HOUSE RESEARCH ORGANIZATION • TEXAS HOUSE OF REPRESENTATIVES
P.O. Box 2910, Austin, Texas 78768-2910
(512) 463-0752 • https://hro.house.texas.gov

HOUSE RESEARCH ORGANIZATION

daily floor report

Thursday, April 11, 2019
86th Legislature, Number 44
The House convenes at 10 a.m.

One bill is on the Emergency Calendar, one joint resolution is on the Constitutional Amendments Calendar, and 16 bills are on the General State Calendar for second reading consideration today. The bills and joint resolutions analyzed or digested in today's *Daily Floor Report* are listed on the following page.

Dwayne Bohac
Chairman
86(R) - 44

HOUSE RESEARCH ORGANIZATION

Daily Floor Report
Thursday, April 11, 2019
86th Legislature, Number 44

SUBJECT: Amending the property tax system and reducing the rollback tax rate

COMMITTEE: Ways and Means — committee substitute recommended

VOTE: 7 ayes — Burrows, Guillen, Murphy, Noble, Sanford, Shaheen, Wray

2 nays — Martinez Fischer, E. Rodriguez

2 absent — Bohac, Cole

WITNESSES: For — Samuel Sheetz, Americans for Prosperity; Russ Duerstine, Americans for Prosperity and Concerned Veterans for America; James Harris, Citizens for Appraisal Reform; Chris Hill, Collin County; Darrell Hale, Collin County Commissioners; Kimberly Savage, Convention of States; Thomas Fabry, Frisco Tea Party; Robert Primo, Gregg County; Robin Lennon, Kingwood TEA Party, Inc.; Jason Corley, Lubbock County Commissioner Precinct 2; Crystal Main, NE Tarrant Tea Party; Terry Holcomb and Terry Harper, Republican Party of Texas; Mark Ramsey, Republican Party of Texas: SREC SD7; Bill Eastland, Texans For Freedom; Scott Norman, Texas Association of Builders; Tray Bates, Texas Realtors; Jorge Martinez, The LIBRE Initiative; Ellen Troxclair, Texas Public Policy Foundation; Roger Falk, Travis County Taxpayers Union; James LeBas, Texas Oil and Gas Association; and 18 individuals; (*Registered, but did not testify*: Steven Albright, Associated General Contractors of Texas; Adam Cahn, Cahnman's Musings; Michael Cassidy, Tamara Colbert, Michelle Hodson, Paul Hodson, Peter Morales, and Shelby Williams, Convention of States; Angela Smith, Fredericksburg Tea Party; Cheryl Johnson, Galveston County Tax Office; Armando Longoria, GI Forum; James Lennon, Kingwood TEA Party; Mark Keough, Montgomery County; Annie Spilman, National Federation of Independent Business; Fran Rhodes and Richard Davey, NE Tarrant Tea Party; Summer Wise, Republican Party of Texas; Mark Dorazio, Republican Party, State Republican Executive Committee; Justin Keener, Texans for Free Enterprise; David Mintz, Texas Apartment Association; Rick Dennis, Texas Association of Property Tax Professionals; Crystal Brown, Texas Building Owners and Managers Association; Mia McCord, Texas Conservative Coalition; Michael Pacheco, Texas Farm Bureau;

Vance Ginn, Texas Public Policy Foundation; Daniel Gonzalez and Julia Parenteau, Texas Realtors; Jason Vaughn, Texas Young Republicans; and 38 individuals)

Against — Dick Lavine, Center for Public Policy Priorities; George Haehn, City of Buda; Chris Coffman, City of Granbury; Holly Gray Moore, City of Roanoke; Brynn Myers, City of Temple; Adam Haynes, Conference of Urban Counties; Jim Allison, County Judges and Commissioners Association of Texas; Charles Reed, Dallas County Commissioners Court; David Stout, El Paso County; Jay Elliott, Falls County; Bill Jackson, Harris County; John Barton and Carlos Lopez, Justices of the Peace and Constables Association of Texas; Joe Shuster, Pecos County; Glen Whitley, Tarrant County; Maureen Milligan, Teaching Hospitals of Texas; Robert Johnston, Texas Association of Counties; Jimmy Stathatos, Town of Flower Mound; Stacy Suits, Travis County Constable, Precinct 3; Sarah Eckhardt; (*Registered, but did not testify*: Kristen O'Brien, American Federation of State, County and Municipal Employees Local 1624; Joe Hamill, American Federation of State, County and Municipal Employees; Selena Xie, Austin EMS Association; Paul Pape, Bastrop County Judge; Melissa Shannon, Bexar County Commissioners Court; Bo Kidd, Buda Police Department; Jimmy Spivey, City of Richardson; Mario Martinez, City of Brownsville; June Ellis, City of Buda; Jay Abercrombie and Pam Frederick, City of Bullard; Karen Hunt, Mike Land, Traci Leach, Biju Mathew, Wes Mays, and Gary Roden, City of Coppell; Paul Henley, City of Corsicana; Elizabeth Reich, City of Dallas; Michael Kovacs, City of Fate; Bill Kelly, City of Houston Mayor's Office; Clayton Fulton and David Palla, City of Hurst; Brad Boulton, Sean Johnson, Walters Marcus, Opal Mauldin-Jones, Nina Morris, Rona Stringfellow, and Samuel Urbanski, City of Lancaster; Clayton Chandler and Peter Phillis, City of Mansfield; John Love, City of Midland and Texas Municipal League; Yolanda Ford, City of Missouri City; Scott Swigert, City of Mont Belvieu; Mike Ahrens, Darleen Durant, Jacob Hatfield, and Amy Hinton, City of Mount Pleasant; Sereniah Breland, City of Pflugerville; Hugo Berlanga, City of Port Aransas and Nueces County; Karen Kennard, City of Port Arthur; Curtis Poovey, City of Richardson; Scott Campbell, City of Roanoke; Stacey Pfefferkorn, City of Round Rock; Neil Howard, City of Rowlett; Claudia Russell, City of San Marcos; Brandon Hill, City of South Padre Island; Charley Wilkison,

Combined Law Enforcement Associations of Texas; Leon Klement, Cooke County; Dolores Ortega Carter, County Treasurers Association of Texas; Matthew Williamson, Dallas Police Department; Michael Sullivan, Farmersville Police Department; Chris Youngman, Lancaster Fire Department; Donna Warndof, Harris County Commissioners Court; Clayton Huckaby, Hays County Emergency Services District No. 8; Jessica Anderson, Houston Police Department; Laurie Christensen, Texas Chapter of International Association of Arson Investigators and Texas Fire Marshal's Association; Bobby Gutierrez, Justices of the Peace and Constables Association of Texas; Isiah Chancellor, Lancaster Youth Ad Council; Pamela Bixby, League of Women Voters of Texas; Will Francis, National Association of Social Workers-Texas Chapter; Holli Davies, North Texas Commission; John Marez, Nueces County; Barbara Canales, Nueces County Commissioners Court; Don Allred, Oldham County; Mike Brodnax, Rowlett Police Department; Victor Boyer, San Antonio Mobility Coalition; Rene Lara, Texas AFL-CIO; Dwight Harris, Texas American Federation of Teachers; Patrick Shipp, Texas Fire Chiefs Association; Gary Tittle, Texas Police Chiefs Association; Lisa Dawn-Fisher, Texas State Teachers Association; Noel Johnson, Texas Municipal Police Association; Paul Spencer, Town of Addison; Rodney Harrison and Jeremy Wilson, Town of Little Elm; Julie Wheeler, Travis County Commissioners Court; Juan Booker, Jalen Brooks, Thomas Fripps, Rashad Jackson, Andrea Oseguerda, Rudolpho Ramirez, Zerell Sims, Keenan Smith, and Damareon Thomas, Youth Advisory Commission; and 10 individuals)

On — Ginger Nelson, City of Amarillo; Steve Adler, City of Austin; Karl Mooney, City of College Station; Dee Margo, City of El Paso; Shona Huffman, City of Frisco; David Palmer, City of Irving; George Fuller, City of McKinney; John Dean, City of Ovilla; Harry Lsrosiliere, City of Plano; Ron Nirenberg, City of San Antonio; Suzanne Bellsnyder, City of Spearman; Roberto Zarate, Community College Association of Texas Trustees; John Hryhorchuk, Office of the Governor; Jennifer Rabb, Rice University's Baker Institute for Public Policy; Larry Gaddes, Tax Assessor-Collectors Association; Marya Crigler, Texas Association of Appraisal Districts and Travis Central Appraisal District; Robert Riza, Texas Association of Community Colleges; Brent South, Texas Association of Appraisal Districts; Christy Rome, Texas School Coalition;

John Carlton, Texas State Association of Fire and Emergency Districts; Deborah Cartwright and Dale Craymer, Texas Taxpayers and Research Association; Margo Goodwin, Town of Highland Park; Amy Hedtke; Michelle Howarth; (*Registered, but did not testify*: Sylvia Acuff, Amigos de Patriots; David Anderson, Arlington Independent School District Board of Trustees; Eddie Solis, City of Arlington; Joe McComb, City of Corpus Christi; TJ Patterson, City of Fort Worth; John Bruce, City of Frisco; Sally Bakko, City of Galveston; Edena Atmore and Eliska Padilla, City of Hutto; Tracy Aaron, City of Mansfield; Mark Hindman, City of North Richland Hills; Mike Reissig, Comptroller of Public Accounts; Angela Hale, Frisco Chamber of Commerce and McKinney Chamber of Commerce; Roland Altinger, Harris County Appraisal District; Kevin Kavanaugh and John McGeady, Legislative Budget Board; Colby Nichols, Texas Association of School Administrators and Fast Growth School Coalition; Von Byer and Al McKenzie, Texas Education Agency; Steve Bassett, Texas School Alliance; Steven Alexander and Bill Lindley, Town of Highland Park; George Hernandez, University Health System Jon Hockenyos; Donna Rogers)

BACKGROUND:

Tax Code sec. 26.07 allows voters to petition for an election to repeal a tax rate adopted by a taxing unit that exceeds the unit's rollback tax rate. A petition for a rollback election must be signed by a certain percentage of the taxing unit's registered voters and be submitted to the governing body of the taxing unit within 90 days of the tax rate's adoption.

Tax Code sec. 26.04 defines the rollback tax rate as the rate that would raise 8 percent of additional tax revenue over the previous year's tax revenue.

