

# **Legislative Update**

## **HB 2095**

It was one of the busiest weeks yet for me at the Capitol and we have some good news. Our bill HB 2095 was presented by Rep. Sanford in committee this week and Darrek Farrell testified on behalf of the city. Both did an excellent job and the bill passed out of committee with one technical tweak as a committee substitute and will head to the local consent calendar. We are well on our way to passing the bill out of the house and over to the senate. I will let you know when it is scheduled for a vote. By getting the bill out of committee, we are at an estimated 46% chance of passing. The numbers will keep increasing at each stage of the process.

## **HB 1754**

I attended the House Economic Development Committee meeting and put in a card of support for Jim and the Economic Development Corporation for HB 1754 by Chairman Joe Pickett from El Paso. There is also a companion bill SB 583 in the Senate by Jose Rodriguez. Jim has listed these bills as a top priority. These bills the City will have an easier path to convey property through the use of a Chapter 380 Agreement.

## **SB 182**

The other big hearing this week was in Senate Finance and SB 182, the revenue cap bill. I provided the letter from the mayor as written testimony on behalf of the city. I also provided the letter from all the mayors of Collin County to be added into the record against the bill. We managed to get a huge amount of city, county, police, fire, sheriff, etc. to pack the meeting and testify against the bill. The hearing lasted for

many hours and testimony was limited to 2 minutes per person. Many of your colleagues testified against the bill. Ft. Worth Mayor Besty Price did a great job along with many of the mayors and other elected officials. The strategy was to get as many mayors and other elected official as possible from cities and counties who have members serving on the Senate Finance Committee.

The bill was not passed out of committee this week. We will carefully follow this and we need to get another round of letters. Bettencourt has proposed what he calls a compromise at 6% and has included an automatic rollback election. Everyone who attended opposed the compromise saying it doesn't matter what the number is – this is about local control!

## **House**

### **Tax Relief Plan from Chairman Bonnen in the House. The plan is different from the Senate Plan. Here is the plan as he explains it.**

Today I unveiled a sweeping tax relief plan that will provide nearly \$5 billion in permanent tax relief for every individual and business in Texas.

It is the biggest, broadest and boldest tax relief plan of the legislative session. It provides lasting tax relief to every family and business, and it is fiscally responsible because it abides by the spending cap. Most importantly, this tax relief is permanent. It cannot be eroded by local tax hikes or rising appraisals. In fact, the only way these tax cuts can disappear is by a vote of the Texas legislature.

House Bill 31 offers the first state sales tax cut in Texas history, reducing the rate from 6.25% to 5.95%. The average family of four will save \$172 per year. Employers, which currently pay 40% of all sales taxes collected in Texas, will realize substantial savings as well.

This is tangible tax relief that will benefit families and businesses of all sizes every time they buy something. Texans won't have to take the Legislature's word for it that we cut their taxes. They will see it on every receipt.

House Bill 32 cuts the franchise tax rate by 25% across-the-board for all businesses. Retailers and wholesalers will pay 0.375%, and all other businesses will pay 0.75%. The bill retains current exemptions that allow 900,000 small businesses to pay no franchise tax.

While the state controls the franchise tax and the sales tax, it does not control property taxes. If our experience in recent years has taught us anything, it's that property tax cuts are quickly swallowed by local rate hikes and rising appraisals. Any property tax cut passed without major systemic reform is guaranteed to meet the same fate. Taxpayers won't get the relief they were promised, we'll see no real economic benefit, and Texas will have abandoned one of the bedrock principles of fiscal responsibility by busting the spending cap.

My tax relief plan in the Texas House is the only one that has widespread support from business groups that represent a broad spectrum of the economy, and it is the only one that will put more money into the hands of taxpayers, stimulate the economy and limit the size of government.

**Here is some of the testimony from the other committee members questioning Bettencourt.**

[SB 182](#) By Bettencourt. Relating to the calculation of the ad valorem rollback tax rates of certain taxing units. - Pending.

(9:57) Chair Nelson said the bill would be laid out, public testimony would begin and when the committee reconvened after the floor session it would vote out bills before returning to public testimony.

