



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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82nd Legislative Session Gets Underway

The 82nd session of the Texas Legislature was kicked off at Noon on Tuesday, January 11, 2011. As prescribed by the Constitution, the regular session of the legislature will last for 140 days. The last day of the session will be May 30, 2011.

GOVERNOR – Governor Rick Perry, who is a former member of the Texas House of Representatives and presided over the Senate as Lt. Governor, visited both chambers on Tuesday and addressed issues the Legislature will face this session. Governor Rick Perry designated two issues as emergency items – private property rights/eminent domain and abolishing sanctuary cities.

SENATE – Lt. Governor David Dewhurst gavelled the Texas Senate into session and he thanked his family and the families of the Senate members who make sacrifices so that the senators can serve the people of Texas. The Senate unanimously elected Senator Steve Ogden (R-Bryan) as the President Pro Tempore for the Senate. In that capacity, he will serve as Governor when Governor Rick Perry and Lieutenant Governor David Dewhurst are out of the state. Ogden, who chairs the Senate Finance Committee, talked about the budget challenges facing the legislature.

He said that the total estimated revenue of \$177.8 billion is over \$10 billion more than the \$167.7 billion the legislature had to work with last session. In the last session, 70% of the cost of Medicaid was paid by the federal government with 30% paid by the state. This biennium, it is estimated that the federal share will be 58% with 42% being the obligation of the state. He also talked about education spending, which together with human services makes up more than 81% of general revenue. He identified what he considers the problem with the public school finance system which is the “target revenue” provision that guarantees school districts the same amount of money per student that they received in 2006. As the population rises, the cost to the state increases, and that accounts for a \$5.5 billion “hole” in the Foundation School Program. The last budget issue he discussed was the business franchise tax and how it has underperformed by approximately \$2

billion per year and accounted for \$1.2 billion of the \$4.3 billion deficit for the current biennium.

The Senate has two new members: Brian Birdwell (R-Granbury), who won a special election in 2010, and Jose Rodriguez (D-El Paso). The partisan numbers in the Senate are the same as in the 2009 session - 19 Republicans and 12 Democrats.

HOUSE – The House was convened by Secretary of State Hope Andrade. Representative Joe Straus (R-San Antonio) was elected Speaker of the House by a vote of 132 to 15 with two present-not-voting after being nominated by Representative Rob Eissler (R-The Woodlands). A contested speaker's race was expected but didn't materialize. Challengers to Speaker Joe Straus, Ken Paxton (R-McKinney) and Warren Chisum (R-Pampa), requested a Republican caucus meeting in order for the Republican House members to select a speaker. A caucus meeting was held on Monday and a non-binding vote was taken. Republican caucus chair Larry Taylor (R-League City) announced that Straus received more than 2/3rds of the vote. After that meeting, Representative Chisum initially withdrew and endorsed Paxton, but on Tuesday morning decided to support Straus. Representative Paxton originally indicated that he would remain a candidate when the House convened on Tuesday. But on Tuesday, Paxton told his House colleagues that he would not be allowing his name to be placed into nomination for speaker. A motion was made to elect Joe Straus as speaker by acclamation, but Representative Leo Berman (R-Tyler) objected and requested a record vote. The 15 House members voting against Straus for speaker were all Republicans – Representatives Leo Berman of Tyler, Cindy Burkett of Dallas, Erwin Cain of Sulphur Springs, Wayne Christian of Center, Dan Flynn of Canton, Phil King of Weatherford, Jim Landtroop of Plainview, Jodie Laubenberg of Wylie, Tan Parker of Flower Mound, Ken Paxton of McKinney, Charles Perry of Lubbock, David Simpson of Longview, Van Taylor of Plano, James White of Hillister, and Bill Zedler of Arlington. Republicans Bryan Hughes of Mineola and Jason Isaac of Dripping Springs voted “present” and Yvonne Davis (D-Dallas) was absent.

