

## TCCE Special Session Legislative Update

### SENATE:

The Senate was in session very briefly on Monday, Thursday, and Friday this past week. On Monday, Senator Kirk Watson convened the Senate in a mostly empty chamber for less than one minute to receive a motion in writing from Senator John Whitmire for the Senate to recess until 3:00 p.m. Thursday pending receipt of bills from the House and for reading and referral of bills. On Thursday, the Senate was in session for eight minutes. They conducted routine business but did not take up any legislation. On Friday, the Senate convened again briefly and recessed until Monday.

***This Week:*** The Senate re-convened on Monday, August 7, 2017 at 3:00 p.m.

### HOUSE:

The House was in session Monday through Friday this past week.

On **Monday**, the House gave preliminary approval to

- **HB 9** by Cindy Burkett (R-Sunnyvale), which would continue the **Maternal Mortality and Morbidity Task Force** and expand its duties; It would require the Health and Human Services Commission to evaluate options for reducing pregnancy-related deaths and report its efforts to reduce the incidence of pregnancy-related deaths. *The committee substitute and five floor amendments were adopted and it unanimously passed to Third Reading on Monday. It received unanimous final approval on Tuesday. Note: the companion, SB 17, has passed the Senate.*
- **HB 10** by Armando Walle (D-Houston), which would also continue **the task force** and expand its duties; **Maternal Mortality and Morbidity Task Force** and require the Health and Human Services Commission to conduct a study on the feasibility of including provider best practices and maternal health outcomes as a pay-for-quality measures. *The committee substitute was adopted and it passed to Third Reading on Monday on a voice vote. On Tuesday, it received unanimous final approval.*
- **HB 11** by Shawn Thierry (D-Houston), which would require the task force to study **at-risk mothers**; and require the Health and Human Services Commission to conduct a study on the feasibility of including provider best practices and maternal health outcomes as a pay-for-quality measures. *The committee substitute and three floor amendments were adopted and it passed unanimously to Third Reading on Monday. On Tuesday, two additional floor amendments were adopted and it received unanimous final approval on Tuesday.*
- **HB 28** by Lina Ortega (D-El Paso), which would **increase the membership** of the task force from 13 to 14 members by adding one nurse specializing in labor and delivery.

On **Tuesday**, the House passed the Third Reading bills and gave preliminary approval to:

- **HB 20** by Trent Ashby (R-Lufkin), which would use Economic Stabilization Fund money to **decrease health care costs for retired teachers**; and
- **HB 80** by Drew Darby (R-San Angelo), which would allow the Teacher Retirement System to make a **cost-of-living adjustment to annuitants** it would provide a cost-of-living adjustment to Texas retired teachers to help them afford increasing health insurance premiums. *Two floor amendments were adopted and it passed to Third Reading on Tuesday by a vote of 139-2. On Wednesday, it received final House approval by a vote of 147-1.*

**Speaker Joe Straus** commented on House passage of HB's 20 and 80 saying, "The House voted for HB 20, which appropriates \$212 million to help defray rising premium, deductible, and out-of-pocket costs for retired teachers."

On **Wednesday**, the House passed the two Third Reading bills. They gave preliminary approval to:

**HB 32** by Dennis Bonnen (R-Angleton), which would **reform property tax** appraisals, appeals, notices, and rate reporting; It would:

- allow the appraisal review board (ARB) to deliver information to a property owner in an electronic format if agreed to by the property owner;
- require the comptroller to appoint a property tax administration advisory board to advise the comptroller regarding state administration of property taxes and state oversight of appraisal districts and local tax offices;
- require training and continuing education for appraisal review board members and arbitrators;
- change the "effective maintenance and operations rate" to the "no-new-revenue maintenance and operations rate" and change the "effective tax rate" to the "no-new-revenue tax rate;"
- require the comptroller to prescribe tax rate calculation forms to be used by taxing units to calculate the no-new-revenue tax rate, the rollback tax rate, and the rate to maintain the same amount of state and local revenue per weighted student that the district received in the school year beginning in the preceding tax year;
- require to comptroller to maintain a list of tax rates for each taxing unit and require each appraisal district to report that information on a form prescribed by the comptroller;
- require the comptroller to prepare an appraisal review board survey form that allows for taxpayer input and prepare an annual report that summarizes the information received;
- require appraisal districts in counties with a population of one million or more to increase the size of the district's ARB as appropriate to manage the duties of the ARB;
- institute anti-nepotism requirements for ARB members;

- establish special three-member ARB panels for commercial, industrial, manufacturing, utility or multifamily residential property appraised at \$50 million or more in counties with a population of one million or more;
- change “effective maintenance and operations rate” to “no-new-revenue” and “effective and rollback tax rate” to no-new-revenue and rollback tax rate;”
- require appraisal districts to maintain a searchable, continuously updated and publicly accessible property tax database that includes property values, property taxes, tax rates, hearing and meeting dates and other related information;
- prohibit a taxing unit from contesting the appraisal of a category of property;
- prohibit an appraisal district from charging a property owner for copies of information related to an appraisal review board hearing;
- prohibit an ARB from determining the appraised value of a property subject to a protest to be a greater amount than the original appraised value of the property;
- require the ARB to make a determination within 20 business days of the conclusion of the protest hearing;
- allow the ARB to schedule all protests filed by a property owner to be held consecutively; and
- prohibit ARB hearings on Sundays.