DIGEST:

CSHB 2 would reduce to 2.5 percent the rollback tax rate for many taxing units other than school districts and certain special districts and would require an automatic election if a taxing unit's adopted tax rate exceeded its rollback tax rate. The bill also would make changes to the administration and state oversight of appraisal districts, appraisal review boards (ARBs), and property tax arbitration.

Rollback Tax Rate

CSHB 2 would provide two different methods for calculating the rollback

tax rate for taxing units other than school districts and certain special districts. The method that applied would depend on whether the taxing unit was a special taxing unit.

Special taxing units. The bill would set the rollback tax rate of a special taxing unit at 8 percent. A special taxing unit would be defined as:

- a taxing unit whose proposed maintenance and operations tax rate was 2.5 cents or less per $100 of taxable value;
- a junior college district;
- a hospital district; or
- an emergency services district.

Other taxing units. The bill would limit the rollback tax rate of a taxing unit other than a school district or special taxing unit to 2.5 percent. The rollback tax rate of a taxing unit other than a special taxing unit also would include a revenue enrichment rate and an unused increment rate.

The revenue enrichment rate would be the rate that, when applied to the current total value of taxable property in the taxing unit, would impose an amount of taxes equal to a revenue enrichment amount. The revenue enrichment amount for the 2020 tax year would be $250,000 and for each succeeding tax year would be equal to the revenue enrichment amount for the preceding tax year as adjusted for inflation. The comptroller would calculate and publish the revenue enrichment amount in the Texas Register each year by August 1 or as soon thereafter as practicable.

The taxing unit's unused increment rate would equal the difference between the aggregate rate by which the taxing unit's rollback rate exceeded its adopted tax rate and the aggregate rate by which the taxing unit's adopted tax rate exceeded its rollback rate in the preceding five years beginning after January 1, 2020.

The bill would require that only the property tax rate needed to service debt that had been approved at an election could be used in the computation of the rollback tax rate.

Disaster areas. A taxing unit other than a special taxing unit could calculate its rollback tax rate in the same way as a special taxing unit if any part of the unit was located in a declared disaster area during the tax year. The taxing unit's rollback rate would be calculated in this way until

the earlier of the first tax year in which the total taxable value of property in the unit exceeded the total taxable value of property in the unit on January 1 of the tax year in which the disaster occurred or five years after the disaster.

Anticipated collection rate. If the anticipated collection rate of a taxing unit was lower than the lowest actual collection rate of the taxing unit for any of the preceding three years, then the anticipated collection rate would be the lowest actual collection rate for any of the preceding three years. The anticipated collection rate could exceed 100 percent.

Automatic Election

CSHB 2 would require an automatic election if a taxing unit adopted a tax rate that exceeded the rollback rate. The order calling the election would be required to be issued by August 15, and the election would be held on the first Tuesday after the first Monday in November of the applicable year. Ballots would have to allow for a vote for or against approving the taxing unit's adopted tax rate exceeding the rollback rate and include the adopted tax rate and the difference between that rate and the rollback rate. If a majority of the votes cast in the election favored this proposition, the tax rate for the current year would be the adopted tax rate. If the proposition was not approved, the governing body would be prohibited from adopting a tax rate that exceeded the rollback rate for that year.

If the taxing unit already had sent out tax bills to property owners based on an adopted tax rate that was rejected at a rollback election, the assessor would have to send out new bills based on the new rate. Property owners who had already paid taxes would be refunded any difference between the taxes paid and those due under the subsequently adopted tax rate.

Taxing units that increased their expenditures to respond to a disaster other than a drought declared by the governor in any area in which the taxing unit was located would not be required to hold an election to approve the adopted tax rate for the year following the year in which the disaster occurred.

Appraisal Districts

Board of Directors. The bill would prohibit an individual from serving on an appraisal district board of directors if the individual had engaged in

the business of appraising property for use in property tax proceedings or representing property owners in hearings within the preceding three years.

CSHB 2 would create an exception to the offense of *ex parte* communication between a member of the appraisal district board of directors and the chief appraiser in situations where a member transmitted to the chief appraiser in writing and without comment a complaint by a property owner or a taxing unit about the appraisal of specific property.

Methodology. An appraisal district would be required to appraise property in accordance with the comptroller's appraisal manuals and generally accepted appraisal methods and techniques.

Notice of Appraised Value. CSHB 2 would repeal the requirement for a notice of appraised value to include the amount of tax that would be imposed on the property based on the preceding year's tax rate.

If issued by the chief appraiser of an appraisal district with a population of fewer than 120,000, the notice of appraised value would be required to state that the Legislature was not responsible for setting local taxes and to direct all inquiries relating to property taxes to local officials. This provision would apply to all appraisal districts in the state after January 1, 2022.

Appraisal Review Boards

CSHB 2 would set certain training and requirements for members of ARBs.

Special panels. An ARB for an appraisal district in a county with a population of 1 million or more would be required to establish special panels to conduct protest hearings relating to property with an appraised value of $50 million or more that was commercial real and personal property, real and personal property of utilities, industrial and manufacturing real and personal property, or multifamily residential real property. The ARB chairman also could assign protest hearings relating to other types of property to a special panel.

A special panel would be allowed to conduct a protest hearing only if requested by the property owner or if assigned to the special panel by the ARB chairman. The chief appraiser in the county would have to include in

the notice of appraised value for qualifying property that the owner had the right to have a protest heard by a special panel of the ARB.

Each special panel would consist of three members appointed by the ARB chairman who met certain educational or licensing requirements.

Size of ARB. The appraisal district board of directors in a county with a population of at least 1 million would be required to increase the size of the ARB to the number of members appropriate to manage the ARB's duties, including the duties of each special panel.

Hearings. CHSB 2 would require that in addition to hearings on Saturday, the ARB would be required to provide for protest hearings after 5 p.m. on a weekday. The board would be prohibited from scheduling the first protest hearing after 7 p.m. on a weekday evening or a protest hearing on a Sunday. The bill would provide requirements for setting multiple consecutive hearings on a single day and postponing hearings.

Notice of protest hearing. The bill would require the notice of the setting of a protest hearing to include a description of the subject matter of the hearing sufficient to identify the specific action being protested.

If multiple hearings were to be heard on the same day, the notice of hearings would be required to state the date and times of the hearings and the order in which the hearings would be held, which could not be changed without the consent of all parties. Restrictions on rescheduling an ARB hearing are detailed in the bill.

Challenges barred. The bill would repeal the ability of a taxing unit to challenge before an ARB the level of appraisals of a category of property in the district.

Evidence. Upon request by the property owner, the chief appraiser would be required to deliver copies of any information that would be introduced at the protest hearing at no cost to the owner. The chief appraiser could not introduce any requested information that was not delivered to the protesting party at least 14 days before the hearing, except to rebut evidence or argument presented by the protesting party.

Majority vote. The concurrence of a majority of the ARB or panel members present at a meeting would be sufficient for any action by the

board or panel. Requiring more than a majority for any action would be prohibited.

Determination. An ARB would be required to enter a written decision on a protest hearing within 30 days or 45 days of the hearing's conclusion, depending upon the population of the county in which the ARB was located.

CSHB 2 would prohibit an ARB from determining the appraised value of property subject to a protest to be greater than the appraised value shown in the appraisal records submitted by the chief appraiser, unless the protest involved the cancellation, modification, or denial or an exemption or a determination that that the property did not qualify for appraisal as land designated for agricultural use, agricultural land, timber land, or restricted-use timber land.

Survey form. The comptroller would be required to prepare an ARB survey form and instructions and maintain a web page on the comptroller's website on which the form could be completed and submitted electronically. The form would allow for comments and suggestions from participants in an ARB hearing regarding hearing procedures and any other matter related to the fairness and efficiency of the ARB.

Arbitration

Training. CSHB 2 would require the comptroller to create a training program on property tax law for arbitrators. A person who wanted to become an arbitrator would be required to complete this program along with the comptroller's course for ARB members. The comptroller would be required to approve curricula and provide an arbitration manual and other materials.

Renewal and removal. To renew an agreement to serve as arbitrator, a person would have to continue to meet the same requirements initially needed to become an arbitrator. The comptroller would be required to remove a person as an arbitrator if the person failed to complete a program on property tax law for arbitrators within 120 days.

Eligibility. The bill would repeal the requirement that an arbitrator reside in the county in which the property subject to the appeal was located. Instead, an arbitrator only would be required to reside in the state. The bill

also would impose guidelines on the comptroller's appointment of certain arbitrators.

Rate Setting

CSHB 2 would make changes to the procedure by which a taxing unit set its tax rate. The bill also would rename the "effective tax rate" as the "no-new-revenue tax rate" and the "effective maintenance and operations rate" as the "no-new-revenue maintenance and operations rate."

Calculating rates. If the ARB for an appraisal district had not approved the appraisal records for the district by July 20, the chief appraiser would be required to prepare and certify to the assessor for each taxing unit in the district an estimate of the taxable value of the property in that taxing unit by July 25.

Upon the comptroller's publication of the year's revenue enrichment amount, the designated officer or employee of a taxing unit's governing body would be required to calculate the no-new-revenue tax rate and the rollback tax rate based on the certified appraisal or certified estimate received from chief appraiser.

The comptroller's tax rate calculation forms would be required for these calculations. A tax rate could not be adopted until the officer or employee had certified on the forms that the rates were calculated accurately and that the values shown on the taxing unit's certified appraisal roll or certified estimate had been used in the calculations. The taxing unit would be required to include the forms as an appendix to its budget for the fiscal year, and the forms would have to be submitted to the county assessor-collector for each county in which the taxing unit was located.

By August 7 of each year, or as soon thereafter as practicable, the officer or employee would be required to publish the rates in a newspaper in the county in which the taxing unit was primarily located, post the rates in a prominent location on the taxing unit's website, and submit to the governing body a schedule of the taxing unit's debt obligations, in addition to current statutory requirements.

On the same date, the chief appraiser of each appraisal district would be required to deliver to each property owner a notice stating that the estimated amount of taxes to be imposed on the owner's property by each

taxing unit was available on the property tax database maintained by the appraisal district.

These certification and notice requirements would not apply to a school district. A taxing unit with low tax levies that elected to provide public notice of its proposed tax rate would be required to list the proposed tax rate prominently on its website.

CSHB 2 would allow a property owner in a taxing unit to obtain an injunction prohibiting the taxing unit from adopting a tax rate if the assessor or the taxing unit had not complied with tax rate publication or posting requirements.

Property tax database. Each appraisal district's chief appraiser would be required to create and maintain a property tax database identified by the name of the county in which the appraisal district was located. The database would be required to be updated continuously as preliminary and revised data became available and would have to be accessible to the public and searchable by property address and owner, unless such information was confidential.