Sen. Bettencourt said the state did benefit from rising property tax collections due to increased appraisals of properties. Sen. Bettencourt said LBB had estimated revenue growth 8.62% statewide in 2014 and the increases would be greater in 2015, some in double digits and reviewed revenue increases for various areas in committee members' districts. Sen. Bettencourt said the bill took into account the fact that a property owner's tax liability doubled in 7 years for 10% increases and said the bill would lower taxes to account for such rising tax liabilities.

Sen. Bettencourt provided a substitute which would include an election provision for rollback rather than automatic rollbacks. Sen. Bettencourt provided a fiscal note and announced that his staff member who was assigned to the committee was not present because his wife had gone into labor and subsequently delivered in their taxi in the hospital parking lot.

Sen. Bettencourt again apologized for the lack of his finance staffer for specific information and provided specific triggers for rollback elections. Sen. Bettencourt described the bill as "recognizing the obvious" by fractionally decreasing tax liabilities and was "the ultimate in local control" due to the election clause in the substitute. Sen. Bettencourt discussed how the bill would apply to the 2014 increases in revenue for Farmer's Branch. Sen. Bettencourt admonished witnesses to have specific numbers for any testimony on or against the bill as he was "a data driven fiscal conservative". Sen. Bettencourt concluded that tax liabilities for most Texans was significantly higher than pay check growth.

(10:15) Chair Nelson asked if the substitute only changed the trigger to 6%. Sen. Bettencourt said it also reduced eligible taxing entities to municipalities and counties.

Sen. West said he believed that local control needed to be maintained and he believed that elected officials not acting on the will of the people would be voted out.

Sen. West asked how the bill was not quashing local control. Sen. Bettencourt said the state already had some top down authorities of this nature which triggered at 8% for schools and reviewed increases different areas. Sen. West asked how the bill was maintaining local control. Sen. Bettencourt said that property taxes were the only taxes which were strictly state and local authorities. Sen. West said he believed the localities should be able to decide whether or not they need an election for rolling back taxes and said he felt the bill indicated little confidence on the part of the legislature in the localities for controlling their own taxes. Sen. Bettencourt said he felt the election clause would be giving the localities the same option to let their electorate decide on rollbacks in the same manner as they do for ISDs. Sen. West acknowledged that it was odd that the option was put in place for ISDs and not other political subdivisions, but believed there must have been a good reason. Sen. Bettencourt said he could not speak to that as he had not been in the legislature at the time. Sen. West suggested he look at the history of the legislation. Sen. Bettencourt said he believed the first step had been taken and it was time to make another incremental step by passing the bill.

Sen. Seliger asked if Sen. Bettencourt was using pay checks as a measure of PIG, was he suggesting an income tax. Sen. Bettencourt said that was a third rail and said he did not want to suggest that pay checks were the only part of PIG. Sen. Bettencourt provided an appraisal model as an example.

Sen. Seliger asked what had brought on the change to 6%. Sen. Bettencourt said he was trying to split the difference between the 8% trigger for ISDs and his preferred trigger of 4%. Sen. Seliger asked how much state funding would trigger a rollback election. Sen. Bettencourt said he was not sure, but did know it would give clear information on which unfunded mandates the state had set in statute and used Liberty County as an example. Sen. Seliger said his answer indicated the answer was 0.

Sen. Seliger asked who would provide oversight. Sen. Bettencourt said LBB, House Appropriations and Senate Finance.

(10:33) Sen. Seliger asked how Sen. Bettencourt would feel about the federal government passing such a bill. Sen. Bettencourt said they did not have a balanced budget requirement. Sen. Seliger said that was not an answer. Sen. Bettencourt listed reasons he felt the state was more fiscally responsible than the federal government. Sen. Seliger acknowledged that, but said it did not answer the question and said that he was indicating that he would not like the federal government asserting such authority. Sen. Bettencourt said he felt there would not be a rational conversation if the federal government did not create a balanced budget requirement first. Sen. Bettencourt said that federal law trumped state

law, state law trumped local law and that, as the state had already set such parameters for growth in tax liability for ISDs, he felt perfectly fine setting boundaries for other local entities. Sen. Seliger said, "Is the answer 'no'?" Sen. Bettencourt said he did not remember the question. Sen. Seliger asked if the federal government asserted such limitations if Sen. Bettencourt would accept it. Sen. Bettencourt said he would if was the will of the nation and "a rational conversation" could be had about the issue.

