



TEXAS
ASSOCIATION
OF
BUILDERS

Legislative Line



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Summarizing state legislative and regulatory developments affecting housing and the building industry.

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***UPDATE - TRCC Sunset Bill**

This afternoon, the House Business and Industry Committee met on the House floor during the lunch recess and passed the Committee Substitute to HB 2295 (the TRCC Sunset bill) out of committee on a 7-0 vote. Please stay tuned for updates as this bill moves through the process. Below is a summary of selected provisions of the bill.

SELECTED PROVISIONS OF C.S.H.B 2295 (as passed out of the House Business and Industry Committee)

- Creates a licensing model that grandfathers current builders, which includes:
 - An 8 hour class for original licensees;
 - A licensing examination.
- Requires a \$25,000 registration bond for original licensees. *However, there is no clarity that current registrants are grandfathered.*
- Increases public representation on the TRCC Board.
- Requires further arbitration provisions in residential construction contracts, including:
 - A requirement they be in 12 point type;
 - Separate provisions that each party must initial showing the parties accept pre-dispute and post-dispute arbitration;
 - A prohibition that a party cannot require arbitration as a condition to the contract, *even though there is no way to police such a prohibition and it plainly goes against the freedom to contract.*
- Provides for a Class B Misdemeanor for non-licensed builders.

- Increases the minimum statutory warranty for workmanship to two years and the warranty for plumbing, electrical and HVAC systems to four years.
- Shortens the time frame of the state inspection program (SIRP) to 75 days for workmanship matters and 90 days for structural matters. Allows the homeowner to opt-out of the SIRP if the process goes past the time frames.
- Allows for mediation in lieu of the state inspection program (SIRP) at the homeowner's choosing.
- Creates a Recovery Fund to help reimburse consumers for damages caused by builders who do not take corrective action.
- Establishes a formal Ombudsman's Office to ensure that consumer interests are well represented.
- Requires TRCC to post all closed complaints that have resulted in disciplinary action on its website.
- Allows for revocation of a license of a builder for violations of disciplinary grounds, even if the builder has no prior violations.
- Allows a Third-Party Inspector to include items not previously requested by the homeowner in the state inspection program (SIRP).
- Allows for the prioritization of defects by the TRCC that are an emergency matter or that affect the habitability or structural matters of a home.
- Strengthens the TRCC's cease and desist powers.
- Increases continuing education requirements to 16 hours every two years.

To view the bill in its entirety, please click [here](#). You will be prompted for your username and password. Your username is your first and last name with no spaces. Your password is your NAHB pin.

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Call To Action - Letter Needed in Support of HB 1511 - Fire Sprinkler Choice

Dear TAB members,

Representative Otto's HB 1511, giving home owners the choice to install fire sprinklers, was voted favorably out of the House Insurance Committee on March 24. In order for this bill to be heard on the House floor, the Calendars Committee must place it on the General State Calendar. Please take action by logging in to TAB's [Grassroots Action Center](#) to send a prepared form letter

to your State Representative in support HB 1511. Feel free to tailor this letter as you see fit.

Thank you for your continued support and participation. If you have any questions please contact the TAB Government Relations Staff at 512-476-6346.

Sincerely,
Texas Association of Builders Government Relations Staff

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81st Legislative Session Update

The Legislature was not in session and Senate and House offices were closed from Friday, April 10th through Monday, April 13th for the Passover and Easter holidays. When legislators returned on Tuesday, the pace of the session picked up substantially. With only seven more weeks (now six) left in the session, both the Senate and House began meeting on Fridays. And, the House could be in session on Saturday if they do not finish the budget debate on Friday.

GOVERNOR – There were hundreds of “Tea Parties” throughout the county on April 15th, (tax day) to protest taxes. Governor Rick Perry spoke at the Don’t Mess with Texas Tea Party at Austin City Hall. After the rally, Governor Perry said, “Texas is a unique place. When we came into the union in 1845, one of the issues was that we would be able to leave if we decided to do that. My hope is that America, and Washington in particular, pays attention. We’ve got a great union. There’s absolutely no reason to dissolve it. But if Washington continues to thumb their nose at the American people, who knows what might come out of that? But, Texas is a very unique place, and we’re a pretty independent lot, to boot. America is a great country, and Texas wants to stay in the union and help our way out of this economic downturn. I’m trying to make Washington pay attention to the 10th amendment. We are Americans, proud Texans, and we will do everything we can to get America back on track.”

In response to federal taxation rallies on April 15th, Lt. Governor David Dewhurst said, “On this tax day, while as Americans we are worried about rising federal taxes and spending, as Texans we have much to be thankful for. In Texas, our commitment to keeping taxes low and creating jobs has kept more money where it belongs—in people’s pockets and available for businesses to reinvest, grow and add jobs. Today I stand with all Americans who insist on holding Washington accountable for runaway taxes and uncontrolled spending that are devastating our nation’s economy, adding to a record deficit and building on an already bloated bureaucracy. In Texas, we’ve shown government works best when it gets out of the way. Washington can’t spend us back to prosperity.”

SENATE – The Senate was in session Tuesday through Friday this week. On Tuesday, the Senate gave final approval to SB 855 by Senator John Carona (R-Dallas) by a vote of 21 to 9. The bill, which would authorize metropolitan areas to have local votes on new taxes and fees for transportation, received preliminary approval last week. They also gave final approval to SB 16 by Kip Averitt (R-Waco), the air quality programs bill. It passed by a vote of 22 to 8. On Wednesday, the Senate passed SB 1049 by Senator Carlos Uresti (D-San Antonio), which would raise the legal smoking age in Texas to 19. He said, “Since many of our 18 year-olds are still in high school, they could be a dissemination source to their underage peers.” On Thursday, the Senate passed SB 1016 by Senator Craig Estes (R-Wichita Falls), which is the Texas Department of Agriculture sunset bill. They also gave preliminary approval to SB 1569 by Senator Kevin Eltife (R-Tyler), which would bring Texas into compliance with the unemployment compensation policy changes required to receive the federal unemployment compensation funds in the stimulus package that Governor Rick Perry has declined. And, after three hours of debate, the Senate also gave preliminary approval to SB 1123 by Senator Robert Duncan (R-Lubbock), which would establish a new standard of causation for claims involving malignant mesothelioma, by a vote of 20 to 11. *Note: 249 bills are currently awaiting placement on the Senate Local and Uncontested calendar.*