The database would include such information as the no-new-revenue rate, rollback rate, and proposed rate for each taxing unit in the district, information about any hearing or meeting to adopt a proposed rate, and an email address for each taxing unit. It also would provide an electronic form that would allow taxpayers to submit an opinion regarding the adoption of a proposed rate. The bill would set out requirements for the incorporation of relevant data into the database.

Taxing unit website. Each taxing unit would maintain a website with certain information, including its proposed or adopted budget, adopted tax rates for the two most recent years, most recent financial audit, and contact information. The website also would include the name and contact information for each member of the taxing unit's governing body.

County website. Counties would be required to maintain a website with information regarding the adopted tax rate, the maintenance and operations rate, the debt rate, the no-new-revenue rate, the no-new-revenue maintenance and operations rate, and the rollback rate for the five most recent years. Each taxing unit in the county would be required to

post the certified tax rate calculation forms used to determine its rates for the five most recent tax years beginning the 2020 tax year and the name and contact information for each member of its governing body. Each year's tax rate calculation forms would have to be posted on the website by August 1.

Rate adoption. CSHB 2 would require that the governing body of a taxing unit other than a school district hold a public hearing before adopting a tax rate that exceeded the lower of the rollback tax rate or the no-new-revenue tax rate. The taxing unit could not hold this hearing before the fifth business day after the chief appraiser of each appraisal district in which the taxing unit participated had delivered to each property owner the required notice regarding the property tax database and uploaded to the database the required information and tax rate calculation forms.

The bill would require that certain statements with information regarding the rates and taxing units be included in notice of public hearing.

The governing body could vote on the proposed tax rate at the public hearing. If the governing body did not vote on the proposed tax rate at the public hearing, the date, time, and place of the meeting at which it would vote on the proposed rate would have to be announced at the hearing and in a public notice.

The governing body would be prohibited from scheduling a meeting to vote on the adoption of the proposed tax rate later than the seventh day after the public hearing.

The governing body of a taxing unit that imposed an additional local sales and use tax would be prohibited from adopting a tax rate until the taxing unit's chief financial officer or auditor submitted a written certification that the amount of additional sales and use tax revenue used for debt service had been deducted from the total amount of the property tax revenue that would be used to pay the taxing unit's debt obligation for the next year.

Injunction. Any action for an injunction by a property owner restraining collection of taxes by a taxing unit due to noncompliance with the tax rate calculation, notice, and adoption requirements would have to be filed

within 15 days after the tax rate's adoption. It would be a defense to such an action for an injunction if failure to comply with any of the above requirements was in good faith.

The bill would not require the property owner to pay the taxes imposed by the taxing unit while an injunction action was pending and would allow the owner to receive a refund of any taxes paid, along with reasonable attorney's fees and court costs, if the owner prevailed in the action.

Deadline for adoption. A taxing unit would be required to adopt a tax rate in excess of the rollback tax rate by the 71st day before the first Tuesday after the first Monday in November of that year. In all other cases, a taxing unit would be required to adopt a tax rate before the later of September 30 or the 60th day after receiving the certified appraisal roll.

2015-2019 calculation forms. The designated officer or employee of the taxing unit also would be required to submit to the county assessor-collector for each county in which the taxing unit was located the worksheets used to calculate the effective and rollback tax rates for the 2015-2019 tax years. The county would be required to post the worksheets on the its website.

State Administration

Tax rate calculation forms. CSHB 2 would require the comptroller to prescribe tax rate calculation forms for use by taxing units to calculate the no-new-revenue rate and rollback tax rate. School districts also would use these forms to calculate the rate needed to maintain the same amount of state and local revenue that the district received in the school year beginning in the preceding tax year. The forms would be in an electronic format and would be capable of being incorporated into the appraisal district's property tax database.

Advisory board. CSHB 2 would require the comptroller to appoint a property tax administration advisory board to provide advice regarding the state administration of property taxation and state oversight of appraisal districts. The advisory board would be composed of at least six members, including a person with knowledge or experience in ratio studies and representatives of property tax payers, appraisal districts, assessors, and school districts.

The advisory board could make recommendations to the comptroller on improving the efficiency of the property tax system, best practices, and complaint resolution procedures.

Biennial reports. CSHB 2 would add requirements regarding certain biennial reports and reviews conducted by the comptroller in order to implement the provisions of this bill.

Statewide list of tax rates. CSHB 2 would add tax rates imposed by school districts to the comptroller's annual list of tax rates across the state and would change the deadline for the list's publication.

School property value study. If the comptroller determined in a school property value study that a school district's local value as determined by the applicable appraisal district was not valid, the comptroller would be required to provide notice to the appraisal district's board of directors, and the board would be required to hold a public meeting to discuss the notice.

If the comptroller determined that the school district's local value was not valid for three consecutive years, the comptroller would be required to conduct a review and provide recommendations to the appraisal district. If the appraisal district failed to take remedial action reasonably designed to ensure substantial compliance with each recommendation before the first anniversary of the date that the recommendations were made, the comptroller would be required to notify the Texas Department of Licensing and Regulation (TDLR). TDLR would be required to take action to ensure that that the recommendations were carried out as soon as practicable.

With the assistance of the comptroller, TDLR would determine whether the comptroller's recommendations had been substantially implemented and would notify the appraisal district's board of directors of the determination by February 1 of the next year. If TDLR determined that the recommendations had not been substantially implemented, the board of directors would be required to consider within three months whether the failure to implement the recommendations was under the chief appraiser's control and whether the chief appraiser was able to adequately perform the chief appraiser's duties.

Implementation. The comptroller would be required to provide written

notice to each appraisal district of the deadline for complying with each new requirement, duty, or function imposed by this bill on an appraisal district or taxing unit and any change made by this bill to the deadline for complying with an existing requirement, duty, or function of an appraisal district or taxing unit. After receiving this notice, the chief appraiser of an appraisal district would be required to forward the notice to each assessor for a taxing unit located in the appraisal district.

Effective dates. Except as otherwise provided, the bill would take effect January 1, 2020.

Certain provisions, including those relating to the requirement that the comptroller send notice to each appraisal district regarding the implementation of this bill and the requirement that the designated officer or employee of a taxing unit submit prior-year worksheets to the county assessor-collector for posting on the county website would be required within 30 days of the effective date of these provisions. These provisions would take effect immediately if the bill was finally passed by a two-thirds record vote of the membership of each house. Otherwise, these provisions would take effect on the 91st day after the last day of the legislative session.

Certain provisions, including some relating to ARBs and special panels, would take effect September 1, 2020.

Certain provisions, including some relating to special panels, tax rate calculation forms, and notice of the property tax database, would take effect January 1, 2021.

An appraisal district established in a county with a population of at least 120,000 and each taxing unit located in such an appraisal district would be required to comply with the requirements for a property tax database, taxing unit website, and related notice requirements by the beginning of the 2021 tax year. An appraisal district established in a county with a population of less than 120,000 and each taxing unit located wholly in such an appraisal district would be required to comply with these requirements by the 2022 tax year.

Certain provisions, including changes to the notice of appraised value, would take effect January 1, 2022.

The comptroller would be required to implement required changes to the statewide list of tax rates by January 1, 2022, in the case of a taxing unit located in a county with a population of at least 120,000, or by January 1, 2023, in the case of taxing unit located wholly in a county with a population of less than 120,000.

SUPPORTERS SAY:

CSHB 2 would enable Texans to slow the increase in local property taxes and encourage local governments to make more efficient budgetary decisions. The bill also would improve transparency and allow for more standardization in the property tax system.

Taxes. CSHB 2 would provide Texas homeowners and businesses with a mechanism to alleviate the ever-increasing burden of property taxes. Property taxes in many Texas communities have been growing faster than average income, imposing a substantial financial burden on taxpayers. Rising property taxes have caused Texans to be taxed out of their homes, not purchase homes at all, go out of business, or make cuts in crucial areas of their budgets. According to a February 2019 University of Texas/Texas Tribune poll, a majority of Texas voters say they pay too much in property taxes.

CSHB 2 would give voters a greater say in whether increases in property taxes were warranted. At the same time, the bill would prevent the state's economic growth from being undermined by these taxes.

Reducing the rollback tax rate from 8 percent to 2.5 percent would bring the rate more in line with the current rate of inflation. Removing the onerous requirements of petitioning for a rollback election by making such elections automatic and moving the election date to November to maximize voter participation would make the rate of property tax growth further responsive to the concerns of taxpayers.

Spending. CSHB 2 also would encourage more efficient government spending. Local governments either would have to convince voters that an adopted tax rate in excess of the rollback tax rate was needed to fund specific projects or services or would have to cut costs in other areas to avoid a rollback election. If desired spending concerned matters with

broad community support, such as public safety, local governments would have nothing to fear from rollback elections.

The bill would provide for budgetary flexibility by allowing local governments that had not exceeded the rollback tax rate in prior years to bank this unused amount toward raising the rollback rate in a subsequent year, incentivizing local governments to adopt a tax rate below the rollback rate. Local governments also could use the higher, 8 percent rollback tax rate for up to five years after being declared a disaster area.

As under current law, new property value would be subject to property tax but not factored into the rollback rate, meaning that growing cities and counties would see an increase in their budgets to meet the demand for expanded services. Debt service also would be carved out of the rollback rate calculation. Local governments also could prepare for any emergencies by buying insurance, expanding their rainy day fund, or pooling resources with other similarly situated local governments.

Local control. CSHB 2 would return control to voters and provide them with greater oversight over the budgetary decisions of local governments.

Transparency. CSHB 2 would improve the transparency and efficiency of the property tax system by providing taxpayers with real-time access to tax information, revising required notices, using easier-to-understand terminology, and making the process generally more taxpayer friendly.

The bill's property tax database would save taxpayers the time and effort of searching newspapers and websites for tax notices by providing up-to-date, accurate information about how a proposed rate affected their tax bill, how it compared to their tax bill for the previous year, and where to go to learn more or voice concerns. This database would better inform taxpayers and allow them to engage in the rate setting process.

Revising required notices would prevent confusion. Taxpayers currently have difficulty understanding the notices they receive at various stages in the property tax appraisal and rate-setting process. Including an estimate of taxes due in the notice of appraised value often misleads property owners into believing that the notice reflects their tax bill. As a result,

taxpayers tend to protest the appraised value of their property when they really intend to dispute their taxes, overburdening appraisal review boards (ARBs). On the other hand, there is often little participation in the rate-setting process that actually determines the amount of taxes property owners end up paying.

