

84th Texas Legislature

June 1 Weekly Report

Week of May 25 Highlights

The Legislature adopted the HB 1 Conference Committee Report (the budget).

- \$209.4B for FY 2016-17 biennium
- 3.6% increase over the current biennium [3.0% w/o tax relief]
- \$4B+ in tax relief including \$1.2B in property tax relief and \$2.6B franchise tax relief
- Projected cash balance of \$17B at the end of the next fiscal biennium
- \$3.7B in new transportation funding [includes Prop 1 and ending diversions, excludes SJR 5, funding from which begins in the 2018-19 biennium]
- Prop 1 Allocation in HB 1 [\$1,216,274,000 in FY 2016 +\$1,197,393,000 in FY 2017]:
 - 45% for mobility and added capacity in urban areas
 - 25% for regional connectivity along strategic corridors in rural areas
 - 20% for statewide maintenance and preservation projects
 - 10% for safety and maintenance in areas impacted by oil and gas production
- Increases TERP & LIRAP funding by \$81 million; fully funds the AirCheckTexas program [appropriates the fee revenue collected]
- Public Education increases 5.5%: \$2.3B more for school enrollment growth + \$1.2B more for basic allotment
- Higher Ed formula increased by 3%, reducing pressure to increase tuition. \$3B TRBs.
- \$1.5B reduction in reliance on GR dedicated accounts for budget certification
- \$800M for border security
- Big Challenges Remaining:
 - Medicaid is 29% of state budget and growing
 - \$7.5B in unfunded ERS pension liability [stopped the bleeding only with this budget]
 - Large backlog of unfunded facility maintenance needs [six year plan]
 - \$42B in state debt; it's doubled over the last ten years [debt ratio is 2.9%]

The Legislature adopted the SJR 5 Conference Committee Report.

SJR 5 calls a constitutional amendment election for November 3, 2015 that:

- Directs the Comptroller to deposit to the credit of the state highway fund (a) \$2.5 billion annually from the state sales and use tax net revenue that exceeds \$28 billion beginning in FY 2017 and (b) 35 percent annually of the motor vehicle sales and use tax net revenue that exceeds \$5 billion beginning in FY 2019.
- Authorizes the Legislature to direct the Comptroller to reduce the amount of the deposits by up to 50 percent by adoption of a resolution approved by a two-thirds vote.
- Limits the use of the revenue to fund Prop 12 debt retirement and construction, maintenance or right-of-way acquisition for non-tolled public roadways.
- Sunsets the general sales tax deposit requirement August 31, 2032 and the motor vehicle sales tax deposit requirement August 31, 2029.
- Authorizes the Legislature by majority vote to extend the sunset dates in 10-year increments.

Honors

Ramon Romero (D-Fort Worth) received freshman of the year honors by the Democrat caucus, and Mike Schofield (R-Houston) received freshman of the year honors by the Republican caucus.

Transportation Funding / Revenue Bills

HB 122 (Pickett) prohibits new debt issuance from the Texas Mobility Fund and directs that TMF revenues be used to retire debt. Heard March 5 in Transportation, committee substitute adopted and voted out favorably March 19, passed the House April 9 with two amendments, one of which prohibits use of the TMF for toll roads. Heard April 29 in Senate Transportation, reported favorably April 11, passed the Senate May 19, signed in the House & Senate and sent to the Governor May 22.

SJR 5 CCR adopted by the Senate May 29, adopted by the House May 30. It calls a constitutional amendment election for November 3, 2015 that (1) Directs the Comptroller to deposit to the credit of the state highway fund (a) \$2.5 billion annually from the state sales and use tax net revenue that exceeds \$28 billion beginning in FY 2017 and (b) 35 percent annually of the motor vehicle sales and use tax net revenue that exceeds \$5 billion beginning in FY 2019; (2) authorizes the Legislature to direct the Comptroller to reduce the amount of the deposits by up to 50 percent by adoption of a resolution approved by a two-thirds vote; (3) limits the use of the revenue to fund Prop 12 debt retirement and construction, maintenance or right-of-way acquisition for non-tolled public roadways; (4) sunsets the general sales tax deposit requirement August 31, 2032 and the motor vehicle sales tax deposit requirement August 31, 2029; and authorizes the Legislature by majority vote to extend the sunset dates in 10-year increments.