Total number of bills reported out of Senate Committees this week: 214
Total number of bills passed by the Senate this week: 116
Total number of bills passed on the Local and Uncontested Calendar:
76

HOUSE – The House was in session Tuesday through Friday this week (they may be in on Saturday if they do not finish the budget on Friday). On Tuesday, the House gave preliminary approval to HB 2074 by Dennis Bonnen (R-Angleton), which would authorize the Land Commissioner to develop a coastal erosion response plan; and to HB 2387, also by Bonnen, which would authorize the General Land Office to use money in its coastal erosion response account to purchase property on public beaches for coastal erosion response projects. Both bills received final approval on Wednesday. Also on Wednesday, the House had a Local and Consent calendar. On Thursday, the House passed to third reading HB 4586 by Jim Pitts (R-Waxahachie) the supplemental appropriations bill. Today, they will take up SB 1, the general appropriations bill. Over 400 amendments were pre-filed by Tuesday night’s deadline. *Note: 336 bills are now in the House Calendars Committee and 239 are in the House Local and Consent Calendars Committee.*

Total number of bills reported out of House Committees this week: 242
Total number of bills passed by the House this week: 51
Total number of bills passed on the Local and Consent Calendar: 42

BUDGET – The House will convene at 9:00a.m. on Friday to take up **SB 1** by **Senator Steve Ogden (R-Bryan) and Jim Pitts (R-Waxahachie)**, the general appropriations bill.

Passed the House:

HB 4586 by Jim Pitts (R-Waxahachie) is the supplemental appropriations bill. *On Thursday, 15 House floor amendments were adopted and it passed to third reading in the House by a vote of 141 to 5. Republican Representatives Warren Chisum, Wayne Christian, Joe Crabb, Charlie Howard, and Sid Miller cast the “no” votes.*

STIMULUS FUNDS – On Tuesday, the House Select Committee on Federal Economic Stabilization Funding issued a preliminary mid-session report. It said, “Texas is expected to receive \$16 billion in American Recovery and Reinvestment Act funding that will be administered by state government. State agencies are beginning to receive, obligate and expend significant amounts of Recovery Act money, and will continue to receive and expend funds throughout the 2010-2011 biennium.” The committee’s recommendations are:

1. “Appropriate all Federal stimulus funds estimated to be received by the state during FY 2009 in the Supplemental Appropriations Act so the Legislature can establish priorities for spending, identify and account for the funds, add reporting requirements and performance measures, and amend existing riders to ensure maximum legislative authority over the Federal stimulus funds.
2. The Supplemental Appropriations Act for 2008-2009 and the General Appropriations Act for 2010-2011 should itemize every dollar of Federal stimulus money appropriated in a separate “Article” of the bill where any legislator or citizen can see the amounts appropriated, the specific purposes for which the funds are appropriated, performance measures tied to each expenditure of funds, the number of FTEs authorized, and a list of all capital items to be purchased with the stimulus funds.
3. Provide a temporary increase in the number of FTE’s for additional agency employees to handle increased funding capacity, contract management and monitoring, performance reporting, transparency requirements, enhanced accountability and auditing.
4. The Supplemental and General Appropriations Acts should, at a minimum, include riders that:
 - A. Require all state agencies and institutions of higher education to file all documents and information pertaining to the receipt and expenditure of Federal stimulus money.
 - B. Require all inspectors general, internal auditors, external contracted auditors, and all other personnel at state agencies and institutions of higher education to cooperate with any and all requests by the State

Auditor's Office pertaining to Federal stimulus funding.

- C. Require all state agencies and institutions of higher education to post a prominent position on the home page of the agency's website all information pertaining to Federal stimulus funding received or disbursed by the agency or institution.
 - D. Designate specific state agencies to serve as the lead agency to coordinate and maximize the state's efforts to apply for and obtain funding in areas where states and/or other entities must apply for and/or compete for funding.
 - E. In the event that the Texas Governmental Accountability and Transparency Act of 2009 or similar legislation is not enacted, a rider should be added to the Supplemental and General Appropriations Acts to: a) require each agency to provide 30-day written notice to each member of the legislature prior to obligating or expending federal stimulus funds that exceed the amount appropriated in those acts; b) require the notice to be posted on the agency's website and in the Texas Register; c) require each agency to hold a public hearing on the intended use of the additional funds; and d) require the written approval of the Legislative Budget Board in advance of obligating or expending the funds.
- 5. Use Federal stimulus money to maximize funds, create jobs, and stimulate the Texas economy. These are one-time funds, the purpose of which is to create jobs and stimulate the Texas economy. Decision-makers should always ask, for each spending alternative, does it comply with the intent of the Recovery Act and is it the best and highest use of the funds.
 - 6. Require agencies to clearly identify all programs, projects, services and other items funded by the Recovery Act by placing the official Recovery Act emblem that is available electronically free of charge on all documents, including but not limited to contracts, public announcements, notices and correspondence.”