By removing the statement of estimated tax from the notice of appraised value, the bill would be less likely to mislead taxpayers and would focus attention on the rate-setting process, which determines the amount of taxes paid. The bill also would make the property tax system easier for taxpayers to understand by replacing complex jargon in notices with more user-friendly terms.

Standardization. CSHB 2 would improve state oversight of appraisal districts, ARBs, and property tax arbitration. The requirement that appraisal districts use the comptroller's appraisal manual would standardize and clarify the appraisal process. CSHB 2 also would ease the process of protests and appeals by issuing property appraisal notices electronically and allowing taxpayers to schedule after-hours protests and appeals.

OPPONENTS SAY:

CSHB 2 would limit local governments' ability to provide critical services and usurp local control with a state-mandated, one-size-fits-all property tax cap, all while saving taxpayers relatively little.

Taxes. CSHB 2 would provide only modest savings to taxpayers in comparison with the costs to local governments and could lead to unintended consequences.

The bill could lead to local governments adopting a tax rate equal to the rollback tax rate each year, even when additional revenue in that amount was not needed, in order to save for unforeseen contingencies. In order to avoid cutting spending on critical public safety and infrastructure, some cities could rescind the homestead, senior, and disabled exemptions, which are more effective mechanisms for providing tax relief than lowering the rollback rate. Some local governments also could turn to higher sales taxes and fees to make up for the revenue shortfall, all of which could impose a greater financial burden on those least able to pay.

Spending. CSHB 2 would make it difficult for local governments to pay for existing public safety and other critical services, let alone new services to meet the needs of a growing population. Most cities in the state spend about two-thirds of their budget on public safety. Some budget growth is driven by rising costs of living due to health insurance cost increases, wage increases, and inflation. Population growth and economic development also require cities to expand services further.

A 2.5 percent rollback rate would be so low that local governments could see a budget crisis even during average years. Such a low rollback tax rate could inhibit the ability of local governments to attract big employers, slowing economic growth in Texas. The bill also would limit the ability of local governments to deal with emergencies and lead to long-term cuts in property tax receipts in the event of a decrease in property values due to a recession.

In order to avoid cost-cutting, rollback elections would have to be held every year. These elections not only could cost millions and create a great deal of uncertainty but also could damage the credit ratings of local governments and prevent them from entering into long-term contracts due to increased uncertainty.

Local control. CSHB 2 would reduce local control by applying a one-size-fits-all approach to property taxation. Local governments have diverse needs, and local officials are in a better position than state legislators to understand the unique needs of their community. The bill would make it difficult for local officials to respond to these needs. Local control also could be undermined because of the difficulty in obtaining bonds due to the reduced credit rating that would be a possible consequence of lowering the rollback tax rate.

Voters already have a mechanism to voice their displeasure with increasing property taxes, which includes voting elected officials who raise taxes out of office. Mandating elections because of cost increases over which local governments have little control also could lead to voter fatigue, which could lead to decreased voter participation in important elections.

OTHER OPPONENTS SAY:

While CSHB 2 would be a step in the right direction, the bill would not do enough to counteract rising property taxes. The bill would not cover school districts, which account for a large portion of property tax bills. In addition, a reduced rollback tax rate would slow growth but would not reduce current taxes.

NOTES:

According to Legislative Budget Board's fiscal note, CSHB 2 would prohibit an ARB from determining the appraised value of a protested property to be an amount greater than the appraised value of the property as shown in the appraisal records. As a result, taxable property value could be reduced and the related costs to the Foundation School fund could be increased through the operation of school finance formulas.

The comptroller's office reports that the administrative costs to implement provisions of the bill would total about $1.2 million per year starting in fiscal 2020 and would require 18 FTEs.

SUBJECT: Proposing a constitutional amendment issuing bonds for EDAP projects

COMMITTEE: Natural Resources — favorable, without amendment

VOTE: 8 ayes — Larson, Metcalf, Farrar, Harris, T. King, Lang, Price, Ramos

0 nays

3 absent — Dominguez, Nevárez, Oliverson

WITNESSES: For — Hector Gonzalez, El Paso Water; (*Registered, but did not testify*: Carolyn Brittin, Associated General Contractors of Texas, Highway Heavy; Guadalupe Cuellar, City of El Paso; Steve Bresnen and Claudia Russell, El Paso County; Marmie Edwards, League of Women Voters; Cyrus Reed, Lone Star Chapter Sierra Club; Bill Kelly, City of Houston Mayor's Office; Justin Yancy, Texas Business Leadership Council; Monty Wynn, Texas Municipal League; Perry Fowler, Texas Water Infrastructure Network)

Against — None

On — Jeff Walker, Texas Water Development Board

BACKGROUND: Water Code sec. 17.956 establishes the Economically Distressed Areas Program (EDAP) under the control of the Texas Water Development Board (TWDB).

EDAP provides financial assistance for projects to develop water and wastewater services in economically distressed areas where these services or facilities are inadequate to meet minimum state standards. An economically distressed area is defined as a political subdivision in which the median household income level is no greater than 75 percent of the state's median income level.

The program is funded by proceeds from bonds sold by TWDB. In both 1989 and 2007, the program received constitutional authority to issue $250 million in bonds, and it previously received federal funds. The 85th

Legislature in 2017 authorized TWDB to issue the program's remaining constitutionally authorized bonding authority of about $53.5 million.

DIGEST:

HJR 11 would amend the Texas Constitution to allow the Texas Water Development Board (TWDB) to issue up to $200 million in additional general obligation bonds for the Economically Distressed Areas Program (EDAP) account of the TWDB Fund II.

TWDB could issue the general obligation bonds as bonds, notes, or other obligations permitted by law. The bonds would be sold in forms and denominations, on terms, at times, in the manner, at places, and in installments as determined by the board. TWDB also would determine the rate or rates of interest the bonds would bear. The bonds would be incontestable after execution by the TWDB, approval by the attorney general, and delivery to the purchaser or purchasers of the bonds.

The ballot proposal would be presented to voters at an election on November 5, 2019, and would read: “The constitutional amendment providing for the issuance of additional general obligation bonds by the Texas Water Development Board in an amount not to exceed $200 million to provide financial assistance for the development of certain projects in economically distressed areas.”

SUPPORTERS SAY:

HJR 11 would provide critical financing for the development of necessary water and wastewater infrastructure in economically distressed areas of Texas. The Economically Distressed Areas Program (EDAP) needs to be replenished if it is to continue funding existing projects and support future projects for communities that could not otherwise afford secure access to safe water. HJR 11 would allow Texas voters the opportunity to continue supporting this important program.

While the costs of water infrastructure are high, it is essential that Texans have access to water that meets state standards. Financing some of these costs through bond issues would allow for greater and more reliable funding over a longer period of time. Using general revenue to support EDAP and water infrastructure development would strain available resources without providing the long-term benefits of a bond issue.

OPPONENTS SAY:

HJR 11 would ask voters to constitutionally dedicate funds for the issuance of bonds in support of EDAP. The state should not constitutionally dedicate funds to specific programs, and any necessary infrastructure improvements should be funded using general revenue.

NOTES:

According to the Legislative Budget Board, HJR 11 would result in an estimated negative impact of $4.7 million in general revenue related funds through the 2020-21 biennium.

SUBJECT: Requiring certain additions to financial literacy training for foster youth

COMMITTEE: Human Services — committee substitute recommended

VOTE: 8 ayes — Frank, Hinojosa, Clardy, Deshotel, Klick, Miller, Noble, Rose

0 nays

1 absent — Meza

WITNESSES: For — Alyssa Jones, Texas Alliance of Child and Family Services; (*Registered, but did not testify*: Elizabeth Hendrie, CASA of Fort Bend; Rhonda Kuykendall, Child Advocates of Fort Bend; Jo DePrang, Children's Defense Fund-Texas; Anthony Gutierrez, Common Cause Texas; Priscilla Camacho, Dallas Regional Chamber; Amy Litzinger, Easterseals Central Texas; Cinde Weatherby, League of Women Voters of Texas; Eric Kunish, National Alliance on Mental Illness Austin; Alissa Sughrue and Greg Hansch, National Alliance on Mental Illness (NAMI) Texas; Will Francis, National Association of Social Workers-Texas Chapter; Samantha Robles, Progress Texas; Kate Murphy, Texans Care for Children; Andrew Homer, Texas CASA; Lauren Rose, Texas Network of Youth Services; Justin Hayward, Texas Network on Youth Services; Kevin Stewart, Texas Psychological Association; Pamela McPeters, TexProtects; Jennifer Allmon, The Texas Catholic Conference of Bishops; Alexis Lara, Thru Project; Nataly Sauceda, United Ways of Texas; Knox Kimberly, Upbring; Jordan Weinert)

Against — None

On — (*Registered, but did not testify*: Liz Kromrei, Department of Family and Protective Services; Richard Atkinson, Family to Family Network)

BACKGROUND: Family Code sec. 264.121 requires foster care providers to provide financial literacy education to foster youth ages 14 or older as part of a program to improve their transition to independent living.

DIGEST: CSHB 53 would require the Department of Family and Protective

Services (DFPS) to collaborate with the Office of Consumer Credit Commissioner and the State Securities Board in developing the financial literacy education program for foster youth as part of its experiential life-skills training.

The bill would expand the financial literacy education program to include instruction on understanding the time requirements and process for filing federal taxes; protecting financial, credit, and personally identifying information in personal and professional relationships and online; forms of identity and credit theft; and using insurance to protect against the risk of financial loss.

For youth with a source of income, CSHB 53 would require that the financial literacy program assist with preparing a monthly budget that included rent, utilities, telephone and Internet service, and other reasonable expenses.

For youth 17 and older, the bill would require the experiential life-skills training to include lessons on insurance, including applying for and obtaining automobile, residential property, and tenants' insurance. Training also would include civic engagement, including registering to vote, where to vote, and resources for information on elections.

CSHB 53 would expand the list of requirements for a person who contracted on behalf of DFPS to provide transitional living services to foster youth. In addition to other services listed in statute, that person would be required to provide or assist youth in obtaining mental health services and the financial literacy education and civic engagement lessons required by this bill.

The bill would take effect September 1, 2019, and would apply only to a person who entered into a contract with DFPS on or after the effective date.