Sens. Seliger and Bettencourt discussed Bunker Hill's use of such mandatory rollbacks.

Sen. Seliger asked how many times Sen. Bettencourt had been re-elected in Harris County for Tax Assessor-Collector. Sen. Bettencourt said he was re-elected at least once more than he wanted to be. Sen. Seliger asked if Sen. Bettencourt would have willingly accepted the state government at the time dictating to him how to do his job.

Sens. Seliger and Bettencourt discussed municipalities in the Panhandle. Sen. Bettencourt said the bill was intended to only effect "super-heated counties" which had more that double digit increases in tax liability. Sen. Seliger said, "But it doesn't just affect super-heated areas." Sen. Seliger asked if the electorate elected their local officials based on what the legislature would dictate to them. Sen. Bettencourt said he felt that the electorate was too busy getting their day to day needs met to pay attention to such issues. Sen. Seliger said the same argument could endorse the federal government's use of such dictations. Sen. Bettencourt said the bill was "just setting guidelines" because he thought "that's what government's for". Sen. Seliger said a similar discussion could be made on state debt.

(10:51) Sen. West asked if it was possible that the reasons there was a provision relating to school districts rather than cities and counties was because the state funded school districts. Sen. Bettencourt said that may be changing and that the state gave several unfunded mandates to school districts as well.

The committee recessed at 10:53 and reconvened at 4:02.



## WEDNESDAY - 4/22/15

**Cal** [House Higher Education](#) **New - 1:52pm**

WEDNESDAY - 4/22/15

8:00 A.M., E2.014

<a href="#">HB 119</a>	<a href="#">Flynn, Dan</a>	Relating to tuition assistance for members of the Texas State Guard.
<a href="#">HB 382</a>	<a href="#">Canales, Terry</a>	Relating to public junior college district branch campuses, including a requirement that the South Texas Community College District establish a branch campus in a certain location.
<a href="#">HB 926</a>	<a href="#">Canales, Terry</a>	Relating to a study and report regarding the use of open-source instructional materials at public institutions of higher education.
<a href="#">HB 935</a>	<a href="#">Guillen, Ryan</a>	Relating to the approval by the Texas Higher Education Coordinating Board of baccalaureate degree programs offered by public junior colleges.
<b>Track Name(s):</b>		Angela's Cell (Support), Angela Hale (Support)
<a href="#">HB 1173</a>	<a href="#">Villalba, Jason</a>	Relating to the appointment of school marshals by public junior colleges.
<a href="#">HB 1384</a>	<a href="#">Davis, Sarah</a>	Relating to authorization by the Texas Higher Education Coordinating Board for certain public junior colleges to offer baccalaureate degree programs.
<b>Track Name(s):</b>		Angela's Cell (Support), Angela Hale (Support), McKinney (Support)
<a href="#">HB 1574</a>	<a href="#">Munoz, Sergio</a>	Relating to limitations imposed on baccalaureate degree programs offered by public junior colleges.
<b>Track Name(s):</b>		Angela Hale
<a href="#">HB 1611</a>	<a href="#">Guillen, Ryan</a>	Relating to the exemption from the assessment requirements of the Texas Success Initiative for students who successfully complete certain college preparatory courses.
<a href="#">HB 1612</a>	<a href="#">Guillen, Ryan</a>	Relating to a requirement that public institutions of higher education provide certain information to students and school districts regarding student performance on Texas Success Initiative.
<a href="#">HB 1613</a>	<a href="#">Guillen, Ryan</a>	Relating to the use of performance on certain assessment instruments designated by the Texas Higher Education Coordinating Board to satisfy requirements concerning high school end-of-course assessment.
<a href="#">HB 1807</a>	<a href="#">Naishtat, Elliott</a>	Relating to requiring the Texas Higher Education Coordinating Board to maintain an inventory of postsecondary educational programs and services for persons with intellectual and developmental disabilities.
<a href="#">HB 2365</a>	<a href="#">Murphy, Jim</a>	Relating to the requirements for employment positions provided through the Texas college work-study program.
<a href="#">HB 2621</a>	<a href="#">Raney, John</a>	Relating to the board of trustees of the Blinn Junior College District.