In response to the Select Committee's preliminary report, The Texas Conservative Coalition issued a response. Representative Wayne Christian (R-Center), the group's President said, "The preliminary mid-session report issued today by the Select Committee on Federal Economic Stabilization Funding perpetuates the flawed philosophical underpinnings of the federal stimulus and parrots the President's false promise of government spending as the solution to the economic crisis. Contrary to the rhetoric of the Select Committee report, the report fails to accomplish some basic tasks assigned by Speaker of the Texas House Joe Straus. In fact, the Select Committee goes well beyond its scope by inventing a structural deficit and implicitly arguing that property tax rate relief was a failed policy goal. . . The preliminary report of the Select Committee suggests that Texas take advantage of federal matching funds as though they are free money. In reality, federal matching funds drive increases in spending, exposing taxpayers

to increased tax liability from both federal and state governments. Furthermore, by basing many of its arguments on the false notion of a multiplier effect, the Select Committee report makes the flimsy argument that government transfer payments and redistributions create new wealth that will grow the state economy. The report of the Select Committee makes unsubstantiated arguments that will lead our state down the failed path pursued by the federal government and bankrupt states such as California. In stark contrast, Texas' recent economic record is unparalleled in the nation, and should serve as a testament to a responsible state economic approach. Texas created 393,300 jobs over the past two years, which is 124,300 more jobs than the President and the Congress speculate might come from the first two years of their stimulus package. There is a simple, proven way to grow the economy and create jobs: by keeping taxes low and by relying on targeted investments in job growth. The Select Committee report is silent on responsible recommendations for one-time uses of the federal stimulus funds coming to Texas, such as purchasing textbooks and technology for public schools and providing resources for teachers to engage in additional professional development. Sound fiscal policy is the key to economic growth. Legislators should reject the philosophical underpinnings of the Final Report of the Select Committee on Federal Economic Stabilization Funding.”

ENVIRONMENT – On Tuesday, the **House Natural Resources Committee** took up:

HB 3494 by Frank Corte (R-San Antonio) would require groundwater conservation districts to revise their desired future conditions of groundwater resources plans using current groundwater availability models and other relevant data or information at least every five years. *It was left pending.*

HB 3575 by Jerry Madden (R-Plano) would require energy or water conservation measures undertaken by a state agency including a measure undertaken by a state agency in the maintenance, repair, or construction of a building that is implemented internally or through an energy savings performance contract to comply with local, state and federal regulations. *It was left pending.*

HJR 128 by Allan Ritter (D-Nederland) proposes a constitutional amendment authorizing the Water Development Board to issue bonds of up to \$6 billion for one or more accounts of the Texas Water Development Fund II. *It was left pending.*

Also on Tuesday, the **Senate Natural Resources Committee** took up:

SB 171 by Mario Gallegos (D-Houston) would require Texas Commission on Environmental Quality to adopt air toxics effects screening levels as enforceable ambient air quality standards. *It was left pending.*

SB 761 by Kirk Watson (D-Austin) would change the “computer” equipment recycling program to the “electronic” equipment recycling program and define electronic equipment as computer equipment or televisions. *It was left pending.*

SB 1406 by Eliot Shapleigh (D-El Paso) would require effects of climate variability to be considered as part of the state and regional water plans by January 5, 2012. *It was left pending.*

On Wednesday, the **Senate Intergovernmental Relations Committee** took up:

SB 1299 by Kirk Watson (D-Austin) would authorize counties with a population of 800,000 or more that contain a portion of the Edwards Aquifer to regulate stormwater management. *It was left pending.*

Also on Wednesday, the **House Environmental Regulation Committee** took up:

HB 290 by Harold Dutton (D-Houston) would require the Texas Commission on Environmental Quality to consider in the permitting process the cumulative effects on the public's health and physical property of expected air contaminant emissions within a three-mile radius of a proposed facility. *It was left pending.*

HB 2497 by Jim Dunnam (D-Waco) would designate areas that fail to meet federal ambient air quality standards for ozone as new non attainment areas. *It was left pending.*

HB 3582 by Jim Dunnam (D-Waco) would require the Texas Commission on Environmental Quality to develop a single, comprehensive electronic database accessible to the public of information relating to permitted emissions. *It was left pending.*

And on Wednesday, the **House Energy Resources Committee** took up:

HB 4345 by Warren Chisum (R-Pampa) would require the State Energy Conservation Office to create the Texas Center for Sustainable Business. *It was left pending.*

On Thursday, the **Senate Natural Resources Committee** took up:

SB 2384 by Eliot Shapleigh (D-El Paso) would require the Department of State Health Services, in cooperation with the Texas Commission on Environmental Quality, the Commissioner of Education, and local school and health districts to assist schools and child-care facilities in one or more geographic area selected by the department to reduce the potential for children's exposure to area-wide soil contamination. *It was left pending.*

ENERGY/ELECTRIC UTILITY – On Tuesday, the **Senate Business and Commerce Committee** took up: **SB 2349** by Steve Ogden (R-Bryan) would authorize persons who own or operate a distributed generation facility to sell electric energy at a wholesale price that the Public Utility Commission determines based on factors that the commission determines are relevant, including the electric utility's or retail electric provider's avoided cost of energy and the market value of energy. *It was left pending.*

Also on Tuesday, the **House State Affairs Committee** took up:

HB 1900 by Sylvester Turner (D-Houston) would require electric utilities to use standardized written contracts approved by the Public Utility Commission in providing services to customers. *It was left pending.*

HB 4261 by Eddie Rodriguez (D-Austin) would require the State Energy Conservation Office to establish an interest-free loan program to promote the use of energy efficiency measures and renewable energy technology in residential dwellings and commercial buildings. *It was left pending.*

On Wednesday, the **House Energy Resources Committee** took up: **HB 499** by Rob Orr (R-Burleson) would change the name of the Railroad Commission of Texas to the Texas Energy Commission. *It was left pending.*

GENERAL BUSINESS – On Tuesday, the **Senate Health and Human Services Committee** took up:

SB 544 by Rodney Ellis (D-Houston) would institute a statewide smoking ban in all workplaces, public places, and seating areas at an outdoor event. *It was left pending.*

On Wednesday, the **Senate Transportation and Homeland Security Committee** took up:

SB 357 by Dan Patrick (R-Houston) would prohibit an employer from knowingly employing a person not lawfully present in the United States; and would require employers to keep documentation of lawful resident verification in an employee's employment record. *It was left pending.*

HUMAN RESOURCES/EMPLOYMENT – On Wednesday, the **House Defense and Veteran's Affairs Committee** took up: **HB 4388** by Norma Chavez (D-El Paso) would give employment preferences to veterans for employment with state agencies, universities, and local governmental entities. *It was left pending.*