SUBJECT: Creating the Rural Resident Physician Grant Program

COMMITTEE: Higher Education — favorable, without amendment

VOTE: 10 ayes — C. Turner, Stucky, Button, Frullo, Howard, Pacheco, Schaefer, Smithee, Walle, Wilson

0 nays

1 absent — E. Johnson

WITNESSES: For — Timothy Benton, Texas Medical Association; (*Registered, but did not testify*: Lauren Spreen, Texas Academy of Family Physicians; Jennifer Allmon, Texas Conference of Catholic Bishops; Michael Pacheco, Texas Farm Bureau; Don McBeath, Texas Organization of Rural and Community Hospitals; Thomas Parkinson)

Against — None

On — Rex Peebles, Texas Higher Education Coordinating Board

BACKGROUND: Education Code, ch. 58A regulates programs supporting graduate medical education.

Some have called on the state to provide additional incentives for rural residency training opportunities.

DIGEST: HB 1065 would require the Texas Higher Education Coordinating Board (THECB) to establish and administer the Rural Resident Physician Grant Program to encourage the creation of new graduate medical education positions in rural areas, with an emphasis on rural training tracks. THECB would award grants to new or expanded physician residency programs at teaching hospitals and other appropriate health care institutions.

Criteria for the program would be developed by THECB in consultation with teaching hospitals, medical schools, independent physician residency programs, and physicians, including one who practiced in a rural area of

the state. The criteria would have to take into account whether a rural or nonmetropolitan area had sufficient resources to adequately support a physician residency program and meet accreditation requirements.

THECB could provide grants only to support a residency program that provided the level of medical care that was most needed in a rural area. After a program became eligible for federal funding, the grant would end.

Grant funds awarded under the program could be used only to pay direct costs associated with creating or maintaining a residency position. Grant applications would be required to:

- specify the number of residency positions expected to be created or maintained with the grant;
- specify the grant amount requested for each year;
- include documentation of infrastructure and staffing to satisfy program accreditation requirements;
- include documentation that the program would set a primary goal of producing physicians who were prepared to practice in a rural area; and
- include evidence of support for residency training by sponsoring institutions and the community.

The board would prioritize awarding grants to programs that received a grant in the previous year, provided that the applicable grant recipient from the preceding year had met all requirements.

The board would monitor residency programs receiving grants to ensure compliance. Programs that failed to create and fill the number the number of positions proposed in the program's grant application or that failed to satisfy any other conditions of the grant would be required to return any unused grant money or would not be awarded additional grants. Forfeited funding would be used to award grants to other eligible applicants. Funding could be restored or renewed to a program after the program satisfied all conditions of the grant.

The board would adopt rules for administering the program, including certain administrative provisions governing eligibility criteria, grant

application procedures, and other guidelines and procedures. The board also would have to adopt methods for tracking the effectiveness of grants. These rules would be adopted as soon as practicable after the bill took effect.

THECB would establish the grant program by October 1, 2019, and begin awarding grants under the program by January 1, 2020.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2019.

NOTES:

According to the Legislative Budget Board, the bill would have a negative impact of $1.1 million in general revenue related funds through fiscal 2020-21.

SUBJECT: Revising certain jury instructions on good conduct time, parole eligibility

COMMITTEE: Criminal Jurisprudence — favorable, without amendment

VOTE: 7 ayes — Collier, K. Bell, J. González, Hunter, Moody, Murr, Pacheco

0 nays

2 absent — Zedler, P. King

WITNESSES: For — Allen Place, Texas Criminal Defense Lawyers Association; Alycia Speasmaker, Texas Criminal Justice Coalition; (*Registered, but did not testify*: Nicholas Hudson, American Civil Liberties Union of Texas; Cate Graziani, Grassroots Leadership and Texas Advocates for Justice; Kathleen Mitchell, Just Liberty; Will Francis, National Association of Social Workers - Texas Chapter; Emily Gerrick, Texas Fair Defense Project; Texas NAACP; Jason Vaughn, Texas Young Republicans; Chris Harris)

Against — None

BACKGROUND: Code of Criminal Procedure (CCP) Art. 37.07 establishes instructions that courts must give to juries during the sentencing phase for defendants convicted of certain felonies. CCP Art. 37.07 sec. 4(a), (b), and (c) list instructions that must be given for three different groups of felonies listed in the sections.

Under all three sections, courts are required to tell juries that it is possible for defendants to earn time off of a prison term through the awarding of good conduct time. Juries are told they can consider the existence of parole and good conduct time, but not to consider the extent to which good conduct time may be awarded or forfeited to a particular defendant and not to consider the manner in which the parole laws may be applied in the case.

For the serious felonies listed in CCP Art. 37.07, sec. 4(a), the instructions also describe possible criteria for awarding and taking away of good

conduct time and information about whether good conduct time is considered when TDCJ determines an inmate's eligibility for parole for one of these offenses. Juries are told that offenders serving prison terms for the offenses listed in this section are not eligible for parole until their time served equals one-half of their sentences or 30 years, whichever is less, with a minimum of two years, without the consideration of good conduct time. For the two other groups of felonies, good conduct time is considered when determining parole eligibility.

Some suggest the language is misleading and could more accurately reflect the role of good conduct on parole eligibility.

DIGEST:

HB 1279 would revise the instructions on good conduct time and parole eligibility given to juries during the sentencing phase of certain felony trials.

For cases involving the serious felonies listed in CCP Art. 37.07, sec. 4(a), the bill would eliminate references in the jury instructions to possible criteria for awarding and taking away of good conduct time and information about whether good conduct time is considered when determining parole eligibility. Juries in these cases would no longer be told not to consider the extent to which good conduct time could be awarded or forfeited by a particular defendant.

For other felonies, HB 1279 would eliminate references to defendants earning time off of their prison terms through good conduct time and replace them with provisions telling jurors that defendants may earn early parole eligibility through the award of good conduct time.

The bill would take effect September 1, 2019, and would apply to defendants sentenced for an offense on or after that date.

SUBJECT: Telling arrestees of enlistment consequences of guilty, no contest pleas

COMMITTEE: Criminal Jurisprudence — favorable, without amendment

VOTE: 8 ayes — Collier, K. Bell, J. González, Hunter, P. King, Moody, Murr, Pacheco

0 nays

1 absent — Zedler

WITNESSES: For — (*Registered, but did not testify*: Nicholas Hudson, American Civil Liberties Union of Texas; Christel Erickson Collins, Austin Justice Coalition; Pete Gallego, Bexar County Criminal District Attorney's Office; Jim Brennan, Texas Coalition of Veterans Organizations; Kolby Monnig)

Against — None

On — (*Registered, but did not testify*: Victor Polanco, Texas Veterans Commission)

BACKGROUND: Code of Criminal Procedure, art. 15.17(a) provides a list of items about which a magistrate must inform an arrested person within 48 hours of an arrest, including the accusation against the person, the person's right to legal counsel, and the right to remain silent.

DIGEST: HB 929 would expand the items about which a magistrate was required to tell arrestees within 48 hours of an arrest to include informing the arrestee that entering a plea of guilty or nolo contendere could affect the arrestee's eligibility for enlistment or re-enlistment in the U.S. armed forces or could result in the arrestee's discharge from the U.S. armed forces if the person was a member of the armed forces.

The bill would take effect September 1, 2019.

SUBJECT: Considering total employee compensation when setting gas utility rates

COMMITTEE: State Affairs — favorable, without amendment

VOTE: 11 ayes — Phelan, Deshotel, Harless, Holland, Hunter, P. King, Parker, Raymond, E. Rodriguez, Smithee, Springer

0 nays

2 absent — Hernandez, Guerra

WITNESSES: For — Jason Ryan, CenterPoint Energy; Mark Bender, Texas Gas Service; (*Registered, but did not testify*: Julia Rathgeber, Association of Electric Companies of Texas; Chance Sampson, Entergy Texas, Inc.; Lee Parsley, Texans for Lawsuit Reform; Thure Cannon, Texas Pipeline Association)

Against — Thomas Brocato, Steering Committee of Cities Served by Oncor, Steering Committee of Cities Served by Atmos, Texas Coalition for Affordable Power; (*Registered, but did not testify*: Alfred Herrera, Counsel for Cities Advocating Reasonable Deregulation, Texas Coast Utilities Coalition of Cities, Alliances of CenterPoint Municipalities, Atmos Texas Municipalities; Shanna Igo, Texas Municipal League)

On — (*Registered, but did not testify*: Mark Evarts, Railroad Commission of Texas)

DIGEST: HB 1767 would require the Railroad Commission, when establishing a gas utility's rates, to presume that employee compensation and benefits expenses were reasonable and necessary if the expenses were consistent with recent market compensation studies.

"Employee compensation and benefits" would include base salaries, wages, incentive compensation, and benefits. The term would not include pension and other postemployment benefits.

HB 1767 would apply only to a proceeding for the establishment of rates

for which the regulatory authority had not issued a final order or decision before the bill's effective date.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2019.

SUPPORTERS SAY:

HB 1767 would require the total compensation of gas utility employees, based on market studies, to be considered by the Railroad Commission as a reasonable and necessary expense of a utility. The bill would make rate regulation more predictable, more efficient, and less litigious.

The calculation of total compensation is dependent on market studies, which are used to determine the total of base and contingency pay for employees that was appropriate for the utility to remain competitive in the market.

Allowing gas utilities to recover funds for the total compensation of their employees would be appropriate, as these expenses are necessary for them to operate in a safe and effective manner and to retain employees. The uniform consideration of these expenses also would help reduce litigation on rate regulation, ultimately saving ratepayers money.

The bill would use the typical standard for determining compensation through market studies, which gas utilities already use, and simply codify a process already in place. Since contingency pay still would depend on employee performance, this bill would not remove employee incentives.

OPPONENTS SAY:

HB 1767 would allow a gas utility to inappropriately include bonus payments for employees in rates with little or no oversight.

Because the bill would automatically deem compensation "reasonable and necessary" as long as a utility produced a study supporting the total compensation rate, there would be little to no review of what the compensation should be. These costs would be passed on to ratepayers, who should not be responsible for covering them. Utility shareholders, not ratepayers, should bear the cost of this additional employee compensation,

in keeping with standard practices. Allowing bonus payments in the rate setting process also would remove incentives for employees.

The bill is vague because it would not provide a definition of what constituted consistency with market studies or how recent the studies should be. Because utilities often pay for these compensation studies themselves, the process would lack independent oversight.