<a href="#">HB 2741</a>	<a href="#">Capriglione, Giovanni</a>	Relating to a competitive grant program to fund promotion of early literacy programs in certain communities in this state.
<b>Track Name(s):</b>		Equity Center
<a href="#">HB 2790</a>	<a href="#">Raymond, Richard</a>	Relating to measures to ensure certain adopted students are informed regarding their eligibility for tuition and fee exemptions at certain institutions of higher education.
<a href="#">HB 3348</a>	<a href="#">Clardy, Travis</a>	Relating to authorization by the Texas Higher Education Coordinating Board for certain public junior colleges to offer baccalaureate degree programs.
<a href="#">HB 3367</a>	<a href="#">Raney, John</a>	Relating to the establishment of state authorization reciprocity agreements for postsecondary distance learning courses.
<a href="#">HB 3384</a>	<a href="#">Johnson, Eric</a>	Relating to the automatic admission of certain transfer students to general academic teaching institutions.
<a href="#">HB 3670</a>	<a href="#">Naishtat, Elliott</a>	Relating to an environmental service fee charged by an institution of higher education.
<a href="#">HB 3748</a>	<a href="#">Farney, Marsha</a>	Relating to the coordination of educational support services for and information regarding students who are currently or were formerly placed in foster care.
<a href="#">HB 3836</a>	<a href="#">Giddings, Helen</a>	Relating to authorization by the Texas Higher Education Coordinating Board for certain public junior colleges to offer early childhood education baccalaureate degree programs.
<a href="#">HB 3844</a>	<a href="#">Turner, Chris</a>	Relating to the administration of the scholarship program for certain students graduating in the top 10 percent of the students' high school graduating class.
<a href="#">HB 4046</a>	<a href="#">Alvarado, Carol</a>	Relating to confidentiality of student records.
<a href="#">HB 4079</a>	<a href="#">Coleman, Garnet</a>	Relating to student fees at the University of Houston System.

### WEDNESDAY - 4/15/15

#### Cal **House Higher Education**

**WEDNESDAY - 4/15/15**

**8:00 A.M., E2.014**

<a href="#">HB 3566</a>	<a href="#">Miller, Rick</a>	Relating to tuition and fee exemptions at public institutions of higher education for certain military personnel and their dependents.
<a href="#">HB 3572</a>	<a href="#">Zerwas, John</a>	Relating to tuition and fee exemptions at public institutions of higher education for certain military personnel and their dependents.

#### **House Higher Education \* RULES SUSPENSION \***

**WEDNESDAY - 4/15/15**

**8:00 a.m., E2.014**

Posting rule suspended:

<a href="#">HB 3577</a>	<a href="#">Howard, Donna</a>	Relating to the distribution of funds under the Texas Educational Opportunity Grant Program.
<a href="#">HB 4173</a>	<a href="#">Howard, Donna</a>	Relating to the date for publication of the factors considered for admission to a new graduate and professional program.



[HB 451](#) [Alonzo, Roberto](#)

Relating to an optometry career program at the University of Houston.

**House Higher Education**  
**WEDNESDAY - 4/15/15**  
**8:00 A.M., E2.014**

ADD:

[HB 451](#) [Alonzo, Roberto](#)

Relating to an optometry career program at the University of Houston.

[HB 3577](#) [Howard, Donna](#)

Relating to the distribution of funds under the Texas Educational Opportunity Grant Program.

[HB 4173](#) [Howard, Donna](#)

Relating to the date for publication of the factors considered for admission to a new graduate and professional program.

**WEDNESDAY - 4/08/15**

**Cal** **[House Higher Education](#)**

**WEDNESDAY - 4/08/15**  
**8:00 A.M., E2.014**

[HB 44](#) [Martinez, Armando](#)

Relating to the establishment of a public law school in the Rio Grande Valley.

