Representative «Name» Desk «Address»

LSG Floor Report For General Calendar- Saturday, August 12, 2017

HB 367 By: Capriglione / Koop	Relating to the deposit of money received from the federal government and the authority of the comptroller concerning related funds and accounts.	Appropriations	HB 367 would direct the Comptroller of Public Accounts (CPA) to establish a fund or account to deposit federal money. Any other earnings received from the federal government shall be credited to the general revenue fund. This can include: interest, earned credit, and indirect cost recoveries. The Comptroller shall ensure that federal money is not only separated from the general revenue but also administered for its intended purpose. These actions would mean that Federal funds will no longer count towards the Economic Stabilization Fund maximum balance calculation. For the 20-21 biennium, the cap would be estimated to decrease from $16.7 billion to $11.9 billion. There is a possibility that the 2020 severance tax collections would exceed the EFS's maximum balance. Any money collected from the severance tax that exceeds the maximum balance would not be transferred and remain in GR.	**Will of the House** Evaluated by: Ana Ramon 210-382-4295 Ana@Texaslsg.org
HB 208 By: Parker / et al.	Relating to the constitutional limit on the rate of growth of appropriations and appropriations of constitutionally dedicated revenue.	Appropriations	HB 208 is redundant and has the potential to harm our state's ability to provide necessary services to Texas families. Currently, there are already constitutional limits to spending in place. These limitations include: • Article VIII, Section 22: The spending of tax revenue not dedicated by the Texas Constitution can't outpace the Texas economy. • The LBB estimates personal income growth every two years. This information is used to calculate the growth of the state economy. • The State can't exceed the spending cap without a majority vote from the Texas House and Senate. HB 208 would create new requirements on appropriations from state revenues. This bill prohibits the spending of general revenue, other than federal, from exceeding the estimated rate of growth of the state's economy. Currently, the limit is only on GR and GR-dedicated not constitutionally dedicated. HB 208 establishes how the LBB will determine the growth rate of the economy and the limit on appropriations for that biennium. The new formula used to calculate the growth rate would include average population growth and inflation. Rebates are not included when determining if appropriations exceed the rate set. This bill would require a three-fifths vote from the Texas House and Senate to exceed the limit on appropriations. This could only take place in the case of an emergency and would set the amount over the spending cap. Before estimating a budget, the LBB must determine the limits on the rate of growth of appropriations. If the rate of growth between biennium is negative then non-dedicated	**Unfavorable** Evaluated by: Ana Ramon 210-382-4295 Ana@Texaslsg.org

			state tax revenue and consolidated revenue cannot increase. Additionally, this bill strips the ability of the LBB to use any other formula to define the rate of growth in the state's economy. Concerns: **Harming Education:** This bill will keep us from properly funding our public education system. It also has the potential to place the legislature in a bind when it's time to fund higher education. Higher Education advocates are fearful that the bill would count college tuition and other GR-D funds towards the new spending cap. This has the potential to force lawmakers to decide between the spending cap and funding state colleges. **Hurting our Retired State Employees:** Advocates point out that the cost of healthcare grows faster than inflation. The calculation methods required by this could mean more cuts for our retired state employees. **Cutting Services:** State Highway spending will grow faster than population and inflation. This bill could place a cap on the State Highway Fund. The fees collected by Texas Parks and Wildlife could go against the cap.	
LSG Floor Report For General Calendar-Senate Bills- Saturday, August 12, 2017				
SB 1 By: Bettencourt / et al. SP: Bonnen, Dennis	Relating to the calculation of the ad valorem rollback tax rate of a taxing unit and voter approval of a proposed tax rate that exceeds the rollback tax rate.	Ways & Means	SB 1 will not provide tax relief to Texas families and only divert attention from real property tax relief. Our local governments already lack the resources to provide services for all Texans. This bill would only burden them more. Genuine property tax reform includes properly funding our schools and providing prohibitions to unfunded mandates to local governments. Information provided by the State Comptroller's office showed that on average 54% of property taxes go to our public schools. Special purpose districts make up 13%, counties 17%, and cities 16% of property taxes. This bill separates taxing units into two separate categories. The first are "small taxing unit" and are defined as: taxing units with maintenance and operations tax rates of two cents or less per $100 of taxable value or bring in/impose $25 million or less in taxes. This includes junior colleges, small cities, and small counties but expressly excludes school districts. The assessor for the taxing unit will determine the rate. The bill maintains the effective maintenance and operations rate at 8% for small taxing units and sets it for all other districts at 6%. This makes an election **automatic** if a city, county, or special district exceeds the 6% if they're not considered a small taxing unit. **This is different from the current laws that allow for voters to petition for a rollback election when the revenue generated by a new tax rate by 8% or higher.** The increase does not include any taxes from new construction. The second category includes all taxing unites, besides those defined as small taxing units, **must** conduct an election to approve a tax rate higher than 8%. The bill does provide reprieve for taxing units in an area declared a disaster by the Governor or President. If not already excluded, their taxing rate would be set at 8% and mirror small taxing units. Water districts apply the same rollback rate provisions dependent on the size of the individual taxing units. An automatic election at 6% essentially establishes a revenue cap on essential services and infrastructure for all Texans living in urban counties or populous cities. Holding rollback elections is something local governments will rarely, if ever, do. The uncertainty, cost and political turmoil of such elections make them untenable except for rare and special circumstances – such as a crime wave. The bottom line is that affected local governments will view 6% as a hard cap.	**Unfavorable** Evaluated by: Ana Ramon 210-382-4295 Ana@Texaslsg.org

