



Below is an update on the 81<sup>st</sup> Session of the Texas Legislature from ABC Lobbyist, Mike Toomey with the Texas Lobby Group, and ABC of Texas President, Jon Fisher.

## Update from the Texas Lobby Group, L.L.P

### March 9, 2009

The pace of the legislative session is definitely picking up. Bill filings are up dramatically. In fact, despite the slower start this Session, more bills have now been filed than last Session. Here are the stats:

**Comparison of Bills Filed**  
**March 2, 2007 - March 5, 2009**  
**7 Days to 60th Day**

	<b>80th Leg</b>	<b>81st Leg</b>	<b>+/-</b>
House Bills	2400	2747	+347
Senate Bills	1114	1500	+386
Total	3514	4247	+733

And with the filing deadline approaching this Friday (the 13<sup>th</sup>) – a barrage of bill filings are expected to hit this week.....

Senate committees have now reported out 26 bills. No bills have been reported out of House committees yet this session. (Although technically a few bills have been “voted out” of committee, they are not considered officially “reported out” until the paperwork has been turned in to the Chief Clerk’s office....) The House will be taking up hundreds of bills this week in Committee hearings.

### THE COW

Tomorrow, the Senate is expected to meet in a committee of the whole (COW) with President Pro Tempore Senator Robert Duncan (R-Lubbock) presiding, to take up the voter ID bill. This is a highly political debate that is expected to continue throughout much of the week and allow for very little other business in the Senate.

## **THE BUDGET/THE STIMULUS**

In dialogue on the House floor on Tuesday, **Representative Jim Pitts (R-Waxahachie)**, the **House Appropriations Committee chair**, announced that the 2010-2011 **appropriations bill** will address the stimulus funds by creating a new, separate article that segregates those funds for transparency purposes.

**Last week:** the **House Select Committee on Federal Economic Stabilization Funding** continued receiving invited testimony from state agencies. Agencies testifying included the **Texas Higher Education Coordinating Board, Texas Education Agency, General Land Office, Texas Department of Agriculture, Railroad Commission, Department of Public Safety, Office of the Attorney General, Criminal Justice Division/Office of the Governor, Public Utility Commission, Electric Reliability Council of Texas (ERCOT)** and **Texas Workforce Commission**.

**This Week:** The **House Federal Economic Stabilization Funding Committee** will meet today to receive public testimony on transportation issues. They will meet on Tuesday for public testimony in the areas of unemployment, housing, and rural affairs; on Wednesday to receive testimony from local governmental entities including councils of government, counties, cities, and hospital districts; and on Thursday to receive public testimony on health and human services and receive invited testimony from economist **Dr. Ray Perriman**.

It appears that most state agencies will be receiving some stimulus funds, in conjunction with the federally-funded programs the agencies administer.

Two issues have received the most attention so far:

**Transportation project funding** (Texas Department of Transportation) - House members have been expressing their concern about how TxDOT is prioritizing projects to be built with stimulus funds without soliciting legislative input. TxDOT testified that the agency is using existing processes that involve metropolitan planning organizations (MPOs) for developing urban area projects.

**Unemployment compensation benefits** (Texas Workforce Commission) - Democratic legislators are urging the Governor to accept \$555 million to pay unemployment compensation benefits. The state unemployment compensation trust fund, supported by employer contributions, had a \$376+ million surplus in 2007. **Governor Perry** instituted employer tax credits totaling \$170 million in fall 2007. Now, reflecting the slowing state economy, the trust is projected to be operating at a deficit come October and will approach insolvency soon thereafter, according to the Texas Workforce Commission.

**Senator Watson** said, "Pass the needed reforms in the law and accept this money. It is a time when anyone who is really paying attention to the people on this issue will tell you, we're in dire circumstances." Speaking on behalf of the Governor, Allison Castle, **Governor Perry's** spokesperson said, "It's unfortunate that today some legislators decided to inject politics into the stimulus discussion. Despite the tone of today's press conference and the fact that the governor has yet to make a decision, he looks forward to working with all lawmakers on this important issue to

Texas families. .... There is no greater priority than the lives of Texans, which is why the governor has always focused on creating jobs and ensuring Texans have the opportunity to succeed. The governor's office continues to review the federal stimulus legislation to determine what strings and stipulations are attached and the long-term economic impact to Texas taxpayers."

The **House Select Committee on Federal Economic Stabilization Funding** has put up a website [www.txstimulusfunds.com](http://www.txstimulusfunds.com) on which hearings, documents presented to the Committee, and other relevant information is being posted.

**The State's Chief Budgeteer – the Comptroller - Susan Combs** has launched a website, *Tracking the Texas Stimulus*, to help state and local officials, business leaders, economic developers, human service providers and interested taxpayers track what Texas may receive in federal economic stimulus funds. **Comptroller Combs** said, "Our office is closely reviewing the American Recovery and Reinvestment Act of 2009 to determine what it means for Texas. We will share information we have compiled so far and continually update the Web page as federal agencies provide more guidance on the funding included in this complex and far-reaching plan."

The website is located at [www.window.state.tx.us/finances/stimulus/](http://www.window.state.tx.us/finances/stimulus/).