[HB 61](#) [McClendon, Ruth Jones](#)

Relating to a single common course numbering system for public institutions of higher education in this state.

[HB 921](#) [Price, Four](#)

Relating to limitations on increases in fees and designated tuition charged by public institutions of higher education.

[HB 1000](#) [Zerwas, John](#)

Relating to state support for general academic teaching institutions in this state.

[HB 1262](#) [Clardy, Travis](#)

Relating to continuing eligibility requirements for institutions of higher education to participate in the Texas Science, Technology, Engineering, and Mathematics (T-STEM) Challenge Scholarship Program.

[HB 2629](#) [Kacal, Kyle](#)

Relating to unauthorized persons at public or private institutions of higher education in this state and to trespass, damage, or defacement occurring on the grounds of those institutions.

[HB 3027](#) [Zerwas, John](#)

Relating to the establishment of the Texas Competency-Based Education Grant Program for certain students enrolled in competency-based online or other distance education baccalaureate degree programs.

[HB 3078](#) [Darby, Drew](#)

Relating to the creation of an advisory committee to recommend a uniform pre-nursing curriculum for undergraduate professional nursing programs offered by public institutions of higher education.

[HB 3318](#) [Clardy, Travis](#)

Relating to the definition of medical schools for medical residency programs.

**THURSDAY - 4/02/15**

**Cal** **[House Higher Education](#)**

**THURSDAY - 4/02/15**

**S/C on Post-Secondary & Workforce Readiness**

**8:00 A.M., E2.014**

[HB 1287](#) [Simmons, Ron](#) Relating to a requirement that each state university's Internet website include a link to certain employment data.

**Track Name(s):** Ellucian

[HB 1712](#) [Oliveira, Rene](#) Relating to the establishment of an innovative workforce training center in the Rio Grande Valley.

[HB 2402](#) [Howard, Donna](#) Relating to a study and report by the Texas Higher Education Coordinating Board on the feasibility of providing off-campus employment positions through the Texas college work-study program.

[HB 2628](#) [Clardy, Travis](#) Relating to the development and alignment by the Texas Higher Education Coordinating Board of curricula for certain educational programs.

[HB 3062](#) [Clardy, Travis](#) Relating to the participation of an independent school district in the Jobs and Education for Texans (JET) Grant Program.

**WEDNESDAY - 4/1/15**

**Cal** [House Higher Education](#)

**WEDNESDAY - 4/1/15**

**On adj., E2.014**

Pending business

**WEDNESDAY - 3/25/15**

**Cal** [House Higher Education](#)

**WEDNESDAY - 3/25/15**

**8:00 A.M., E2.014**

[HB 671](#) [Clardy, Travis](#) Relating to an intercollegiate athletics fee at Stephen F. Austin State University.

[HB 700](#) [Giddings, Helen](#) Relating to the repeal of the Texas B-On-time student loan program.

[HB 1054](#) [Clardy, Travis](#) Relating to developmental education programs under the Texas Success Initiative for public institutions of higher education.

[HB 1517](#) [Crownover, Myra](#) Relating to the imposition of the student centers fee at Texas Woman's University.

[HB 1583](#) [Clardy, Travis](#) Relating to block scheduling for associate degree and certificate programs at public junior colleges.

[HB 1903](#) [Raney, John](#) Relating to the distribution of funds to campuses in the Blinn Junior College District service area.

[HB 1992](#) [Zerwas, John](#) Relating to the granting of undergraduate course credit by advanced placement examination at public institutions of higher education.

[HB 2396](#) [Howard, Donna](#) Relating to eliminating requirements that certain public institutions of higher education set aside portions of tuition for student loan repayment programs for certain physicians and state attorneys.