INSURANCE – On Tuesday, the **Senate Business and Commerce Committee** took up: **SB 1335** by Glenn Hegar (R-Katy) would provide that if an insurer pays a claim within 15 business days after the insurer secures final proof of loss or within 30 days if the insurer has a reasonable basis to believe that the loss resulted from arson, the payment of the claim would provide the required notice of acceptance or rejection. *It was voted out favorably as substituted.*

On Wednesday, the **Senate Intergovernmental Relations Committee** took up: **SB 1890** by Mario Gallegos (D-Houston) would authorize the Commissioner of Insurance to issue an order to suspend enforcement of the regulation of on-premises outdoor signs by municipalities during the period of a declared disaster. *It was left pending.*

PROPERTY – On Tuesday, the **Senate Criminal Justice**

Committee took up:

SB 1391 by Jeff Wentworth (R-San Antonio) would make it a defense to prosecution under the criminal trespass statute if the person committing the offense was an employee or agent of an electric or gas utility performing a duty within the scope of employment who reasonably believed had effective consent to enter the property. *It was voted out favorably as substituted.*

On Wednesday the **Senate Government Organization Committee** took up: **SB 2381** by Royce West (D-Dallas) would require the comptroller to collect \$20 from each registrant for the master bidders list to be used to enforce compliance with state purchasing statutes and the prevention of fraud in the historically underutilized business program. *It was left pending.*

On Wednesday, the **Senate Transportation and Homeland Security Committee** took up: **SB 1609** by Glenn Hegar (R-Katy) would require a decision by a district engineer of Texas Department of Transportation denying access to a controlled access highway be in writing and include the reasons for the denial; provide procedures for appealing a denial; and allow the applicant to appeal the decision of the design division to the executive director and the State Office of Administrative Hearings. *It was voted out favorably as substituted.*

Also on Wednesday, the **House Defense and Veteran's Affairs Committee** took up: **HJR 132** by Frank Corte (R-San Antonio) proposes a constitutional amendment to allow the legislature to authorize a municipality or county to issue bonds or notes to finance the acquisition of buffer areas or open spaces adjacent to a military installation for the prevention of encroachment or for the construction of roadways or infrastructure to protect or promote the mission of the military installation. *It was left pending.*

On Thursday, the **House Urban Affairs Committee** took up: **HB 37** by Frank Corte (R-San Antonio) would require municipalities, prior to developing a community development program, to identify areas of the municipality which have the characteristics of blight or a slum; and prohibits the municipality from exercising the right of eminent domain to acquire property unless the condition of the property is an immediate threat to public health and safety. *It was left pending.*

HB 1389 by Yvonne Davis (D-Dallas) would amend the Local Government Code regarding procedures a municipality must follow when identifying property as having the characteristics of blight and before exercising powers of eminent domain. *It was left pending.*

HB 3682 by Debbie Riddle (R-Houston) would allow the Harris County commissioners court to regulate uninhabitable, unsafe, or abandoned structures. *It was left pending.*

And on Thursday, the **Senate Criminal Justice Committee** took up: **SB 1391** by Jeff Wentworth (R-San Antonio) would make it a defense

to prosecution under the criminal trespass statute if the person committing the offense was an employee or agent of an electric or gas utility performing a duty within the scope of employment who reasonably believed had effective consent to enter the property. *It was voted out favorably as substituted.*

TAXATION – Comptroller Susan Combs announced that the state received \$1.58 billion in sales tax revenue in March, down 3.8% compared to March 2008. Comptroller Combs said, “Continued weakness in many important sectors, such as retail trade, mining and construction, resulted in a significant decrease in March sales tax collections. While year to date sales tax revenue is up 1.9% for fiscal 2009, further declines are expected this year.” Cities, counties, transit systems and special purpose taxing districts will receive \$409.9 million in April sales tax allocations, a 2.2% decrease compared to April 2008. So far in 2009, monthly sales tax allocations to local governments remain up by 1.2%.

On Wednesday, the **House Ways and Means Committee** took up: **HB 3189** by Brian McCall (R-Plano) would exempt from the franchise tax payments received by a landlord of commercial real property from a tenant to reimburse the landlord for taxes, general or special assessments, operating expenses, and similar amounts generally expended for commercial property. *It was left pending.*

HB 3206 by Al Edwards (D-Houston) would require Texas Commission on Environmental Quality to adopt rules establishing a method to determine a partial exemption for pollution control equipment. *It was left pending.*

HB 3778 by Charlie Howard (R-Sugar Land) would exclude from the franchise tax flow-through funds that are subcontracting payments made by a taxable entity to nonemployee agents for the performance of delivery services on behalf of the taxable entity. *It was left pending.*

HB 3835 by Harvey Hilderbran (R-Kerrville) would exempt all flow-through funds that are mandated by contract or distributed to other entities from the franchise tax. *It was left pending.*

HB 3927 by Rene Oliveira (D-Brownsville) would provide that for franchise tax purposes, an entity receiving more than 50% of its total revenue from Internet hosting, meaning receipts from Internet hosting are receipts from business done in this state if the place from which the entity’s customer’s trade or business is directed or managed in Texas. *It was left pending.*

HB 4269 by Charlie Howard (R-Sugar Land) would delete from the definition of passive entity an entity that does not receive more than 10% of its federal gross income from conducting an active trade or business. *It was left pending.*

HJR 97 by Phil King (R-Weatherford) proposes a constitutional amendment to abolish school district maintenance and operations ad valorem taxes effective January 1, 2014. *It was left pending.*

On Thursday, the **Senate State Affairs Committee** took up: **SB 1813**

by Robert Duncan (R-Lubbock) would authorize licensed real estate appraisers to access confidential information held by an appraisal district that relates to a parcel of real property that the person has been engaged to appraise. *It was voted out favorably as substituted.*

WORKERS' COMPENSATION – On Tuesday, the **House State Affairs Committee** took up: **HB 34** by David Leibowitz (D-San Antonio) would prohibit a contract between an employee and an employer who does not have workers' compensation insurance from affecting the right of the employee to recover damages for personal injury or death sustained by the employee in the course and scope of the employee's employment that is entered into before the 10th day after the date a cause of action against the employer arises. *It was left pending.*

To look up any bill, visit the [Texas Legislature Online](#).

