Welcome to the Texas Legislative Update

Each week your Texas Pool and Spa Coalition ("TPSC") (aka APEC/APSP/IPSSA) lobbyists will send this helpful e-newsletter designed to keep you informed of happenings at the Texas Capitol during the 2019 Texas Legislative Session. The Texas Legislative Update will include summarized information of important weekly news items as well as links to relevant bills filed during the session. Please take a few minutes to review this information and, as always, contact us with your questions or comments.

Calendar for Week Ahead

- The House of Representatives adjourned until 3 p.m. Monday, March 18.
- The Senate adjourned until 3 p.m. Monday, March 18.
Analysis: Asking Texas voters to swap higher sales taxes for property tax cuts

By Ross Ramsey, Texas Tribune

In the rush of legislation filed before last week's deadline, you wouldn't be the only person who missed the measure proposing a 6.26 percent state sales tax rate. No reason you should have seen it or made note of it.

For one thing, it's a teensy tax increase, at least on paper - at least for now. The state's current sales tax rate is 6.25 percent, and local governments can add two cents on top of that rate. The increase to 6.26 percent is a placeholder in a proposed constitutional amendment - a place to put the real number when it's available.

That number is in the possession of House Public Education Committee Chair Dan Huberty, R-Houston, who is talking to legislators about raising the state sales tax by a penny, to 7.25 percent (the new tax rate he's waiting to propose), and pouring the money into public education. It wouldn't be for new spending, but it would increase state spending enough to significantly lower local property taxes - the driving political
force behind the state’s current legislative push for school finance reform.

A little change in your local property taxes, translated into statewide finance, takes a tremendous amount of money. But a 1-cent rate increase in sales taxes would produce a lot of money. The state collected $31.94 billion from sales taxes in the 2018 fiscal year, according to the Texas comptroller of public accounts; at that level of taxable sales, a 1-cent increase in the rate would bring in an extra $5.1 billion.

Local school districts, fueled by the local property taxes Texas voters hate so much, spent about $14.7 billion more than the state on public education in fiscal year 2018, according to the comptroller. The $5.1 billion from a 1-cent sales tax increase wouldn't be enough to level that out, but it would sure make a dent.

Citing the comptroller's numbers, one more time: The state currently covers 36 percent of the cost of public education, and the locals cover the other 64 percent; throwing $5.1 billion into the state column and lowering the local spending by the same amount would bring those closer to balance: about 46 percent state and 54 percent local.

That's also enough - and here is where legislators might find the political payoff, if there is one - to finance a property tax cut that's visible to homeowners. Huberty's introductory House Bill 3 - commonly called the school finance bill - would cut property taxes by about $100 for the owner of a home with a taxable value of $250,000, according to the author and others.

He can do that with money that's already in the state's hands. His proposed tax swap would increase the size of the property tax cut and also provide money for public education in future years.

His proposed constitutional amendment would raise your sales taxes, but that same sample homeowner would get almost $500 in property tax cuts - in addition to the $100 in property tax cuts in the current school finance bill.

If the sales tax play is the one legislators choose, the issue will be in voters' control before the end of the year, in ballot language something like this: "The constitutional amendment to provide funding for the cost of maintaining and operating the
public school system and to reduce school district ad valorem tax rates through an increase in the state sales and use tax rate."

That's Huberty's opening in House Joint Resolution 3, which would make it to Texas voters' ballots if it's backed with a two-thirds vote in both legislative chambers. The Senate is working to pass its legislation forcing automatic voter referenda on local property tax revenue increases; the trigger is at 2.5 percent for now; speaking to the NE Tarrant Tea Party this week, Lt. Gov. Dan Patrick predicted the final number will be between 2.5 percent and 4 percent.

Wherever that limit lands, however, it will not mean a tax cut - which means it's not the kind of property tax legislation voters are telling their politicians they want.

A tax cut is the thing, the prompt to action for this Legislature. Huberty and others are now saying, right out loud and in public, that school finance wouldn't be taking place this year if politicians and legislators were not so motivated by property taxpayers. Their line is that you can't get school finance reform without property tax reform.

And you don't really have property tax relief if all you do is limit how much more expensive government will become in the future. That's why conservative lawmakers are pressing for lower property taxes - even if it means they have to raise other taxes to get there.
The Senate

The Senate was in session Monday, Tuesday and Wednesday of last week. On Wednesday, they recessed until Thursday for first reading and referral of bills to committees.