SUBJECT: Requiring HHSC to conduct a study on recovery housing needs

COMMITTEE: Public Health — favorable, without amendment

VOTE: 8 ayes — S. Thompson, Allison, Coleman, Guerra, Lucio, Ortega, Price, Sheffield

2 nays — Frank, Zedler

1 absent — Wray

WITNESSES: For — Reginald Smith, Texas Criminal Justice Coalition; Jason Howell; (*Registered, but did not testify*: Cynthia Humphrey, Association of Substance Abuse Programs; Alyssa Thomason, Doctors for Change; Christine Yanas, Methodist Healthcare Ministries of South Texas Inc.; Alissa Sughrue, National Alliance on Mental Illness-Texas; Eric Kunish, National Alliance on Mental Illness Austin; Will Francis, National Association of Social Workers-Texas Chapter; Lee Johnson, Texas Council of Community Centers; Nataly Sauceda, United Ways of Texas; Carl F. Hunter; Columba Wilson)

Against — None

On — (*Registered, but did not testify*: Lisa Ramirez, Health and Human Services Commission)

DIGEST: HB 1465 would require the Health and Human Services Commission (HHSC) to conduct a study to evaluate the current status of and the opportunities, challenges, and needs to expand recovery housing in Texas. The bill would define "recovery housing" as a shared living environment that promotes sustained recovery from substance use disorders by integrating residents into the surrounding community and providing a setting that connects residents to supports and services promoting sustained recovery from substance use disorders, is centered on peer support, and is free from alcohol and drug use.

In the recovery housing study, HHSC would have to:

- identify and evaluate state and federal regulations;
- create focus groups with interested community stakeholders;
- interview stakeholders and experts in recovery housing that represent both rural and urban areas;
- conduct certain site visits to recovery houses demonstrating different housing models in both rural and urban areas; and
- review scholarly research.

By December 1, 2020, HHSC would have to submit a report to the Legislature that contained results of the study and any recommendations for legislative or other actions, including policy changes and the adoption of best practices and training and technical assistance resources.

These provisions would expire September 1, 2021.

The bill would take effect September 1, 2019.

SUPPORTERS SAY:

HB 1465 would help identify gaps in recovery housing and support services by directing the Health and Human Services Commission to conduct a study. The prevalence of substance use disorders in Texas creates a clear need to expand availability of recovery supports, among them recovery housing. Recovery housing is a community-based housing model that can help people concentrate on treatment in a substance abuse-free environment while accessing peer support services.

The availability and quality of recovery housing is largely unknown, which hinders the ability to make informed policy decisions for Texans. HB 1465 would provide a more accurate understanding of recovery housing in Texas and enable the Legislature to make strategic policy decisions in the future. Identifying gaps in recovery housing would help save lives, reconnect families, and increase the well-being of Texans.

OPPONENTS SAY:

HB 1465 could unnecessarily expand state regulation of recovery housing by requiring the Health and Human Services Commission to include recommended legislative actions in its submitted report. The bill also is redundant because research has already been conducted on this issue. Mandating another study could strain agency resources by diverting the

health commission away from fulfilling its core mission.

SUBJECT: Raising the minimum age of juvenile courts' jurisdiction over children

COMMITTEE: Juvenile Justice and Family Issues — committee substitute recommended

VOTE: 7 ayes — Dutton, Bowers, Calanni, Cyrier, Dean, Shine, Talarico

1 nay — Murr

WITNESSES: For — Eva DeLuna Castro, Center for Public Policy Priorities; Ellen Stone, Texas Appleseed; Jose Flores, Texas Criminal Justice Coalition; Lauren Rose, Texas Network of Youth Services; (*Registered, but did not testify*: Matt Simpson, ACLU of Texas; Traci Berry, Goodwill Central Texas; Cate Graziani, Grassroots Leadership, Texas Advocates for Justice; Aimee Bertrand, Harris County Commissioners Court; Eric Kunish, National Alliance on Mental Illness Austin; Alissa Sughrue, National Alliance on Mental Illness-Texas; Will Francis, National Association of Social Workers-Texas Chapter; Joshua Massingill, Prison Fellowship Ministries; Kate Murphy, Texans Care for Children; Lori Henning, Texas Association of Goodwills; Bryan Mares, Texas CASA; Lindsey Linder, Texas Criminal Justice Coalition; Marc Levin, Texas Public Policy Foundation; Carl F. Hunter)

Against — Ron Quiros, Guadalupe County Juvenile Services

On — (*Registered, but did not testify*: Laura Nicholes, Texas Probation Association)

BACKGROUND: Family Code sec. 51.04 establishes juvenile courts' jurisdiction over cases involving delinquent conduct or conduct indicating a need for supervision of a person who was a child at the time the person engaged in the conduct.

Sec. 51.02(2) defines a child as a person who is:

- at least 10 years old and younger than 17; or
- at least 17 years old and younger than 18 who is alleged or found to have engaged in delinquent conduct or conduct indicating a need for supervision as a result of acts committed before turning 17.

Education Code ch. 37 governs the discipline of children in the education system. Sec. 37.141 defines as a child as a person who is a student and at least 10 years of age but younger than 18 years of age.

Code of Criminal Procedure art. 45.058 governs the treatment of children taken into custody. A child taken into custody for certain offenses may be released to the child's parent, guardian, or other responsible adult. The article defines a child as a person who is at least 10 years of age and younger than 17.

DIGEST:

CSHB 1364 would raise from 10 to 12 the minimum age at which a juvenile court could exercise jurisdiction over a child. The bill also would establish a procedure for determining jurisdiction in cases in which children younger than 12 committed a first- or second-degree felony.

Definitions. The bill would change the definition of a child, for the purpose of establishing juvenile courts' jurisdiction, to mean an individual who was:

- at least 10 years old and younger than 19 who was alleged or found to have committed a first- or second-degree felony before turning 12; or
- at least 12 and younger than 19 who was alleged or found to have engaged in delinquent conduct or conduct indicating a need for supervision after turning 12 and before turning 17.

The bill also would raise the minimum age of a "child" defined in other codes.

Juvenile courts' jurisdiction over children younger than 12. CSHB 1364 would require that a child younger than 12 who was taken into custody be released from custody to a parent, guardian, custodian, or other responsible adult upon that person's promise to bring the child before a juvenile court as requested by the court, unless the child posed an immediate threat to public safety or to the child's own safety.

The bill would require a court to hold a hearing without a jury to

determine whether to retain jurisdiction over a child younger than 12. The hearing would have to be held immediately before detention, adjudication, or transfer hearings.

In the hearing, the court would be required to consider whether:

- probable cause existed to believe the child committed a first- or second-degree felony;
- normal interventions by child protective services or the child's school would be sufficient to ensure the safety of the public and of the child;
- intervention by the court was warranted; and
- it was in the best interest of the child for the court to intervene.

If the court retained jurisdiction over the child, it could proceed with detention or adjudication hearings, as applicable. If the court waived jurisdiction over the child, it would be required to immediately dismiss the child and the charges against the child. The waiver of jurisdiction over the child would apply only to the dismissed charges.

Age of criminal responsibility. CSHB 1364 would raise from 10 to 12 the age of criminal responsibility for misdemeanors punishable by fines only and certain violations of penal ordinances of political subdivisions, other than offenses under juvenile curfew ordinances or orders.

The bill would take effect September 1, 2019, and would apply only to offenses committed or conduct that occurred on or after that date.

SUPPORTERS SAY:

CSHB 1364 would reduce the number of young children entering and potentially re-entering the juvenile justice system and instead allow them to participate in alternative programs in their communities. Many children who misbehave have experienced trauma in the past and struggle with mental health issues and other issues that could be better addressed by parents, schools, and in certain cases the Department of Family and Protective Services (DFPS) and Child Protective Services (CPS) than by the juvenile justice system. The bill would allow juvenile courts to grant themselves jurisdiction in severe cases involving first- or second-degree felony offenses.

Studies have shown that every encounter a child has with the justice system increases the likelihood that the child will come into contact with the system again. By reducing the number of young children who come into contact with the system, as well as the number of children in custody and being prosecuted, CSHB 1364 would lower juvenile justice related expenses while helping to reduce the detrimental effects the justice system can have on young children.

CSHB 1364 also would provide juvenile courts jurisdiction over certain individuals younger than 19 who engaged in delinquent conduct when they were young, removing the burden on adult courts of prosecuting some 18-year-olds charged with minor offenses.

OPPONENTS SAY:

CSHB 1364 would place the responsibility of providing services to certain children and families on the Department of Family and Protective Services and Child Protective Services, which could be ill-equipped to help these families in some cases, especially if the children and families already had received prior assistance from those agencies. In some cases, juvenile probation could be more effective in helping children and families.

The bill also would expand juvenile courts' jurisdiction over 18-year-olds, who should be prosecuted in adult courts.

NOTES:

According to the Legislative Budget Board, CSHB 1364 would have an estimated positive impact of about $1.2 million in general revenue related funds through the 2020-21 biennium.

SUBJECT: Reducing STAAR testing and related performance requirements

COMMITTEE: Public Education — committee substitute recommended

VOTE: 12 ayes — Huberty, Bernal, Allen, Allison, Ashby, K. Bell, Dutton, K. King, Meyer, Sanford, Talarico, VanDeaver

0 nays

1 absent — M. González

WITNESSES: For —Molley Perry, College Station ISD; Christi Morgan, Sunnyvale ISD, Texas Association of School Administrators; Jennifer Stratton; (*Registered, but did not testify*: Andrea Chevalier, Association of Texas Professional Educators; Chris Masey, Coalition of Texans with Disabilities; Jane McFarland, League of Women Voters of Texas; Colby Nichols, Leander ISD; Kristi Hassett, Sheri Hicks, and Theresa Trevino, Texans Advocating For Meaningful Student Assessments; Dwight Harris, Texas American Federation of Teachers; Barry Haenisch, Texas Association of Community Schools; Amy Beneski, Texas Association of School Administrators; Mark Terry, Texas Elementary Principals and Supervisors Association (TEPSA); Jerod Patterson, Texas Rural Education Association; Dee Carney, Texas School Alliance; Lisa Dawn-Fisher, Texas State Teachers Association; Michelle Cavazos, Texas Urban Council and Texas Association of Latino Administrators and Superintendents; Sheri Doss, Texas PTA; and seven individuals)

Against — None

On — (*Registered, but did not testify*: Steven Aleman, Disability Rights Texas; Eleanor Sanford Moore and Anne Schiano, MetaMetrics, Inc.; Jamie Crowe and Monica Martinez, Texas Education Agency; Daphne Hoffacker; Michael Lopez)

BACKGROUND: Education Code sec. 39.023 requires Texas public school students be assessed annually in grades 3 through 8 in reading and math; in grades 4 and 7 in writing; in grade 8 in social studies, and in grades 5 and 8 in

science. High school students are required to take end-of-course exams in Algebra I, biology, English I and II, and U.S. history. The current testing program is known as the State of Texas Assessments of Academic Readiness, or STAAR.