33 new members were sworn in to the House of Representatives this week including 28 Republicans and five Democrats. Three former members of the Texas House returned: Boris Miles (D-Houston), Jim Murphy (R-Houston), and Bill Zedler (R-Arlington). The partisan split in the House is now 101 Republicans and 49 Democrats. That compares to 76 Republicans and 74 Democrats in the 2009 session. Three Democratic House members have switched to the Republican Party since the 2009 election including: Chuck Hopson of Jacksonville, Aaron Pena of Edinburg, and Allan Ritter of Nederland.

On Thursday, after the joint session with the Senate to canvass the votes, they debated and adopted HR 3, the Housekeeping Resolution governing the administration and operation of the House. The resolution was adopted. Under the resolution, the monthly allocations to members' operating accounts will decrease by 10% from last session and will decrease another 4% during the interim. House Administration

Committee Chairman Charlie Geren (R-Fort Worth), who authored the resolution said, “We need to be responsible and cut our budget to set a good example for the state agencies who have been asked to decrease their budgets.” An amendment was added to allow the House Republican and Democratic caucuses to have office space in the Capitol if it is available. The House adjourned until Tuesday, January 18, 2011 to observe the Martin Luther King Jr. holiday on Monday.

Election Contest – An election contest has been filed in House District 48 in Travis County where Republican Dan Neil has contested the election of the certified winner, Democratic incumbent Donna Howard, who won the election recount by 12 votes. On December 28, 2010, Speaker Straus appointed Representative Will Hartnett (R-Dallas) as master of discovery to supervise the gathering of evidence and to determine whether the contest is frivolous or groundless. On Wednesday, the Speaker appointed the Select Committee on Election Contests to investigate the allegations, hear the evidence, make fact findings and legal conclusions, and make recommendations to the House. The committee is chaired by Representative Todd Hunter (R-Corpus Christi) and the vice chair is Representative Craig Eiland (D-Texas City). After the committee makes its recommendations, the House will consider the contest and decide whether to uphold the election of the certified winner or seat the challenger contesting the election, depending on whether it can ascertain who won the election, or to invalidate the election and direct the governor to call a special election, with the previous incumbent occupying the seat until a successor qualifies. The contest can be withdrawn at any time before the committee files its recommendation with the House.

BUDGET – On Monday, Comptroller Susan Combs issued her Biennial Revenue Estimate. It showed that the state is projected to have \$72.2 billion available for general-purpose spending during the 2012-13 biennium. The state’s general revenue collections are estimated to be \$77.3 billion, of which more than \$800 million would be set aside as part of future transfers to the Rainy Day Fund, leaving approximately \$76.5 billion in net general revenue. Offsetting that revenue is a projected negative \$4.3 billion ending balance for the current biennium, leaving the Legislature the estimated \$72.2 billion for general purpose spending. State revenue for all purposes is estimated at \$177.8 billion for the biennium, which would include approximately \$100.5 billion in federal receipts and other income. At the end of the 2012-13 biennium, the state’s Rainy Day Fund will have approximately \$9.4 billion. Economic growth in the state is projected to reflect a growing population and revival of business activity. The Texas economy, in inflation-adjusted terms, is projected to increase by 2.6% in fiscal year 2011 compared to the previous year, and by 2.8% in fiscal year 2012 and 3.4% in fiscal year 2013. Texas had lost about 432,300 jobs from the time of the state’s employment peak in the summer of 2008 to the bottoming of employment in the fall of 2009. But since then, the state has added back more than 220,000 jobs, and is on track to gain back all lost jobs by the second half of fiscal year 2012. *(Note: The full Biennial Revenue Estimate is available on the Comptroller’s Website at <http://www.window.state.tx.us/taxbud/bre2012/>)*

After meeting together on Tuesday, Governor Perry, Lt. Governor Dewhurst and Speaker Straus reconfirmed their commitment to balancing the state budget without raising taxes, working with the available revenue, and evaluating all programs and agencies as state leaders scrub the budget.