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Bills of Interest

HB 209 (Dwayne Bohac, R-Houston)/SB 276 (Dan Patrick, R-Houston) Relating to the determination of the appraised value of a residence homestead for ad valorem taxation. This bill amends Section 23.23 of the tax code and states that homes should be appraised no more than once every two years. It does not allow for the appraised value of a home to be increased for a year when the home was not appraised. This doesn't apply to the appraisal of a residence in a tax year in which a limitation on an appraised value expires. This bill states that a homeowner is entitled to submit a written request to have their home reappraised in a year before the chief appraiser has certified the roll for the appraisal district. Section 403.302(d) of the government code is amended by adding subsection (15) of what is to be considered "taxable value", "The amount by which market value of a residence homestead to which Section 25.18(b-1), Tax Code, applies exceeds the appraised value of that property because of the application of Section 25.18 (b-1)."

HB 238 (Eddie Rodriguez, D-Austin) Relating to an exemption from the sales tax for certain renewable energy devices. This bill exempts certain renewable energy devices from sales tax. The sale, use or installation of a renewable energy device installed on the retail customers side of the meter is exempt. A renewable energy device is defined as a technology to generate electricity.

HB 277 (John Zerwas, R-Houston) Relating to the franchise tax and alternative revenue sources and spending priorities. This bill

increases the total exemption from franchise tax from \$300,000 to \$600,000 in on reports due in 2010 and increases the exemption to \$1 million on reports due in 2011. The franchise tax is completely repealed on January 1, 2014. The Comptroller will do a comprehensive study on alternatives to revenue-generating methods to meet the needs of the state. A report will be presented to the legislature by November 1, 2010 of the findings from the study.

HB 847 (Armando Martinez, D-Weslaco) Relating to the maximum rate of certain local sales and use taxes. This bill increases the sales and use tax a county or municipality may adopt from 2% to 3%.

HB 4765 (Rene Oliviera, D-Brownsville) Relating to the total revenue exemption for the franchise tax. This bill raises the franchise tax exemption from \$300,000 to \$1 million until January 1, 2012.

HB 4766 (Rene Oliviera, D-Brownsville) Relating to the computation of the franchise tax. This bill temporarily increases the franchise tax exemption to \$750,000. If a taxable entity's total revenue is between \$750,000 and \$900,000, they are eligible for a 50% discount on the taxes imposed. An entity's total revenue that is greater than \$900,000 and less than \$1 million is eligible for a 33% discount. These exemptions and discounts are effective until January 1, 2012.

SB 402 (Kevin Eltife, R-Tyler) Relating to the authority of the voters of a municipality or a county to adopt a one-quarter cent sales and use tax in the municipality or county to provide property tax relief. This bill creates a sales and use tax for counties and municipalities. A municipality or county may adopt or abolish this sales and use tax. Adoption of this tax doesn't affect the authority of another political subdivision that may have overlapping boundaries. The rate of this tax is one quarter of one percent. The adoption of abolition of the tax becomes effective the first day of a calendar quarter after the comptroller receives the election results the calendar quarter before.

SB 700 (Dan Patrick, R- Houston)/HB 1575 (Carl Isett, R-Lubbock) Relating to ad valorem tax relief.

This is a comprehensive property tax reform bill. It contains the following provisions:

- Extends the late filing deadline for a homestead exemption from one year to five years and expands the eligibility for late filing to the \$3,000 mandatory exemption and the \$15,000 mandatory school tax exemption
- Requires that market value of property should be based on the use for which the property is currently used or designed or suited to be used and not highest and best use of the property
- Requires the notice of appraisal to state the appraised value of the property and the difference in the value of the property

compared to the preceding tax year.

- Lowers the percentage used in the rollback tax rate from 1.08 to 1.05
- Prohibits a taxing unit other than a school district from adopting a tax rate exceeding the rollback rate without voter approval
- Require an appraisal district to implement a system for electronic filing of protests, review of comparable sales data and other evidence of value, and negotiation of settlement offers
- Authorizes a property owner to appeal an ARB order to small claim courts if the amount of taxes in dispute does not exceed \$5,000 (This doesn't require the property owner to be represented by an attorney)
- Provides that a final judgment of a small claims court may not be appealed.

SB 2300 (Tommy Williams, R-The Woodlands)/HB 3778 (Charlie Howard, R-Sugarland) Relating to the exclusion of certain flow-through funds in determining total revenue for purposes of the franchise tax. Payments made by the taxable entity to subcontractors for services are considered to be a flow-through fund and should be excluded from total revenue.

SB 2363 (Rodney Ellis, D- Houston)/HB 4229 (John Otto, R-Dayton) Relating to the award of attorney's fees to a property owner who prevails in a property tax appeal.

This bill allows an owner to receive attorney's fees if they win an appeal.

To look up any bill, visit the [Texas Legislature Online](#).

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Important Upcoming Hearings

Senate Transportation and Homeland Security: Monday, April 20 at 8:00 am. in room E1.016. TAB is tracking:

SB 1266 (Kirk Watson, D- Austin) Relating to erecting an off-premise sign adjacent to and visible from certain roads.