TxDOT Reform Bills

CSHB 20 (Simmons) amends the transportation code, adding a subchapter establishing a state infrastructure advisory committee and stakeholder advisory committees and adding sections on (a) prioritization of projects by local transportation entities and department districts, (b) prioritization of projects by the department and approved by the commission, (c) developing and implementing a performance-based planning and programming process to provide the executive and legislative branches with indicators that quantify and qualify progress toward attaining all department goals and objectives established by the legislature and the commission. Heard March 24 in Transportation-S/C on Long-term Infrastructure Planning, recalled from subcommittee, substitute adopted in April 21 formal meeting of Transportation and voted favorably, 3 floor amendments adopted April 30, 1 floor amendment adopted May 1, passed the House May 1, heard May 13 in Senate Transportation, committee substitute considered, substitute pulled down in May 14 formal meeting, a new committee substitute considered, two amendments adopted and rolled into a new committee substitute, which was adopted and reported favorably, passed the Senate May 27 with two floor amendments (one requiring compliance with a federal rule and lowering the value a design-build contract to \$150M; one eliminating “policing” as an allowable use of MFT and VR revenues). House concurred in Senate amendments. CSHB 20 passed May 29.

Toll Limitation / Cessation Bills

CSHB 565 (Burkett) amends the transportation code to require approval of the Texas Transportation Commission following a public hearing in the region before a private entity may construct a turnpike project and to prohibit a private entity from using eminent domain to acquire right-of-way for a turnpike project; allows a private entity to work with public entity to acquire property using eminent domain. Heard March 19 in Transportation, left pending, substitute considered in formal meeting April 10 and reported favorably, committee substitute passed the House May 4, referred to Senate Transportation May 7, heard May 20, reported favorably, passed the Senate May 25 with one floor amendment allowing the private entity to work with a public entity to acquire property using eminent domain. House concurs in senate amendments May 27, bill sent to the Governor May 30.

CSHB 790 (Burkett) directs the Texas A&M Transportation Institute to conduct a study assessing the implementation and effectiveness of toll road and state highway sound mitigation measures and to issue a report of its findings and recommendations not later than November 1, 2016. Heard April 29 in Transportation-S/C on Long-term Infrastructure Planning, considered in May 7 formal meeting of the full committee, substitute adopted and reported favorably, recommended for local and consent calendar, passed the House May 15, heard May 20 in Senate Transportation, reported favorably, recommended for local & uncontested calendar, passed the Senate May 26. Sent to the Governor May 29.

HB 2612 (Pickett) requires TxDOT by September 1, 2016 to submit a report to the House Transportation Committee setting forth a plan to eliminate all toll roads except for tolls on roads constructed, operated, or maintained only with proceeds from the issuance of bonds by a toll project entity other than the department. Heard March 26 in Transportation, reported favorably April 2, passed to engrossment with one floor amendment May 1, passed the House May 4, referred to Senate Transportation May 6, heard May 13, reported favorably, recommended for local and uncontested calendar, passed the Senate May 22, sent to the Governor May 25.

Red Light Camera Bills

Eleven bills filed; none passed.

LIRAP & TERP Bills

CSHB 14 (Morrison) amends the health and safety code to make numerous changes to the TERP including the addition of eligible counties, extending the life of the program by four years and adding numerous program streamlining provisions. Heard April 7 & 14 in Environmental Regulation, voted favorably April 14, read second time May 6, one floor amendment adopted on second reading May 7, passed the House May 8, heard May 19 in Senate Natural Resources & Economic Development, substitute adopted, reported favorably, passed the Senate May 25 with one floor amendment incorporating the content of CSSB 12, House refused to concur. Died In conference committee.

Appropriations / Tax Limitation / Reduction Bills

CSSB 1 & CSSJR 1 (Nelson, et al.) amends the tax code applicable to school property taxes to change the homestead exemption to 25 percent of the statewide median home value. Heard in Finance March 2, 4 & 17, reported out favorably March 17, passed the senate March 25 with one amendment, referred to House Ways & Means May 5, heard May 12, substitute considered and adopted in May 21 formal meeting. CSSB 1 passed to engrossment with seven floor amendments May 24; CSSJR 1 adopted May 24 with two floor amendments, Senate concurred in House amendments May 29--SJR 1 adopted. CSSB 1 passed the House May 25, Senate refused to concur in House amendments -- conference committee appointed. Senate & House adopted conference committee report May 29. CSHB 1 & CSHJR 1 passed. The bill and resolution increase the school property tax exemption from \$15,000 to \$25,000.