Legislative Articles of Interest

[Straus Cruises to Re-election as Speaker of the Texas House](#)

[State Faces \\$27 Billion Budget Deficit](#)

[Lawmakers Suggest Slew of Changes to State Agencies](#)

82nd Legislature Dates of Interest

Tuesday, January 11, 2011 (1st Day)

The 82nd Legislature convenes at Noon.

Friday, February 11, 2011 (30th Day)

The 30th day marks the end of constitutional limitations on business that may occur in the first 30 days of session. During the first 30 days of regular sessions, bills may be referred to committee, but committees may not hold hearings on bills.

Wednesday, February 23, 2011

Texas Association of Builders Rally Day at the Capitol

Friday, March 11, 2011 (60th Day)

Deadline for filing bills and joint resolutions other than local bills, emergency appropriations and bills that have been declared an emergency by the governor.

Monday, May 30, 2011 (140th Day)

Last day of 82nd Regular Session. The Legislature adjourns Sine Die.

Sunday, June 19, 2011 (20th Day Following Final Adjournment)

Last day governor can sign or veto bills passed during the regular legislative session

Monday, August 29, 2011 (91st Day Following Final Adjournment)

Date that bills without specific effective dates (that could not become effective immediately) become law

Helpful Links

[Texas House of Representatives](#)

[Texas Senate](#)

To research bills of interest, visit the **[Texas Legislature Online](#)**.

To receive information on any legislative issue, please
contact us at (800) 252-3625 or (512) 476-6346

Scott Norman, Executive Director

Ned Muñoz, V.P. of Regulatory Affairs and General Counsel

Ashlei Leck, Legislative Assistant

Rally Day - February 23, 2011

We are pleased that Rally Day will be held on Wednesday, February 23, 2011. We are looking forward to another successful event and are hoping to have all 34 of our local associations participate in Rally Day and deliver our message to the state legislators come February.

The purpose of Rally Day is to deliver our legislative agenda right to the door of our State Representatives and Senators. As an industry, we must proactively inform elected officials of the consequences of passing over-reaching legislation that can have an overly burdensome and costly effect on Texas home builders and home buyers. Your state association leadership and staff are excited about the 82nd Session, but without your strong support and grassroots action, the Texas Association of Builders will not be able to accomplish its goals.

Rally Day will include an address from an elected official on the south steps of the Capitol. After the rally, we will have lunch on the Capitol grounds where all legislators and their staff are invited to join us. After lunch, groups will meet with their legislators to discuss the key issues on TAB's legislative agenda. Wrapping up the day's festivities will be a legislative reception at the historic Driskill Hotel.

We need your help to continue to protect our entire industry and ask that you make the commitment to travel to Austin on **Wednesday, February 23** for Rally Day 2011 to be a part of this special—and effective—legislative event.

If you have any questions, please contact Ashlei Leck at TAB at (512) 476-6346. Let's get ready to Rally!

[See the Rally Day Video Here](#)

Tentative Rally Day Schedule Wednesday, February, 23, 2011

9 – 10:15 a.m.	Registration on Capitol Grounds (Rally Day Captains)
10:30 – 10:35 a.m.	Opening Remarks at the South Steps of the Capitol
10:35 – 10:45 a.m.	Guest Speaker
10:45 – 11 a.m.	Legislative Agenda & Closing Remarks
11 a.m. – 1 p.m.	Barbeque Lunch on the Grounds of the Capitol
1 – 5 p.m.	Legislator Visits
5:30 – 7:30 p.m.	TAB Legislative Reception at the Driskill Hotel

Please contact your local association to register for Rally Day

Stay for TAB's Winter Board Meetings!
Thursday and Friday, February 24 and 25
Driskill Hotel, Austin
Register for the board meetings at www.texasbuilders.org



★ RALLY DAY ★
2011

February 23, 2011
Capitol Grounds

Build Relationships

Lobby Important Issues

Show Support for the Association

Take a Stand

Your Participation
Matters!

Bring your party.

 TEXAS ASSOCIATION OF BUILDERS

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