<a href="#">HB 2472</a>	<a href="#">Zerwas, John</a>	Relating to the automatic admission of undergraduate students to The University of Texas at Austin.
<a href="#">HB 2483</a>	<a href="#">Zerwas, John</a>	Relating to a maximum tuition rate under a fixed tuition price plan.
<a href="#">HB 2568</a>	<a href="#">Morrison, Geanie</a>	Relating to authorizing a student center fee at the University of Houston-Victoria.
<a href="#">HB 2624</a>	<a href="#">Turner, Chris</a>	Relating to the effects of default on a student loan administered by the Texas Higher Education Coordinating Board on renewal of certain licenses.
<a href="#">HB 2848</a>	<a href="#">Crownover, Myra</a>	Relating to the amount and allocation of the annual constitutional appropriation to certain agencies and institutions of higher education.
<a href="#">HB 2921</a>	<a href="#">Paul, Dennis (F)</a>	Relating to authorizing a recreation and wellness facility fee at the University of Houston-Clear Lake.
<a href="#">HB 3245</a>	<a href="#">Crownover, Myra</a>	Relating to qualified nonprofit corporations acting for and on behalf of two or more cities.

#### WEDNESDAY - 3/18/15

##### **Cal** [House Higher Education](#)

WEDNESDAY - 3/18/15

8:00 A.M., E2.014

<a href="#">HB 100</a>	<a href="#">Zerwas, John</a>	Relating to authorizing the issuance of revenue bonds to fund capital projects at public institutions of higher education.
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#### WEDNESDAY - 3/11/15

##### **Cal** [House Higher Education](#)

WEDNESDAY - 3/11/15

8:00 a.m., E2.014

<a href="#">HB 699</a>	<a href="#">Nevarez, Poncho</a>	Relating to requiring public institutions of higher education to establish a policy on campus sexual assault.
<a href="#">HB 753</a>	<a href="#">Munoz, Sergio</a>	Relating to The University of Texas Rio Grande Valley.
<a href="#">HB 1051</a>	<a href="#">Wray, John (F)</a>	Relating to the creation of a campus of the Texas State Technical College System in Ellis County.
<a href="#">HB 1256</a>	<a href="#">Sheffield, J.D.</a>	Relating to student members of the board of regents of a state university or state university system.

#### WEDNESDAY - 3/04/15

##### **Cal** [House Higher Education](#)

WEDNESDAY - 3/04/15

8:00 a.m., E2.014

<a href="#">HB 197</a>	<a href="#">Price, Four</a>	Relating to requiring a public institution of higher education to post information regarding mental health resources on the institution's Internet website.
<a href="#">HB 658</a>	<a href="#">Zerwas, John</a>	Relating to the creation of a campus of the Texas State Technical College System in Fort Bend County.
<a href="#">HB 796</a>	<a href="#">Geren, Charlie</a>	Relating to the purchase of certain insurance coverage and the performance of related risk management

services for certain university systems and the component institutions of those systems.

[HB 916](#) [Spitzer, Stuart \(F\)](#)

Relating to the governing board of the Trinity Valley Community College District.

#### WEDNESDAY - 2/25/15

##### **Cal** [House Higher Education](#)

WEDNESDAY - 2/25/15

8:00 a.m., E2.014

[HB 99](#) [Guillen, Ryan](#)

Relating to tracking career information for graduates of Texas medical schools and persons completing medical residency programs in Texas.

[HB 123](#) [Fletcher, Allen](#)

Relating to excess undergraduate credit hours at public institutions of higher education.

**T** [HB 227](#) [Guillen, Ryan](#)

Relating to disposition of certain unclaimed money by local telephone exchange companies.

**Track Name(s):** AT&T

**T** [HB 298](#) [Wu, Gene](#)

Relating to measures to facilitate the transfer, academic progress, and timely graduation of students in public higher education.

**Track Name(s):** Ellucian

[HB 495](#) [Howard, Donna](#)

Relating to the use of money from the permanent fund for health-related programs to provide grants to nursing education programs.

**T** [HB 599](#) [Clardy, Travis](#)

Relating to energy savings performance contracts entered into by public institutions of higher education.

**Track Name(s):** TCAP (Neutral)

#### WEDNESDAY - 2/18/15

##### **Cal** [House Higher Education](#)

WEDNESDAY - 2/18/15

8:00 a.m., E2.014

Organizational meeting and invited testimony only to consider issues related to higher education.