;

17 (3) two members of the senate appointed by the
18 lieutenant governor;

19 (4) two public members appointed by the speaker of the
20 house of representatives, one of whom must be an owner or employee
21 of a business with its principal place of business in this state;
22 and

23 (5) two members of the house of representatives
24 appointed by the speaker of the house of representatives.

1 (b) Each individual required to make an appointment under
2 Subsection (a) of this section shall make the appointment as soon as
3 possible after the effective date of this Act, but not later than
4 November 1, 2011.

5 SECTION 3. PRESIDING OFFICER; MEETINGS. (a) The speaker of
6 the house of representatives and the lieutenant governor shall
7 jointly select the presiding officer of the committee from among
8 the committee members.

9 (b) The committee shall meet at the call of the presiding
10 officer.

11 SECTION 4. COMMITTEE DUTIES. The committee shall:

12 (1) develop an economic development policy for the
13 state and make recommendations to the legislature regarding the
14 policy;

15 (2) conduct a study and make recommendations to the
16 legislature regarding state and local economic development
17 incentives;

18 (3) develop criteria for evaluating the effectiveness
19 of existing economic development policies and incentives in this
20 state and make recommendations the committee considers necessary to
21 improve those policies and incentives, taking into account:

22 (A) aspects of the state and local tax systems
23 that encourage or hinder economic activity in the state;

24 (B) the types or categories of businesses
25 eligible for incentives and whether the promotion or encouragement
26 of a specific type or category of business activity is in the best
27 long-term interest of the state and the citizens of this state;

1 (C) the extent to which an incentive should
2 encourage the maintenance or expansion of existing capital
3 investment within this state or attract new capital investment from
4 outside this state;

5 (D) the extent to which an incentive should
6 encourage the retention or expansion of existing employment within
7 this state or encourage the creation of additional employment,
8 either at existing or new business locations in this state;

9 (E) the direct effects of the business activity
10 qualifying for the incentive and the indirect and induced effects
11 associated with that activity on capital investment, employment,
12 wages, salaries, state and local tax revenues, and demands for
13 state or local public services;

14 (F) how the incentives offered in this state
15 compare to those available in other states or countries, and how
16 those differences affect business decisions to invest in this state
17 or outside this state; and

18 (G) whether and to what extent a particular
19 incentive should take the form of a direct grant of state or local
20 revenue, the abatement, deferral, or limitation of a state or local
21 tax, fee, or assessment, the provision of a specific service or
22 program designed to benefit the business, or other direct or
23 indirect financing mechanism;

24 (4) consider the benefits of consolidating state and
25 local economic development incentives into a single statewide
26 office or agency;

27 (5) evaluate existing state or local economic

1 development incentives and make recommendations regarding the
2 continuation, elimination, or modification of those incentives
3 based on the criteria developed under Subdivision (3) of this
4 section; and

5 (6) make recommendations on whether the state should
6 adopt new incentives to better accomplish the state's economic
7 development policy.

8 SECTION 5. REPORT. Not later than January 1, 2013, the
9 committee shall submit a report of the committee's findings,
10 studies, and recommendations to:

11 (1) the governor;

12 (2) the lieutenant governor;

13 (3) the speaker of the house of representatives; and

14 (4) each member of the legislature.

15 SECTION 6. STAFF. On the committee's request, the
16 Legislative Budget Board, Texas Legislative Council, office of the
17 governor, senate, and house of representatives shall provide the
18 staff necessary to assist the committee in performing its duties.

19 SECTION 7. COOPERATION OF STATE AGENCY, DEPARTMENT, OR
20 OFFICE. If needed to perform the duties of the committee, the
21 committee may request the assistance of a state agency, department,
22 or office. The state agency, department, or office shall provide
23 the committee with the requested assistance.

24 SECTION 8. EXPENSES. (a) The operating expenses of the
25 committee shall be paid from available funds of the office of the
26 governor, the senate, and the house of representatives, as agreed
27 to by those entities.

1 (b) When attending committee meetings, a public member of
2 the committee shall be allowed the same mileage and per diem as are
3 allowed members of the legislature who attend a committee meeting
4 when the legislature is not in session.

5 SECTION 9. EXPIRATION DATE. The committee is abolished and
6 this Act expires September 1, 2013.

7 SECTION 10. EFFECTIVE DATE. This Act takes effect
8 September 1, 2011.