CSHB 32 (Dennis Bonnen) amends the tax code to reduce the rate of the franchise tax by 25 percent, from 0.5 percent to 0.375 percent for taxable entities in the retail or wholesale trade and from 1.0 to 0.75 percent for other taxable entities; expands eligibility for the EZ computation by doubling the cap to \$20 million in total revenue, and lowers the EZ rate from 0.575% to 0.331%, effective January 1, 2016. H.B. 32 provides approximately \$2.56 billion in tax relief for businesses. Heard April 14 in Ways & Means, substitute considered, substitute voted favorably in April 16 formal meeting, placed on April 28 major state calendar, passed the House April 28 with five floor amendments, referred to Senate Finance May 6, heard May 20, a committee substitute was adopted, reported favorably, passed the Senate May 24. House concurs in Senate amendments May 28. Technical corrections approved in both chambers May 31. CSHB 32 passed.

Other Bills of Interest

CSHB 40 (Darby | Keffer | King, Phil | Thompson, Senfronia | Oliveira) declares that oil and gas operations are the exclusive jurisdiction of the state; amends the natural resources code to preempt municipal regulation of oil and gas operation. Heard March 23 & 30 in Energy Resources, committee substitute adopted March 30, reported favorably, passed the House April 17, referred to Senate Natural Resources & Economic Development April 23, heard and reported favorably April 30, passed the Senate May 4, signed by the Governor May 18.

CSHB 735 (Israel) amends the transportation code to direct the DMV to collect information on alternatively fueled vehicles registered in Texas and to submit a report to the legislature annually that contains specified information on alternatively fueled vehicles. Committee substitute heard March 26 in Transportation, committee substitute adopted and reported favorably April 2, committee report sent to local & consent calendar April 10, passed the House May 5 with one floor amendment, heard May 18 in Senate Transportation, reported favorably, recommended for local & uncontested calendar, passed the Senate May 23, sent to the Governor May 26.

SB 1237 (Van Taylor) amends the transportation code to require that a metropolitan planning organization broadcast over the Internet live video and audio of each open meeting held by the policy board make available through the organization's Internet website archived video and audio for each meeting for which live video and audio was

provided. Heard April 7 in Business & Commerce, reported favorably April 8, passed the Senate April 14. Referred to House Government Transparency & Operation May 1, considered in May 7 formal meeting and reported favorably, placed on May 27 Local & Consent Calendar, passed the House May 27, sent to the Governor May 30.

HB 1394 (Burns) amends the transportation code (Chapter 366 – NTTA) to add to the authority a county with a board seat when the county has a turnpike whose toll collections equal at least four percent of the authority's revenue and a population of at least four percent of the aggregate population of the authority, and to establish an advisory committee including the county in which the authority contracts to construct a turnpike in the county. Heard April 16 in Transportation, reported favorably from April 22 formal meeting, passed the House May 5, referred to Senate Transportation May 6, heard May 20, reported favorably, recommended for local & uncontested calendar, placed on May 26 local & uncontested calendar, passed the Senate May 26, sent to the Governor May 29.

HB 2549 (Yvonne Davis) amends transportation code chapter 366 per NTTA request to (a) establish a regional toll enforcement approach to include tolling services agreements, (b) adjust ZipCash payment periods to allow for true monthly billing (25-day billing cycles), (c) Justice of the Peace amendment requested by the JPs regarding toll collection, (d) create paperless, electronic-only billing notification option for ZipCash customers, and (e) align the annual report due date with availability of audited financials. Heard in Transportation April 9, voted favorably at April 13 formal meeting, passed the House May 11, referred to Senate Transportation May 13, heard May 20, reported favorably, recommended for local & uncontested calendar, placed on May 26 local & uncontested calendar, passed the Senate May 26, sent to the Governor May 29.

CSSB 57 (Nelson) amends the transportation code (Chapter 366 – NTTA) to protect account information of TollTag and pay-by-mail users from public disclosure but not preclude any law enforcement or judicial requests for information. Heard March 18 & 25, committee substitute adopted and reported favorably March 30, placed on the local & uncontested calendar, passed the Senate April 9, referred to House Transportation April 23, heard May 18, committee substitute adopted and reported favorably, one floor amendment adopted on second reading, passed the House May 23. Senate concurs in House amendment May 28, sent to the Governor May 30.

CSSB 678 (Nelson) amends chapter 460 of the transportation code; limits DCTA liability to \$125 million for claims arising from an incident involving the provision of public passenger rail services under an agreement; makes other minor changes to the DCTA statute. Heard March 18 and April 8 in Transportation, reported favorably as substituted April 9, recommended for local & uncontested calendar, passed the Senate April 30, referred to House Transportation May 4, considered in May 8 formal meeting and reported favorably, passed the House May 13, signed by the Governor May 23, effective immediately.