On Wednesday, the Senate unanimously passed three bills: SB 319 by Charles Perry (R-Lubbock) would authorize the Lubbock County Hospital District to employ and commission peace officers; SB 354 by Eddie Lucio (D-Brownsville) would allow small counties to receive pre-authorization to disburse funds for salaries and expenses; and SB 500 by Jane Nelson (R-Flower Mound), the supplemental budget bill. Senator Nelson said, "The supplemental budget provides funding for some of the Legislature's key priorities - Hurricane Harvey relief, school safety and healthcare needs. It provides significant resources to improve the state's flood control infrastructure and helps communities along the Gulf Coast rebuild. Because the budget we passed was essentially flat, SB 500 keeps our current biennial budget well within the constitutional spending limit."

Lt. Governor's Priorities

- On Monday, Lt. Governor Dan Patrick announced the bills he has selected as his top priorities for the 2019 Legislative Session. Lt. Governor Patrick said, "Today I am announcing 30 priority bills for the Texas Senate for the 2019 Legislative Session. SB 1, at the top of the list, is a conservative Texas budget that includes $800 million for border security, funding for property tax reform and an across-the-board teacher pay raise. SB 2, property tax reform, is my top policy priority. SB 3, the across-the-board teacher pay raise, has already
unanimously passed the Texas Senate. True school finance reform starts with paying our teachers more. Aside from a parent, nothing has more impact on the future success of a child than a teacher. The remaining bills are not only my priorities, they are also priorities of the majority of the Texas Senate and the conservative majority of Texas. They strengthen our support for life, liberty and Texas values, increase protections for taxpayers, and ensure that our democracy remains strong and our economy will continue to grow and create jobs. I am proud to support this legislation and look forward to working with the senators who have authored these bills to get them passed and signed into law."

The 30 priorities include:

- **SB 1** - State Budget by Jane Nelson (R-Flower Mound)
- **SB 2** - Property Tax Reform by Paul Bettencourt (R-Houston)
- **SB 3** - Across-the-Board Pay Raise for Teachers by Jane Nelson (R-Flower Mound)
- **SB 4** - School Finance Reform by Larry Taylor (R-Friendswood)
- **SB 5** - Increase the Homestead Exemption by Paul Bettencourt (R-Houston)
- **SB 6** - Disaster Response Act by Lois Kolkhorst (R-Brenham)
- **SB 7** - Flood Disaster Plan and Matching Fund by Brandon Creighton (R-Conroe)
- **SB 8** - Statewide Flood Plan by Charles Perry (R-Lubbock)
- **SB 9** - Enhance Election Security by Bryan Hughes (R-Mineola)
- **SB 10** - Student Targeted Mental Health by Jane Nelson (R-Flower Mound)
- **SB 11** - School Safety by Larry Taylor (R-Friendswood)
- **SB 12** - Retired Teachers’ Security Act by Joan Huffman (R-Houston)
- **SB 13** - Ethics Reform by Brandon Creighton (R-Conroe)
- **SB 14** - Expand Rural Broadband by Robert Nichols (R-Jacksonville)
- **SB 15** - Protecting Local Free Markets by Brandon Creighton (R-Conroe)
• **SB 16** - Police College Loan Forgiveness by Kelly Hancock (R-North Richland Hills)
• **SB 17** - Protecting Religious Liberties by Charles Perry (R-Lubbock)
• **SB 18** - Protecting Campus Free Speech by Joan Huffman (R-Houston)
• **SB 19** - Protecting Second Amendment Rights by Bryan Hughes (R-Mineola)
• **SB 20** - Stop Human Trafficking by Joan Huffman (R-Houston)
• **SB 21** - Raise the Smoking Age to 21 by Joan Huffman (R-Houston)
• **SB 22** - Defund Abortion Providers by Donna Campbell (R-New Braunfels)
• **SB 23** - Texas Born-Alive Infant Protection Act by Lois Kolkhorst (R-Brenham)
• **SB 24** - Alternatives to Abortion Information Act by Eddie Lucio (D-Brownsville)
• **SB 25** - Higher Education Credit Transfer by Royce West (D-Dallas)
• **SB 26** - Honoring State Parks Commitment by Lois Kolkhorst (R-Brenham)
• **SB 27** - Stop Government Overreach by Bryan Hughes (R-Mineola)
• **SB 28** - Stop Frivolous Government Lawsuits by Joan Huffman (R-Houston)
• **SB 29** - Stop Taxpayer Funded Lobbying by Bob Hall (R-Edgewood)
• **SB 30** - Taxpayers Right to Know and Bond Transparency by Brian Birdwell (R-Granbury)

Total number of bills reported out of Senate Committees this session: 70

Total number of bills passed by the Senate this week: 3

Total number of bills passed by the Senate this session: 5

**This Week:** The Senate will reconvene at 3:00 p.m. on Monday, March 18, 2019.
The House

The House was in session on Monday, Tuesday, and Wednesday of last week conducting routine business. On Wednesday, they had a Congratulatory and Memorial Resolutions calendar.