*Four floor amendments were adopted and it passed to Third Reading on Wednesday on a voice vote. On Thursday, two additional floor amendments were adopted and it received unanimous final approval by the House.*

Also on **Wednesday**, the House passed other third readings bills. They gave approval to:

- **HB 74** by Scott Cospser (R-Killeen), which would expand eligibility for funds to offset property tax exemptions for **disabled veterans**;
- **HB 155** by Dade Phelan (R-Port Neches), which would allow appraisal review boards to make changes to appraisal records for up to two prior years if the **property sells for** at least 10 percent **less than the appraised value**;
- **HB 165** by Charlie Geren (R-Fort Worth), which would allow property taxpayers to **appeal a tax protest** to district court; and
- **HB 192** by Phil King (R-Weatherford), which would change the **evidentiary standard** required to support a chief appraiser’s decision to increase the appraised value of property in the year after a property’s appraised value was lowered from “substantial evidence” to “clear and convincing evidence.”

On **Thursday**, the House took up and passed the Third Reading bills. They adopted:

- **HJR 38** by Giovanni Capriglione (R-Keller), which would propose a constitutional amendment exempting **deposits in the billion depository** from property taxes. And, they gave preliminary approval to:
- **HB 25** by Sarah Davis (R-Houston), which would increase reimbursement rates for **Medicaid acute care therapy**; would appropriate \$34.2 million in 2018 and \$36 million in 2019 from the Economic Stabilization Fund and \$45 million in 2018 and \$48.3 million in 2019 in federal funds to the Health and Human Services Commission for **Medicaid acute care therapy services**.
- **HB 26** by Lyle Larson (R-San Antonio), which would change the **groundwater permitting** process;
- **HB 27** by Lyle Larson (R-San Antonio), which would establish a **brackish groundwater** operating permit process;
- **HB 108** by Jim Murphy (R-Houston), which would float the interest rate charged on deferred or **abated property taxes**;
- **HB 215** by Jim Murphy (R-Houston), which would require physicians to report additional information regarding **abortions on minors**; would require physicians who perform an **abortion on a woman younger than 18** years old to **report information** in her medical record regarding whether the woman obtained parental consent, was granted a judicial bypass, or was in an emergency situation. It would require a physician who performs an **abortion based on a severe and irreversible fetal abnormality** to report the type of fetal abnormality.
- **HB 239** by Giovanni Capriglione (R-Keller), which is the enabling bill for HJR 38; and **HB 275** by Trent Ashby (R-Lufkin), which would extend the terms of **groundwater exporting permits**.

On **Friday**, the House gave final approval to the bills they debated on Thursday and gave preliminary approval to:

- **HB 21** by Dan Huberty (R-Humble), which would reform the **public school finance** system including:
  - adding \$1.9 billion into the public school finance system;
  - increasing the per-student basic allotment from \$5,140 to \$5,350 (decreasing recapture by \$389 million);
  - providing \$200 million for a hardship grant program for school districts scheduled to lose Additional State Aid for Tax Reduction (ASATR) in September, 2017;
  - providing \$75 million for facilities funding for fast-growth school districts; and
  - expanding high school care
- **HB 23** by Dan Huberty (R-Humble), which would establish a grant program for **students with autism**; and

- **HB 30** by John Zerwas (R-Fulshear), which would **increase public education funding**. would appropriate \$963.5 million in each fiscal year of the 2018-19 biennium to the Texas Education Agency to **increase the Basic Allotment** from \$5,140 \$5,350 and allocate \$15 million per fiscal year to school districts and open-enrollment charter schools to assist in covering the cost of educating **students with disabilities**. It would defer the \$1.9 billion August 2019 Foundation School Program payment to September 2019. *It passed to Third Reading on Friday by a vote of 131-11.*

## Senate and House Committee Hearings

### ENVIRONMENT:

On **Wednesday**, the **House Agriculture and Livestock Committee** took up:

- **HB 103** by Phil Stephenson (R-Wharton) would establish the **Pesticide Disposal Fund** administered by Texas Department of Agriculture composed of pesticide registration fees to administer pesticide waste and container collection activities. *It was voted out favorably.*

On **Thursday**, the **House Environmental Regulation Committee** took up:

- **HCR 28** by Joe Pickett (D-El Paso) would direct the Texas Commission on Environmental Quality to identify the minimum state **motor vehicle inspection and maintenance program** required to maintain air quality in compliance. *It was reported out favorably.*
- **HCR 29** by Ed Thompson (R-Pearland) would direct the Texas Commission on Environmental Quality to conduct an assessment of the safety and regulation of **municipal solid waste facilities**. *It was reported out favorably.*
- **HCR 30** by Geanie Morrison (R-Victoria) would direct the Texas Commission on Environmental Quality to maintain its opposition to the Beneficial Land Management request to land apply **grease and grit trap waste**. *It was reported out favorably.*

### GENERAL BUSINESS:

**Bathrooms** – No legislative action was taken this week on the “bathroom” issue, but grassroots activists on both sides of the issue were present around the capitol this week.