House Ways and Means: Monday, April 20 at 8:30 a.m. in JHR 120. TAB is tracking: **HB 832 (Bryan Hughes, R-Marshall) Relating to the computation of taxable margin for purposes of the franchise tax by certain taxable entities.**

HB 1229 (Charlie Howard, R- Sugar Land) *Relating to the appointment and removal of appraisal review board members.*

HB 1403 (Mike Villarreal, D- San Antonio)/SB 966 (Rodney Ellis, D-Houston) *Relating to the repeal of state sales tax and franchise tax refunds for certain ad valorem tax payers.*

HB 2338 (Michael Villarreal, D-San Antonio) *Relating to the refund of the sales taxes imposed on real property repair and remodeling services for certain energy efficient facilities.*

HB 2628 (Eddie Rodriguez, D-Austin) *Relating to an exemption from ad valorem taxation of certain property owned by a charitable organization and used in providing housing and related services to certain individuals.*

HB 2941 (Ken Paxton, R- McKinney)/SB 1494 (Tommy Williams, R-The Woodlands) *Relating to the disclosure of certain ad valorem tax appraisal information and other confidential information.*

HB 3131 (Will Hartnett, R-Dallas)/SB 818 (Leticia Van de Putte, D-San Antonio) *Relating to the exclusion of certain payments from the total revenue of certain taxable entities for purposes of the franchise tax.*

HB 3498 (David Swinford, R-Dumas) *Relating to the appeal of an appraisal review board order to district court.*

HB 3909 (Jerry Madden, R-Plano) *Relating to the computation of the franchise tax.*

HB 3944 (Charlie Howard, R-Sugar Land) *Relating to an exemption from the franchise tax for certain taxable entities during an initial period of operation.*

HB 4264 (Charlie Howard, R-Sugar Land) *Relating to the determination of cost of goods sold for purposes of computing the franchise tax.*

HB 4267 (Charlie Howard, R- Sugar Land) *Relating to the determination of ownership of goods for the purpose of deducting the cost of goods sold under the franchise tax.*

HB 4268 (Charlie Howard, R-Sugar Land) *Relating to the determination of cost of goods sold for purposes of computing the franchise tax.*

HB 4270 (Charlie Howard, R-Sugar Land) *Relating to the computation of cost of goods sold for purposes of the franchise tax by certain affiliated taxable entities.*

Senate Finance: Monday, April 20 at 9:00 a.m. in room E1.036. TAB is tracking: **SB 20 (Tommy Williams, R- The Woodlands)** *Relating to ad valorem taxation.*

SB 505 (Steve Ogden, R-Bryan) *Authorizing the designation of an area adjacent to a state highway project as a transportation finance zone and requiring the revenue from the taxes imposed in the zone be used to pay obligations in connection with the project.*

SB 590 (Mike Jackson, R-Pasadena) *Relating to a requirement that the board of directors of an appraisal district develop a plan for reappraising property after a natural disaster.*

SB 700 (Dan Patrick, R- Houston)/HB 1575 (Carl Isett, R-

Lubbock) *Relating to ad valorem tax relief.*

SB 771 (Tommy Williams, R- The Woodlands) *Relating to the determination of the value of property for ad valorem tax purposes.*

SB 966 (Rodney Ellis, D- Houston) *Relating to the repeal of state sales tax and franchise tax refunds for certain ad valorem tax payers.***SB 2274 (Kel Seliger, R- Amarillo)** *Relating to the authority of a school district to impose ad valorem taxes.*

SJR 48 (Tommy Williams, R-The Woodlands)/HJR 36 (John Otto, R-Dayton) *Ad valorem taxation of a residence homestead solely on the basis of the properties value as a residence homestead; authorizing a single board of equalization for two or more adjoining appraisal entities.*

House Business and Industry: Monday, April 20 at 10:00 a.m. or upon adjournment in room E2.026. TAB is tracking:

HB 2699 (Ruth Jones McClendon, D-San Antonio) *Relating to the licensing and regulation of certain builders.*

HB 3321 (Jessica Farrar, D-Houston) *Relating to creation, re-creation, extension, renewal, or modification of or addition to deed restrictions in certain areas.*

House Judiciary and Civil Jurisprudence: Monday, April 20 on final adjournment in room E2.010. TAB is tracking: **HB 1338 (David Leibowitz, D-San Antonio)** *Relating to certain civil actions against persons who file complaints with governmental agencies or quasi-governmental entities.*

House Border and Intergovernmental Affairs: Monday, April 20 at 2:00 p.m. or final adjournment in room E1.010. TAB is tracking: **HB 4542 (Richard Raymond, D-Laredo)** *Relating to the exercise of urban renewal powers by certain counties.*

Senate Government Organization: Monday, April 20 at 1:30 p.m. in room 2E.20. TAB is tracking: **SB 1002 (Robert Deuell, R-Greenville)** *Relating to the continuation and functions of the Texas State Affordable Housing Corporation.*

House Natural Resources: Tuesday, April 21 at 8:00 a.m. in room E2.010. TAB is tracking:

HB 3335 (Bill Callegari, R- Houston) *Relating to the powers and authority of certain water districts.*

HB 3693 (Jodie Laubenberg, R-Rockwall) *Relating to an exemption from the applicability of the Comprehensive Municipal Solid Waste Management, Resource Recover, and Conservation Act for certain solid waste used for resource recovery or processing.*

HB 3834 (Harvey Hilderbran, R-Kerrville) *Relating to requiring the seller of certain real property to provide notice regarding the purchaser's duty to register water wells located or drilled on the property.*

HB 4460 (Trey Martinez Fischer, D-San Antonio) *Relating to the creation of Austin Desired Development Zone District No. 4; providing authority to levy an assessment, impose taxes, and issue bonds; and granting a limited power of eminent domain.*

HB 4463 (Trey Martinez Fischer, D-San Antonio) *Relating to the creation of Austin Desired Development Zone District No. 5; providing authority to levy an assessment, impose taxes, and issue bonds; and granting a limited power of eminent domain.*

HB 4478 (Trey Martinez Fischer, D-San Antonio) *Relating to the creation of Austin Desired Development Zone District No. 2; providing authority to levy an assessment, impose taxes, and issue bonds; and granting a limited power of eminent domain.*

HB 4479 (Trey Martinez Fischer, D-San Antonio) *Relating to the creation of Austin Desired Development Zone District No.3; providing authority to levy an assessment, impose taxes, and issue bonds; and granting a limited power of eminent domain.*

HB 4500 (Trey Martinez Fischer, D-San Antonio) *Relating to the creation of Austin Desired Development Zone District No. 1; providing authority to levy an assessment, impose taxes, and issue bonds; and granting a limited power of eminent domain.*