Education Code sec. 28.0211 contains requirements for students in grades 5 and 8 to be retained in those grades if they do not perform satisfactorily on their reading and math exams unless a grade placement committee unanimously recommends they be promoted to the next grade.

DIGEST:

CSHB 1480 would reduce STAAR testing requirements, eliminate a requirement that students pass certain exams in order to be promoted, and revise requirements for accelerated learning for students who had failed their exams.

Testing and accountability. CSHB 1480 would eliminate the state-mandated STAAR exam for grade 8 social studies and the high school U.S. history end-of-course (EOC) exam. It also would eliminate a requirement that students in grades 5 and 8 pass their STAAR reading and math exams in order to be promoted to the next grade.

The bill would repeal a requirement that the Texas Education Agency (TEA) adopt or develop exams for Algebra II and English II that a district may choose to administer.

The education commissioner, with input from school districts, would have to adopt a STAAR testing calendar that minimized classroom disruption and maximized available instruction time by scheduling the spring testing to occur as close to the end of the semester as possible, but not later than the second week of May.

CSHB 1480 would add the Texas Success Initiative diagnostic assessment to the list of college entrance exams that could be used to satisfy the EOC requirement in an equivalent course. The commissioner would be required to designate a student's performance on a substitute exam as "masters grade-level performance" if the student's performance would earn college credit or met the exam provider's designated grade-level college readiness benchmark. The bill would require the commissioner to adopt a rule that

determined a method for appropriately crediting such a student for growth under the school accountability system.

Accelerated instruction. The bill would replace the system of grade placement committees required for students in grade 5 and 8 after their second unsuccessful attempt to pass STAAR reading or math exams. Schools would be required to form accelerated learning committees for students in grades 3, 5, and 8 after the student's initial failure to perform satisfactorily on STAAR reading or math exams.

The committee would have to develop an educational plan for the student that provided the necessary accelerated instruction to enable the student to perform at the appropriate grade level by the conclusion of the subsequent school year. Parents would be notified about the committee.

If a student failed to perform satisfactorily the following year on an exam in the same subject, the district superintendent or the superintendent's designee would have to meet with the student's committee to identify the reason for the student's failure and determine whether to modify the student's educational plan and require additional resources to ensure the student performed satisfactorily on the exam at the next testing opportunity.

A district board of trustees would be required to adopt a policy for the establishment of accelerated learning committees. The policy would have to specify:

- the composition of a committee and its frequency of meetings;
- the agenda and purpose of meetings, including whether the committee would consider a student's grades, attendance, behavior, disciplinary measures, vision, and social-emotional health;
- the objectives and goals of educational plans for providing the necessary accelerated instruction to the student; and
- methods for measuring the efficiency of the accelerated instruction.

For a student in a special education program, the school board would have

to determine whether the student's admission, review, and dismissal committee would serve as the accelerated learning committee and whether to include a response-to-intervention approach in administering the student's educational plan.

The board-developed policy would have to require that, to the extent practicable, school personnel would remain assigned to a student's accelerated learning committee during the entire period the student was receiving accelerated instruction. A district superintendent or campus principal would not be required to serve on a committee.

The requirement for accelerated instruction for students who fail their STAAR exams in grades 3 through 8 could be provided during the subsequent school year. The bill would remove the requirement for districts to report the percentage of students promoted through the grade placement committee process and require them to report how those students performed on their assessments in the subsequent school year.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2019. It would apply beginning with the 2019-2020 school year.

SUPPORTERS SAY:

CSHB 1480 would improve the STAAR testing system by eliminating some exams and easing some of the high stakes associated with the exams. Many educators and parents have lost confidence in the assessments after some studies concluded that STAAR exams are unfairly testing students at reading levels higher than their current grade. While not a direct reaction to those concerns, CSHB 1480 would provide a measured and long-needed approach to restoring confidence in state standardized testing.

Eliminating the eighth grade social studies and high school U.S. history end-of-course exams would save Texas millions of dollars and bring the state's testing system closer to the minimum federal requirements. Though students will no longer have to take these exams, civics education will continue to be an important part of the required curriculum.

The bill also would allow for maximum classroom instruction time by moving the exams closer to the end of the school year.

The bill also would lower the stakes for students in the fifth and eighth grades by eliminating requirements that they pass STAAR reading and math exams in order to be promoted to the next grade. Educators would still be able to retain a student in the same grade if they decided doing so would best serve the student.

CSHB 1480 would refocus the school committees formed to help a struggling student on developing a plan and a realistic time frame to bring the student up to the appropriate grade level by the end of the next school year. These changes could lessen student retesting and the harmful effects that can occur when a student has to repeat a grade.

Local school boards would structure the new accelerated learning committees to best serve the educational needs of each student rather than trying to fit each student into a statewide mold. This would better allow local schools to take a holistic look at factors such as poor eyesight that could be affecting a student's academic performance. Expanding the use of these committees to students in third grade would ensure early intervention and support for struggling students.

Allowing districts to use the Texas Success Initiative to show that high school students are college ready would be a cost effective alternative to national tests like the SAT and ACT.

OPPONENTS SAY:

CSHB 1480 would marginalize social studies instruction by removing testing requirements in eighth grade and high school. Instead of eliminating tests in social studies and U.S. history, the state should work to improve the exams to emphasize critical thinking skills that can help students better understand and evaluate historical narratives.

Removing some of the consequences for students who fail their STAAR exams could provide an incentive for some students to neglect their exams. In addition, socially promoting struggling students might put them further behind their classmates in the next grade.

NOTES:

According to the Legislative Budget Board, CSHB 1480 would have a positive impact on general revenue related funds of $5.4 million through the biennium ending August 31, 2021. The estimated savings would come through the elimination of certain testing requirements.

SUBJECT: Designating special needs trusts for adult children with disabilities

COMMITTEE: Juvenile Justice and Family Issues — committee substitute recommended

VOTE: 8 ayes — Dutton, Murr, Bowers, Calanni, Cyrier, Dean, Shine, Talarico

0 nays

WITNESSES: For — Rachel Reuter, Texas Family Law Foundation; (*Registered, but did not testify*: Amy Bresnen and Ashley Butler, Texas Family Law Foundation; Alexis Tatum, Travis County Commissioners Court)

Against — None

On — (*Registered, but did not testify*: Joel Rogers, Office of the Attorney General Child Support Division)

BACKGROUND: Family Code sec. 154.302 allows for courts to order one or both parents of a disabled child to provide for the support of the child indefinitely if the court finds that:

- the child requires substantial care and personal supervision due to a mental or physical disability and will not be capable of self-support; and
- the child's disability exists or is known to exist prior to the child's 18th birthday.

A court ordering support under these criteria must designate a parent of the child or other person having custody or guardianship of the child to receive support for the child. The court may designate a child 18 years of age or older to receive support directly.

Some have suggested there is a lack of guidance in the Family Code regarding the payment of child support to a special needs trust.

DIGEST: CSHB 558 would allow courts that ordered support for an adult child with

a disability to designate a special needs trust and provide that the support could directly be paid to the trust for the benefit of the adult child. The court would be required to order that support payable to the special needs trust be paid directly to the trust and could not order the support be paid to the state disbursement unit. These provisions would not apply in a Title IV-D case.

The bill would take effect September 1, 2019.

SUBJECT: Allowing courts to designate fees older than 15 years as uncollectible

COMMITTEE: Judiciary and Civil Jurisprudence — committee substitute recommended

VOTE: 8 ayes — Leach, Farrar, Julie Johnson, Krause, Meyer, Neave, Smith, White

0 nays

1 absent — Y. Davis

WITNESSES: For — Esmeralda Pena Garcia, City of Houston, Texas Municipal Courts Association; Russell Schaffner, Tarrant County; John Dahill, Texas Conference of Urban Counties; (*Registered, but did not testify*: Lynne Renfro, Collin County District Clerk; Lynne Finley, Patti Henry, Joyce Hudman, Stacey Kemp, and Cary Roberts, County and District Clerks' Association of Texas; Charles Reed, Dallas County Commissioners Court; Aimee Bertrand, Harris County Commissioners Court; Lynn Holt, Justices of the Peace and Constables Association; Bill Kelly, City of Houston Mayor's Office; Monty Wynn, Texas Municipal League; Deece Eckstein, Travis County Commissioners Court)

Against — None

BACKGROUND: Code of Criminal Procedure sec. 103.0081 allows a trial court in a county with a population of more than 780,000 but less than 790,000 (Collin County) to designate a fee or item of cost imposed in a criminal action or proceeding as uncollectable in certain circumstances.

Some have called for this authorization to be extended statewide and to civil cases so that counties may remove bad debt from their financial statements.

DIGEST: CSHB 435 would allow the clerk of a court to request that the court make a finding that a fee or court cost imposed on a party by the court in a civil case was uncollectible if it had been unpaid for at least 15 years. The court could order the clerk to designate it as uncollectible in the fee record. The

clerk would have to attach a copy of the court's order to the fee record.

The bill would not apply to a court cost or fee imposed by the Supreme Court, the Court of Criminal Appeals, or a court of appeals.

The bill would repeal the provision that applies the statute only to Collin County.

The bill would take effect September 1, 2019.

SUBJECT: Changing the deadline for mail-in ballot mailing exception

COMMITTEE: Elections — committee substitute recommended

VOTE: 9 ayes — Klick, Cortez, Bucy, Burrows, Cain, Fierro, Israel, Middleton, Swanson

0 nays

WITNESSES: For — Alan Vera, Harris County Republican Party Ballot Security Committee; Ed Johnson; (*Registered, but did not testify*: Cinde Weatherby, League of Women Voters of Texas; Glen Maxey, Texas Democratic Party; Brandon Moore)

Against — None

On — Christina Adkins, Texas Secretary of State-Elections Division; (*Registered, but did not testify*: Chris Davis, Texas Association of Elections Administrators)

BACKGROUND: Election Code sec. 86.004 requires that ballots for voting by mail be sent to an entitled voter either by the seventh day after the voter's application for a mail-in ballot is accepted by the early voting clerk or on the day ballots become available for mailing, whichever was later. An exception to this requirement is if that mailing date is earlier than 45 days before an election, in which case the ballot materials are required to be mailed at least 30 days prior to the election.

It has been suggested that the deadline for mailing ballots requested during a certain period before an election should be clarified.