House District 125

- Democrat Ray Lopez, former San Antonio City Council member and former Northside ISD trustee, won Tuesday’s Special Election Run-off to replace former State Representative, now-Bexar County Commissioner Justin Rodriguez (D-San Antonio). Lopez defeated Republican Fred Rangel, managing partner of Adco Master Builders and former State Republican Executive Committee member.

The results were:

- **Ray Lopez** (D-San Antonio) - 5,311 votes/58.42%
- **Fred Rangel** (R-San Antonio) - 3,780 votes/41.57%

Representative-elect Lopez will be sworn in after the votes are officially canvassed.

**Total number of bills reported out of House Committees this session:** 45
Total number of bills passed by the House this session: 0

This Week:
The House will reconvene at 3:00 p.m. on Monday, March 18, 2019. The House will start taking up bills next week. Tuesday’s calendar has nine bills, and Wednesday’s calendar has eight bills.

Key Legislation and Bills of Interest

**HB 125** by **Martinez** - Relating to the online publication of home addresses of certain occupational license holders.

- Prevents TDLR from publishing home addresses of a licensee.

**HB 191** by **Stephenson** - Relating to the disposal of pesticides.

- Chlorine, oxidizers and containers related thereto are subject to the bill.

**HB 218** and **HB 258** by **Krause/Blanco** - Relating to the abolition of student loan default or breach of a student loan repayment or scholarship contract as a ground for non-renewal or other disciplinary action in relation to a professional or occupational license.
• Eliminates the ability to deny/revoke a license based on student loan debt default.

**HB 1153** by White - Relating to the consequences of a criminal conviction on a person’s eligibility for an occupational license; charging a fee.

• This legislation makes it harder to revoke.terminate an occupational license based on a criminal conviction.

**HB 966** by Dutton - Relating to providing a sales and use tax refund or franchise tax credit for businesses that employ certain apprentices.

• Potential for tax deductions based on certain apprenticeship and training programs.

**HB 1857** by Goldman - Relating to an exemption from the plumbing licensing law for plumbing work performed on certain private property.

**HB 1868** by Lozano - Relating to the creation of the Texas Rural Water Advisory Council.

**HB 1924** by Blanco - Relating to state agency enforcement of laws regulating small businesses.

• Allows a small business the opportunity to remedy first-time violations of agency rules.

**HB 2031** by Turner - Relating to a statewide water conservation public awareness program.

**HB 2147** by Dutton - Relating to the availability of financial information of nonprofit corporations for public inspection.

**HB 2452** by Goldman - Relating to the Texas Department of Licensing and Regulation complaint review process.

**HB 2850** by Goldman - Relating to the confidentiality of complaints and investigations in certain occupational licensing programs of the Texas Department of Licensing and Regulation.
HB 2858 by Toth - Relating to adoption of a swimming pool and spa code for use in municipalities in this state.

HB 3622 by Paddie - Relating to the adoption of certain plumbing codes by the Texas State Board of Plumbing Examiners.

HB 4112 by Paddie - Relating to the review of certain occupational licensing rules by the office of the governor.

HB 4608 by White - Relating to the authority of the Texas Department of Licensing and Regulation to contract with municipalities and counties to perform inspections of electrical work.

SB 685 by Alvarado - Relating to providing a sales and use tax refund or franchise tax credit for businesses that employ certain apprentices.

- Potential for tax deductions based on certain apprenticeship and training programs.

SB 783 by Hinojosa - Relating to state agency enforcement of laws regulating small businesses.

- Allows a small business the opportunity to remedy first-time violations of agency rules.

SB 787 by Hancock - Relating to a reduced licensing fee for certain former license holders.

SB 964 by Alvarado - Relating to certain plumbing, air conditioning, and electrical services performed as a volunteer during a disaster.

SB 1106 by Buckingham - Relating to the adoption of certain plumbing codes by the Texas State Board of Plumbing Examiners.

SB 1995 by Birdwell - Relating to the review of certain occupational licensing rules by the office of the governor.

Keep Track of the Texas Legislature
To keep track of bills or access legislative information for this or previous sessions, visit Texas Legislature Online (TLO).

To learn more about the Texas State Senate and its activities, visit the Texas State Senate website.

To learn more about the Texas House of Representatives and its activities, visit the Texas House of Representatives website.

Thank you for taking the time to read our Texas Legislative Update e-newsletter. We look forward to providing weekly news and information important to each of you while working to make the 86th Legislative Session a very successful one for the Texas Pool and Spa Coalition!

Sincerely,

Jake Posey and Steve Koebele
Your TPSC Lobby Team