House Urban Affairs: Tuesday, April 21 at 10:30 a.m. or upon adjournment in room E1.026. TAB is tracking: **HB 555 (Jose Menendez, D-San Antonio)** *Relating to the evaluation of applications for certain financial assistance administered by the Texas Department of Housing and Community Affairs.*

HB 563 (Jose Menendez, D-San Antonio) *Relating to the evaluation of applications for certain financial assistance administered by the Texas Department of Housing and Community Affairs.*

HB 2629 (Eddie Rodriguez, D-Austin) *Relating to incentives in the low income housing tax credit program to reward applicants who agree to use energy-saving devices and energy conservation measures projects.*

HB 2888 (Trey Martinez Fischer, D-San Antonio) *Relating to recipients of financial assistance administered by the Texas Department of Housing and Community Affairs.*

HB 3009 (Garnet Coleman, D- Houston) *Relating to the authority of municipal management district to consolidate.*

HB 3163 (Yvonne Davis, D-Dallas) *Relating to funding the housing trust fund.*

HB 3168 (Yvonne Davis, D-Dallas) *Relating to the creation of a natural disaster reconstruction demonstration initiative.*

HB 3390 (Linda Harper-Brown, R-Irving) *Relating to the continuation and functions of the Texas Commission on Fire Protection.*

HB 4094 (Yvonne Davis, D-Dallas) *Relating to state and municipal actions to ensure compliance with fair housing requirements.*

HB 4648 (Garnet F. Coleman, D-Houston) *Authorizing municipalities located in counties having a population of more than three million to create residential management districts under Chapter*

375, Local Government Code, and prescribing their powers and authority.

House Transportation: Tuesday, April 21 at 8:00 a.m. in room E2.014. TAB is tracking: **HB 9 (Vicki Truitt, R-Southlake)** *Relating to local options regarding transportation and mobility improvement projects in certain counties.*

HJR 9 (Vicki Truitt, R-Southlake) *Relating to allowing the expenditure of motor vehicle fuel taxes and registration fees for passenger rail, transit and freight rail.*

HB 11 (David Leibowitz, D-San Antonio) *Relating to repeal of authority for the establishment and operation of the Trans-Texas Corridor.*

HB 13 (David Leibowitz, D-San Antonio) *Relating to the operation of a state highway or segment of a state highway as a toll project.*

HB 1674 (Mike Villarreal, D-San Antonio) *Relating to funding for county transportation needs.*

HB 2116 (Joe Pickett, D-El Paso) *Relating to the issuance by the Texas Transportation Commission of general obligation bonds for highway improvement projects.*

HB 3341 (Robert Miklos, D-Mesquite) *Relating to the creation of a transportation development corporation in certain municipalities; authorizing local option elections for funding mass transit projects.*

HB 3448 (Eddie Rodriguez, D-Austin) *Relating to local options regarding transportation and mobility improvement projects in certain counties.*

Senate Education: Tuesday, April 21 at 8:30 a.m. in room E1.028.

TAB is tracking: **SB 982 (Leticia Van de Putte, D- San Antonio)/HB 1555 (Diane Patrick, R- Arlington)** *Relating to public school finance.*

SB 2392 (Florence Shapiro, R- Plano) *Relating to public school finance.*

SB 2430 (Wendy Davis, D- Ft. Worth) *Relating to public school finance and certain limitations on the ad valorem tax rate of a school district.*

House State Affairs: Tuesday, April 21 at 2:00 p.m. or upon adjournment in room JHR 140. TAB is tracking:

HB 48 (Debbie Riddle, R-Houston) *Relating to the suspension of certain licenses held by employers for the knowing employment of persons not lawfully present.*

HB 404 (Patricia Harless, R-Spring) *Relating to the enforcement of state and federal laws governing immigration by certain governmental entities.*

HB 1061 (Jim Jackson, R-Carrollton) *Relating to the requirement of citizenship or unlawful presence in the U.S. for issuance or renewal of certain occupational licenses, driver's licenses, and identification.*

HB 3949 (Burt Solomons, R-Carrollton) *Relating to the requirement that applicants for certain licenses be eligible for employment in the United States.*

House Insurance: Tuesday, April 21 at 2:00 in room E2.026. TAB is tracking: **HB 4095 (Craig Eiland, D-Texas City)** *Relating to subrogation rights of certain insurers.*

Senate Higher Education: Wednesday, April 22 at 7:00 a.m. in room E1.012. TAB is tracking: **SB 1523 (Eliot Shapleigh, D- El Paso)** *Relating to requiring satisfactory completion of a course in the Leadership in Energy and Environmental Design (LEED) Green Building Rating System as a requisite for a degree in architecture at certain colleges.*

Licensing and Administrative Procedures: Wednesday, April 22 at 8:00 a.m. in room E2.016. TAB is tracking: **HB 2339 (Sid Miller, R- Stephenville)** *Relating to the regulation of licensed irrigators.*
HB 3182 (Senfronia Thompson, D- Houston) *Relating to consumer protection for and remedies available to a homebuyer whose home does not comply with certain warranties; providing an administrative penalty.*

House Land and Resource Management: Wednesday, April 22 at 8:30 a.m. in room E2.012. **HB 4144 (Dan Gattis, R-Georgetown)** *Relating to a municipality's comprehensive development.*

Senate Intergovernmental Relations: Wednesday, April 22 at 9:30 a.m. in room E1.028. TAB is tracking: **SB 1375 (Royce West, D-Dallas)** *Relating to the establishment of the Texas savvy homeowners program.*

SB 1995 (Mario Gallegos Jr., D-Houston) *Relating to the adoption of uniform residential building codes b political subdivisions.*

House Ways and Means: Wednesday, April 22 at 10:30 a.m. in room E2.010. TAB is tracking: **HB 237 (Eddie Rodriguez, D-Austin)** *Relating to a deduction under the franchise tax for certain renewable energy devices.*