DIGEST: CSHB 273 would change from the 45th day before an election to the 37th day before an election the deadline by which mail-in ballot materials would qualify for the mailing-date exception under Election Code sec. 86.004.

The bill would take effect September 1, 2019, and would apply only to an

election ordered on or after that date.

SUBJECT: Prohibiting the purchase of certain aquatic products

COMMITTEE: Culture, Recreation and Tourism — favorable, without amendment

VOTE: 9 ayes — Cyrier, Martinez, Bucy, Gervin-Hawkins, Holland, Jarvis Johnson, Kacal, Morrison, Toth

WITNESSES: For — Shane Bonnot, Coastal Conservation Association; John Shepperd, Texas Foundation for Conservation, Texas Coalition for Conservation; (*Registered, but did not testify*: David Sinclair, Game Warden Peace Officers Association)

Against — None

On — Les Casterline, Texas Parks and Wildlife Department

BACKGROUND: Under Parks and Wildlife Code sec. 47.012, no restaurant owner, operator, or employee may purchase for consumption by the restaurant's patrons on the premises any aquatic product from a person or entity in the state unless the person purchases it from the holder of a:

- wholesale fish dealer's license;
- general commercial fisherman's license;
- fish farmer's license;
- commercial shrimp boat license;
- commercial shrimp boat captain's license;
- commercial crab fisherman's license;
- commercial finfish fisherman's license; or
- commercial gulf shrimp unloading license.

Any person who violates the provision mentioned commits a class C Parks and Wildlife Code misdemeanor (fine of $25 to $500).

DIGEST: HB 1828 would make it a criminal offense for any person to purchase for resale or receive for sale or any other commercial purpose aquatic products that were taken, possessed, transported, or sold in violation of a federal or state law or regulation.

The severity of the offense and resulting fine or penalty would depend on the weight of the aquatic product unlawfully obtained. An offense committed under the bill could be a class B Parks and Wildlife Code misdemeanor, a class A Parks and Wildlife Code misdemeanor, or a Parks and Wildlife Code state jail felony, with the amount of the fine depending on the weight of the aquatic products as specified in the bill. A state jail felony could be punished by confinement in addition to a fine.

An offense created by the bill could be prosecuted in the county in which the aquatic products were unlawfully taken, possessed, transported, or sold or in any county through or into which the aquatic products were taken or transported.

If the aquatic products were unlawfully obtained by one or several sources under a single scheme or continuing course of conduct, the bill would allow for the scheme or conduct to be considered as one offense. The weight of the products obtained under the conduct could be aggregated in determining the grade of the offense.

The bill would take effect September 1, 2019, and would apply only to offenses committed on or after that date.

SUPPORTERS SAY:

HB 1828 would address the illegal commercial trade of unlawfully obtained aquatic products by strengthening existing penalties and creating criminal offenses. Although a class C misdemeanor penalty already exists to address this unlawful practice, it has proved ineffective for deterring or punishing perpetrators who willingly and knowingly were involved in purchasing unauthorized aquatic products.

The bill would not change the Texas Park and Wildlife (TPWD) practice of providing fish-purchasing entities with a list of license holders from whom the entities were allowed to purchase fish or TPWD's ability to issue warnings to offenders.

OPPONENTS SAY:

HB 1828 could penalize restaurants or other entities in the market for aquatic products that were not aware the fish they had purchased had been obtained unlawfully.

SUBJECT: Eliminating certain driving while license invalid suspensions

COMMITTEE: Homeland Security and Public Safety — favorable, without amendment

VOTE: 9 ayes — Nevárez, Paul, Burns, Calanni, Clardy, Goodwin, Israel, Lang, Tinderholt

0 nays

WITNESSES: For — Scott Henson, Just Liberty; Mary Mergler, Texas Appleseed; Emily Gerrick, Texas Fair Defense Project; (*Registered, but did not testify*: Matt Simpson, American Civil Liberties Union of Texas; CJ Grisham, Open Carry Texas; Michael Cargill, Texans for Accountable Government; Allison Franklin, Texas Criminal Justice Coalition; Deanna L. Kuykendall, Texas Municipal Courts Association; Martinez Fernando; Maria Person)

Against — None

On — Amanda Arriaga, Texas Department of Public Safety

BACKGROUND: Transportation Code sec. 521.292 requires the Department of Public Safety (DPS) to suspend a driver's license under certain circumstances. Under sec. 521.292(a)(1), a license could be suspended if DPS determined that the driver had operated a motor vehicle on a highway while the driver's license was suspended, canceled, disqualified, or revoked or without a license after a license application was denied.

Under sec. 521.293, if a driver does not request a hearing, the period of license suspension under sec. 521.292 is 90 days. If DPS determined that the driver operated a vehicle on a highway while the driver's license was suspended or without a license, the period of license suspension is extended for an additional period of the lesser of the term of the original suspension or one year.

Sec. 521.313 requires a driver to pay DPS a fee of $100 in addition to any other fee required by law before a suspended or revoked driver's license

can be reinstated or another license issued. Collected fees are deposited into the Texas Mobility Fund.

DIGEST:

HB 164 would require the Department of Public Safety to suspend a driver's license under Transportation Code sec. 521.292(a)(1) only if the license was suspended, canceled, disqualified, or revoked or an application denied as the result of a conviction of an offense of driving while intoxicated.

The bill would limit to 90 days a license suspensions for operating a motor vehicle on a highway while the driver's license was suspended, canceled, disqualified, or revoked or without a license after a license application was denied. The suspension for this violation could no longer be extended for an additional period of the lesser of the term of the original suspension or one year.

The bill would take effect September 1, 2019, and would apply only to a determination to suspend a driver's license made on or after that date.

SUPPORTERS SAY:

HB 164 would encourage responsible drivers to take care of old citations, helping them get back on their feet and drive legally again. Currently, if a driver pleads guilty to a traffic citation and at the time of the offense the driver's license was not valid, the Department of Public Safety will infer that the driver was driving during a suspension period. This triggers an additional departmental suspension.

In practice, this can be confusing and discouraging to drivers who go to court to pay off old traffic citations only to have a new suspension period that takes effect upon conviction or paying the fines. This traps people in a never-ending cycle of license suspensions, creates barriers to employment, and drives families further into debt. By limiting the circumstances under which a mandatory departmental suspension was triggered, the bill would encourage drivers to go to court and take care of old citations, which they are less likely to do if they will receive a new suspension.

OPPONENTS SAY:

By eliminating most driving while license invalid suspensions, HB 162 would result in annual revenue loss to the Texas Mobility Fund but not provide a substitute funding source. The Texas Constitution prohibits the

Legislature from reducing, rescinding, or repealing the dedication of a specific source or portion of revenue made to the fund unless it by law dedicates another source that is projected to be of equal or greater value.

NOTES:

According to the Legislative Budget Board fiscal note, HB 162 would have an estimated annual negative impact of $14.3 million to the Texas Mobility Fund beginning in fiscal 2020.

SUBJECT: Requiring the Office of Court Administration to create certain court forms

COMMITTEE: Criminal Jurisprudence — favorable, without amendment

VOTE: 9 ayes — Collier, Zedler, K. Bell, J. González, Hunter, P. King, Moody, Murr, Pacheco

0 nays

WITNESSES: For — (*Registered, but did not testify*: Emily Gerrick, Texas Fair Defense Project)

Against — (*Registered, but did not testify*: Nicole Hudgens, Texas Values Action)

On — Margie Johnson

DIGEST: HB 51 would require the Office of Court Administration (OCA) to create and promulgate standard forms for use by courts in certain criminal actions. The OCA would have to create nine specific forms relating to waivers, acknowledgements, and admonishments listed in the bill.

OCA would have to update the forms as necessary, and courts would have to accept the forms unless they were completed in a manner that caused a substantive defect that could not be cured.

The Texas Supreme Court would have to set a date by which all criminal courts would have to adopt and use the forms.

The Office of Court Administration would have to create and promulgate the forms by September 1, 2020.

The bill would take effect September 1, 2019.

SUBJECT: Allowing insurance policies or endorsements in non-English languages

COMMITTEE: Insurance — committee substitute recommended

VOTE: 8 ayes — Lucio, Oliverson, G. Bonnen, S. Davis, Julie Johnson, Lambert, Paul, C. Turner

0 nays

1 absent — Vo

WITNESSES: For — Beaman Floyd, Texas Coalition for Affordable Insurance Solutions; (*Registered, but did not testify*: Jay Thompson, AFACT; Lee Loftis, Independent Insurance Agents of Texas; Ashley Morgan, Nationwide; Cathy DeWitt, USAA)

Against — None

On — (*Registered, but did not testify*: Kim Donovan and Melissa Hamilton, Office of Public Insurance Counsel; Marianne Baker, Texas Department of Insurance)

DIGEST: CSHB 1554 would allow insurers to provide a customer a version of a personal automobile or residential property insurance policy or endorsement, or related explanatory or advertising material, in a language other than English. The version of the document would be required to state, in the language of the version, that the English version of the insurance policy document controls. In the case of a dispute or complaint, the English version of the insurance policy would control.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2019.

SUBJECT: Establishing legal status of personal insurance policy summaries

COMMITTEE: Insurance — committee substitute recommended

VOTE: 8 ayes — Lucio, Oliverson, G. Bonnen, S. Davis, Julie Johnson, Lambert, Paul, C. Turner

0 nays

1 absent — Vo

WITNESSES: For — Jay Thompson, AFACT; Beaman Floyd, Texas Coalition for Affordable Insurance Solutions; (*Registered, but did not testify*: Lee Loftis, Independent Insurance Agents of Texas; Ashley Morgan, Nationwide; Cathy DeWitt, USAA)

Against — None

On — (*Registered, but did not testify*: Kim Donovan and Melissa Hamilton, Office of Public Insurance Counsel; Marianne Baker, Texas Department of Insurance)

BACKGROUND: Insurance Code ch. 2301 regulates insurance forms used for lines of insurance to ensure that the forms are not unjust, unfair, inequitable, misleading, or deceptive.

Some suggest that a fear of legal liability might discourage insurance providers from supplying a user-friendly explanation of the terms and conditions of an insurance policy.

DIGEST: CSHB 1555 would establish that a document providing a summary of a personal automobile or residential property insurance policy or of an endorsement to such a policy, including an advertisement for the policy or endorsement, was not part of the policy or endorsement. No such document could modify the provisions of the insurance policy it summarized.

The bill would establish that no such document was admissible as evidence of the coverage that the corresponding policy provided.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2019.