On Friday, the **House Land and Resource Management Committee** took up:

- **SB 6** by Donna Campbell (R-New Braunfels) is an **annexation reform** bill that prescribes procedures to be followed by a municipality before annexing property based on the size of the municipality. *It was voted out favorably as substituted.*

### ***This Week:***

The **Senate Business and Commerce Committee** will meet on Tuesday, August 8, 2017 at 9:00 a.m. in E1.016 of the capitol extension to take up: **HB 7** by Dade Phelan (R-Port Neches) would require a municipality that imposes a **fee for tree removal** to allow the person to apply for a credit for tree planting to offset the amount of the fee.

### **PUBLIC EDUCATION:**

On **Tuesday**, the **House Public Education Committee** took up: **HB 191** by Phil King (R-Weatherford) would establish the **Texas Commission on Public School Finance** to make recommendations for improvements to the current public school finance system or for new methods of financing public schools. *It was left pending. Note: the companion, SB 16, has passed the Senate.*

**HB 253** by Ron Simmons (R-Carrollton) would establish a tax credit scholarship and educational assistance program to provide scholarships or educational expense assistance to **students with a disability**. *It was left pending. Note: the companion, SB 2, has passed the Senate and been referred to the House Public Education Committee.*

### **STATEWIDE:**

On **Friday**, the **Senate Business and Commerce Committee** took up: **SB 28** by Van Taylor (R-Plano) would change the **sunset dates** for the Texas Historical Commission and the Texas State Board of Plumbing Examiners from September 1, 2019 to September 1, 2021; and set the sunset schedule for the Texas Military Department, Texas State Library and Archives Commission, and Texas Department of Motor Vehicles from September 1, 2019 to September 1, 2023. *It was reported out favorably.*

On **Tuesday**, the **House Ways and Means Committee** took up: **SB 1** by Paul Bettencourt (R-Houston) would make several **property tax reforms** including:

- reducing the rollback rate from 8 percent to 4 percent except for school districts and small taxing units (those with tax rates of 2 cents or less or imposing taxes of \$10 million or less), which would retain the 8 percent rollback rate;
- retaining the 8 percent rollback rate for taxing units in disaster situations;
- requiring rollback elections to be held on the November uniform election date;
- changing the term “effective tax rate” to “equivalent tax rate;”
- establishing a tax rate database for each appraisal district containing taxing unit information about proposed tax rates, estimated taxes, dates

- and locations of hearings, and taxing unit email addresses allowing taxpayers to make written comments;
- requiring taxing units to provide public official contact information, tax and budget information, and other financial information on the unit's Internet website;
  - establishing special appraisal review board panels to hear protests by owners of commercial, industrial, utility, and multi-family property;
  - prohibiting taxing unit challenges of all properties in a class or category of property owners; and
  - requiring the comptroller to establish the property tax administration advisory board.

*It was reported favorably as substituted.*

On **Wednesday**, the **House Ways and Means Committee** took up: **HB 82/HJR 21** by Drew Darby (R-San Angelo) would abolish **school district maintenance and operations property taxes** by 2020, forcing the legislature to implement a new way to fund schools for the 2020-21 school year. *They were left pending. On Thursday, HJR 21 was voted out favorably as substituted.*

**HB 168** by Gary VanDeaver (R-New Boston) would provide an alternative calculation of a **school district rollback tax rate** in school districts:

- whose 2005 tax rate was \$1.50 or less,
- whose adopted tax rate was approved at an election in the 2006 tax year or any subsequent tax year;
- that have adopted a tax rate equal to or higher than the rate provided by the new procedure for any tax year in the preceding 10 tax years; and
- that in the 2016 or any subsequent tax year has adopted a tax rate that was lower than the tax rate that is the sum of the highest maintenance and operations tax rate adopted by the district for the 2007 tax year or any subsequent tax year in which the adopted tax rate of the district was approved at an election and the district's current debt rate.

*It was reported out favorably.*

**HB 331** by Sarah Davis (R-Houston) would require, instead of allow, the **reappraisal of property in a disaster area** at its market value after a disaster declared by the governor. *It was reported out favorably.*

**There are 10 days left in the Special Session**