HB 238 (Eddie Rodriguez, D-Austin) *Relating to an exemption from the sales tax for certain renewable energy devices.*

HB 799 (Eddie Lucio III) *Relating to an exemption from the sales tax for certain renewable energy devices.*

HB 880 (Mark Strama, D- Austin) *Relating to the exemption from ad valorem taxation of certain energy efficiency-related improvements to real or personal property.*

HB 1030 (Bill Callegari, R- Houston) *Relating to the scheduling of hearings before appraisal review boards on property tax protests.*

HB 1140 (Vicki Truitt, R- Southlake) *Relating to a franchise tax credit for the purchase and installation of solar energy devices connected to an electric transmission or distribution system.*

HB 1417 (David Leibowitz, D – San Antonio) *Relating to an exemption from the sales tax for certain renewable energy systems and related equipment.*

HB 1751 (David Leibowitz, D- San Antonio) *Relating to an exemption from ad valorem taxation of a renewable energy device, structure, facility, or system installed or constructed on residential property, agricultural land, or open-space land devoted to farm or ranch purposes.*

HB 1936 (Mike Villarreal, D- San Antonio) *Relating to the authority of the governing body of a municipality to exempt a portion of the value of a residence homestead from ad valorem taxation if the homestead meets certain energy efficiency standards.*

HB 2150 (Tim Kleinschmidt, R- Lexington) *Relating to the eligibility of land for ad valorem tax appraisal as qualified open-space land.*

HB 2184 (David Leibowitz, D- San Antonio) *Relating to a franchise tax credit for building new single-family homes or duplexes that exceed certain energy efficiency standards.*

HB 2226 (Tan Parker, R- Flower Mound) *Relating to exemptions from the sales tax for certain solar and wind energy devices.*

HB 2790 (Mark Homer, D- Paris) *Relating to the franchise tax incentives for recycling.*

HB 3965 (Jim Dunnam, D-Waco) *Relating to the exemption from ad valorem taxation for certain property used to control pollution.*

HB 4256 (Harvey Hilderbran, R-Kerrville) *Relating to voluntary sales price disclosure in real property sales.*

HB 4413 (Larry Taylor, R-League City) *Relating to the required notice of a public hearing on the adoption of an ad valorem tax rate by the governing body of a taxing unit.*

HB 4639 (Eddie Lucio, III, D-San Benito) *Relating to a franchise tax credit for certain investments made in relation to certain renewable energy technology systems.*

HJR 47 (Mark Strama, D- Austin) *Authorizing the legislature to exempt from ad valorem taxation certain energy efficiency-related improvements to real or personal property.*

HJR 72 (David Leibowitz, D- San Antonio) *Relating to exempting from ad valorem taxation a renewable energy device, structure, facility, or system installed or constructed on residential property, agricultural land, or open-space land devoted to farm or ranch purposes.*

HJR 75 (Mike Villarreal, D- San Antonio) *Authorizing the governing body of a municipality to exempt a portion of the value of a residence homestead from ad valorem taxation if the homestead meets certain*

energy efficiency standards.

HJR 141 (Garnet F. Coleman, D-Houston) *Providing property tax abatement for home and business owners who install solar panels on their homes or businesses.*

House Judiciary and Civil Jurisprudence: Wednesday, April 22 upon adjournment in JHR 140. TAB is tracking: **HB 3913 (Jerry Madden, R-Plano)** *Relating to resolution of disputes arising under certain construction contracts.*

House Energy Resources: Wednesday, April 22 at 1:00 p.m. in room E1.010. TAB is tracking: **HB 1823 (Solomon Ortiz, D- Corpus Christi)** *Relating to an exemption from sales and use taxation of certain energy conservation-related property.*

HB 3045 (Joe Farias, D- San Antonio) *Relating to the development of a solar energy visualization platform by the State Energy Conservation Office.*

HB 3145 (Yvonne Gonzalez Toureilles, D- Alice) *Relating to the goal for renewable energy capacity derived from renewable energy technologies other than sources using wind energy.*

Senate Veteran Affairs/Military Installations: Wednesday, April 22 at 1:30 p.m. in the Betty King Room. TAB is tracking: **SB 2222 (Leticia Van de Putte, D-San Antonio)** *Relating to authorizing the creation of regional military sustainability commissions around military installations and requiring certain property disclosures.*

SB 2223 (Leticia Van de Putte, D- San Antonio) *Relating to allowing a municipality to create a defense base regulatory authority.*

SB 2439 (Carlos Uresti, D- San Antonio) *Relating to granting certain local governments general zoning authority around certain military facilities; providing a penalty.*

To review committee schedules and to further research a bill, visit the [Texas Legislature Online](#).

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The 2009 Star Awards Call for Entries is Open!

The Calls for Entries are now available for download at www.TexasBuilders.org. This year we have separate Calls for Entries

for the following: Custom Builder, Volume Builder, Remodeler, Developer, Green Building and Individual Achievement.

The Star Awards recognizes excellence in all areas of the home building industry. Both members of the Texas Association of Builders (TAB) and non-members may enter to win one of these prestigious awards that recognize the industry's best from the Southwest region of the United States: Texas, Arkansas, Louisiana, New Mexico and Oklahoma.

All home building, remodeling and promotional projects completed between January 1, 2008 and July 13, 2009 may be entered for consideration. If you meet our Early Bird submission deadline of 5 p.m., June 22, 2009, the entry fees are \$100 per entry for members, and \$200 per entry for non-members. The final deadline to receive entries is 5 p.m., Monday, July 13, 2009. The TAB member fee is \$125 per entry; the non-member fee is \$225 per entry.

The entries will be judged by a distinguished panel of industry experts. Finalists will be notified in September, and the 2009 Star Awards Gala will be held on Friday, October 30, at the Gaylord Texan Resort in Grapevine, Texas. The awards ceremony is held in conjunction with the annual Sunbelt Builders Show™ and Education Conference (www.SunbeltBuildersShow.com).

If you have questions or need additional information after you have downloaded the entries from www.TexasBuilders.org, please call TAB at (800) 252-3625.

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