CSHB 3777 (Collier) amends the transportation code (Chapter 452 governing DART &

The T)--makes population adjustments to reflect Metroplex growth. Heard April 23 in Transportation, substitute considered and adopted in April 28 formal meeting, reported favorably April 28, passed to engrossment with two floor amendments May 12, passed the House May 13 as amended, referred to Senate Administration May 15, heard May 20, committee substitute adopted, reported favorably, recommended for local & uncontested calendar, placed on May 26 local & uncontested calendar, passed the Senate May 26, House concurs in Senate amendments May 28, sent to the Governor May 30.

SB 1812 (Kolkhorst) amends the government code to create a database of entities in Texas that have the power of eminent domain, requires those with such power to report certain information to the comptroller and the comptroller to assemble, post on the Internet and maintain the database. Heard April 16 & 21 in Business & Commerce, reported favorably as substituted April 23, passed the Senate May 4 with one floor amendment, heard May 11 in House Land & Resource Management, committee substitute considered and left pending, substitute adopted and reported favorably May 22, placed on May 27 local & consent calendar, passed the House May 27, Senate concurred in House amendments May 30--bill passed.

Texas Senate – Tarrant County Delegation

District 9 Senator: Kelly Hancock, R-North Richland Hills 512-463-0109 CAP 1E.9

District 10 Senator: Konni Burton, R-Colleyville 512-463-0110 CAP GE.3

District 12 Senator: Jane Nelson, R-Flower Mound 512-463-0112 CAP 1E.5

District 22 Senator: Brian Birdwell, R-Granbury 512-463-0122 E1.706

Texas House – Tarrant County Delegation

District 90 Representative: Ramon Romero, D-Fort Worth 512-463-0740 E1.208

District 91 Representative: Stephanie Klick, R-Fort Worth 512-463-0599 E2.716

District 92 Representative: Jonathan Stickland, R-Bedford 512-463-0522 E1.402

District 93 Representative: Matt Krause, R-Fort Worth 512-463-0562 E2.212

District 94 Representative: Tony Tinderholt, R-Arlington 512-463-0624 E1.216

District 95 Representative: Nicole Collier, D-Fort Worth 512-463-0716 E2.508

District 96 Representative: Bill Zedler, R-Arlington 512-463-0374 CAP GS.2

District 97 Representative: Craig Goldman, R-Fort Worth 512-463-0608 E2.720

District 98 Representative: Giovanni Capriglione, R-Southlake 512-463-0690 E1.208

District 99 Representative: Charlie Geren, R-Fort Worth 512-463-0610 GW 17

District 101 Representative: Chris Turner, D-Grand Prairie 512-463-0574 E2.318

Senate Committee on Transportation

Sen. Robert Nichols, Chair

Sen. Don Huffines, Vice Chair

Sen. Rodney Ellis

Sen. Troy Fraser

Sen. Sylvia Garcia

Sen. Bob Hall

Sen. Kelly Hancock

Sen. Lois W. Kolkhorst

Sen. Van Taylor

Brian Birdwell

Natural Resources & Economic Development

Nominations, Chair

State Affairs

Veteran Affairs & Military Installations – S/C Border Security, Chair

Veteran Affairs & Military Installations

Konni Burton

Criminal Justice

Higher Education

Nominations

Veteran Affairs & Military Installations, Vice Chair

Kelly Hancock

Administration, Chair

Finance

Natural Resources & Economic Development

Jane Nelson

Finance, Chair

State Affairs

House Committee on Transportation

Joe Pickett, Chair

Armando Martinez, Vice Chair

Cindy Burkett

Yvonne Davis

Allen Fletcher

Patricia Harless

Celia Israel

Ruth Jones McClendon

José Menéndez

Andrew Murr

Chris Paddie

Larry Phillips

Ron Simmons

Giovanni Capriglione

Appropriations

Investments & Financial Services

Local & Consent Calendars

Nicole Collier

Business & Industry

General Investigating & Ethics, Vice Chair
Public Health

Charlie Geren

Calendars
House Administration, Chair
Licensing & Administrative Procedures
State Affairs

Craig Goldman

Elections, Vice Chair
Licensing & Administrative Procedures

Stephanie Klick

Human Services
Pensions

Matt Krause

Corrections
Land & Resource Management

Ramon Romero, Jr.

Business & Industry
County Affairs

Jonathan Stickland

County Affairs
Special Purpose Districts

Tony Tinderholt

Corrections
County Affairs

Chris Turner

General Investigating & Ethics
Higher Education
Ways & Means

Bill Zedler

Public Health
Special Purpose Districts