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			The bill also tries to address the issue of taxing units levying and gathering taxes based on a tax rate not approved by the voters. If the voters were to not approve the rate than individual tax payers will be due a refund by the taxing unit. This will only lead to more confusion and restrict the services the taxing unit can provide. **Targeting our Local Communities** This bill will be very costly to our local communities and negatively affect 57 counties and 38 cities. The City of Dallas estimates a loss of $10 million if the 6% rollback is implemented. The $10 million equates to the amount needed to maintain essential functions like maintenance on streetlights in Dallas. **A Warning from Houston** Currently, only the City of Houston has a revenue cap, which was added to the city charter by voters in 2004. This 4.5% tax rate has led to an estimated loss of $221.7 Million since 2014. While only saving around $5.51 a month over the last three years as reported by the Houston City Controller. Moreover, these rollback elections could harm credit ratings for our local cities and counties. The City of Houston stated that these caps on tax rate hikes have harmed their credit rating and should serve as a stark warning for other cities who may be affected negatively by this bill. **Our Counties will suffer the most** The best data available is that counties affected by this bill only increase taxes on average of 2.2% -- well beneath the proposed 6%. However, counties occasionally go above 6% to address local situations or needs where they want to "pay-as-you-go" rather than use debt for projects. A 6% cap would force more debt and less pay-as-you-go and taxation "just-in-time." Local governments with less flexibility will tend to increase taxes more to build reserves and avoid fiscal crisis.	
SB 11 By: Perry / et al. SP: Bonnen, Greg / Cook / Geren / Oliveira	Relating to general procedures and requirements for certain do-not-resuscitate orders; creating a criminal offense.	State Affairs	SB 11 is a narrow bill that enacts new statute related to in-hospital do-not-resuscitate (DNR) orders. In this bill DNR orders mean directions not to perform CPR on the patient. This bill unnecessarily complicates an already highly litigated and complex situation. Beyond that this bill erodes the physician-patient relationship by now requiring witnesses for oral DNR directions from a patient to their attending physician; the witnesses may be non-medical professionals. Additionally, the bill creates burdensome notice requirements on physicians and hospital staff to notify certain individuals of a patient's DNR both before and after placing in the medical record. The bill potentially allows for an incapacitated person's DNR to be overruled by the person's legal guardian or an agent under a medical power of attorney. This at best needlessly complicates, and at worst prevents the patient's express wishes not be carried out. The bill also puts a burden on physicians, facilities, and hospitals to transfer a patient when there is disagreement between the patient surrogate(s) and the patient's physician. Because this process is not well defined in the bill it could lead to an endless process of unsuccessfully trying to transfer a patient. Finally, the bill adds an unnecessary criminal penalty for medical professionals that intentionally conceal, cancel, effectuate, or falsify another person's DNR. This is unnecessary because current criminal law already holds these individuals criminally responsible for crimes such as fraud, assault, murder, etc. Remedies are also available through professional licensing boards.	**Unfavorable** Evaluated by: Nicolas Kalla 210-382-4295 Info@Texaslsg.org

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LSG Floor Report For Items Eligible- Saturday, August 12, 2017				
HB 7 By: Phelan / Geren / Darby / Larson	Relating to municipal regulation of the removal of trees or vegetation on private property.	Urban Affairs	HB 7 was sent to the Senate as a compromise bill and was agreed upon by many stakeholders. Unfortunately, the version sent back is vastly different and seeks to destroy local control. It's the recommendation of the LSG to NOT CONCUR with Senate amendments and request the formation of a conference committee.	**Unfavorable** Evaluated by: Ana Ramon 210-382-4295 Ana@Texaslsg.org