Following the stimulus money at this time includes all of the above: **The Appropriations and Senate Finance Committees, the House Select Committee, the Governor's Office and the Comptroller's office.** There are obviously many moving parts in this equation which will be working to sort this out before the Legislative Session's June 1 end date.

As we have said in the past – the budget is technically the only bill the legislature must pass. The stimulus funding has brought a great deal of uncertainty to the budget process.....

*Additional information can be obtained via the Senate and House websites:*

[www.senate.state.tx.us](http://www.senate.state.tx.us)

[www.house.state.tx.us](http://www.house.state.tx.us)

## **Update from ABC of Texas, Jon Fisher.**

March 6, 2009

This has been a very busy week at the Legislature for your State Office. We had two committee hearings on some bills of interest, met with members of the House and Senate primarily on tort reform issues, participated in a press conference on workforce/education issues, had an Op-Ed piece published in the Austin American-Statesman, and attended a meeting with the Texas Employers for Immigration Reform.

Committee hearings this week:

House Committee on Business and Industry—Monday, March 2—supported HB 669 with permission from the ABC of Texas Executive Committee (a Texas Construction Association bill dealing with errors or omissions in liens) and ensured that a significant effort was made by the business community to oppose HB 35 (reporting for non-subscribers to Workers' Compensation).

Senate Committee on Intergovernmental Relations—Wednesday, March 4—supported SB 229 (technical correction to design-build statute) and opposed SB 447 (local preference for cities under 250,000). ABC of Texas was unsuccessful in securing a witness for SB 447.

Committee hearings next week (as of today):

**Monday, March 9**

Senate Committee on State Affairs—Bob Parker will testify on behalf of ABC of Texas in support of SB 555 (indemnification).

House Committee on Business and Industry—will oppose HB 615 (special ed. Parent leave), HB 1005 (parent leave for school), and HB 1057 (family leave). Will support HB 1209 (construction trust fund payments).

**Wednesday, March 11**

House Committee on Licensing and Administrative Procedures—will support HB 128 (license applicants must show status).

Last week I forgot to mention that an anti-EFCA resolution had been filed in the House—HCR 64 by Rep. Carl Isett of Lubbock.

As mentioned above, I participated with Texans for Lawsuit Reform (TLR) and the Texas Civil Justice League (TCJL) in visiting 11 Senators (and one Representative) on a variety of efforts by the plaintiff bar to roll back tort reforms and court decisions. We have plans to visit at least 8 more Senators in the next week if the meetings can be scheduled. I represented ABC of Texas at every single meeting that was scheduled. Others attending included representatives of the Texas Association of Business, the Texas Association of Manufacturers, the National Federation of Independent Business, the Association of Electric Companies of Texas, the Texas Oil and Gas Association, Texas Chemical Council, the Texas Medical Association and others. ABC of Texas has joined many of these associations in signing a letter opposing a bill doing away with arbitration contracts. In the next week or so, we will also be joining other groups in signing letters opposing

changes dealing with “phantom damages”, *qui tam* (bounty-hunting), asbestos causation and the *Entergy* decision. See attachments from TLR & TCJL, including the summary of all bills.

The coalition working on workforce education issues adopted a name, filed a bill, held a press conference, and published an Op-Ed piece—see attachment above and link below.

[http://www.statesman.com/opinion/content/editorial/stories/03/06/0306bellsnyder\\_edit.html](http://www.statesman.com/opinion/content/editorial/stories/03/06/0306bellsnyder_edit.html)

We are still very concerned that many chapters are opposing bills without giving us well-reasoned arguments against passage and **witnesses that can testify if the bills are heard**. We tried unsuccessfully to secure a witness for a local preference bill last Wednesday. We are also concerned about delays in getting positions to ABC of Texas because that delays us getting word to committee chairs that bills may be bad. If a committee chairman promises an author to schedule a bill for hearing before we are able to communicate that it is a bad bill, the bill may get further in the process than it would had our response been quicker. Bills that never get heard cannot pass!

Below is a brief summary of action or relevant information on ABC of Texas’ Priority Legislative Issues:

**Immigration**—ABC of Texas is opposing 2 of the 3 immigration bills sent to the Chapters for positions. Those are HB 48 by Rep. Debbie Riddle (knowingly employing persons not legally in the United States) and HB 266 by Rep. Leo Berman (comprehensive bill that would punish employers). ABC of Texas ended up supporting HB 128 by Rep. Burt Solomons (prohibiting the issuance of licenses to those not legally in the country), although the vote was close. That bill will be heard next week. ABC of Texas is taking a leadership role in opposing state action on illegal immigration and will be joining other TEIR members in weekly meetings to coordinate efforts. We are obviously against all bills that would cancel business licenses for employing illegal aliens since there is no system for protecting employers from honest mistakes and avoiding employment discrimination.

**Contractor Licensing**—Nothing new to report.

**Alternative Delivery Systems**—SB 1110 by Senator Mike Jackson and HB 2106 by Rep. Charlie Geren. Neither bill has been referred as of 3/5/09.

**Indemnification/Workers' Compensation/Third Party Liability**—ABC of Texas is supporting SB 555 by Senator Robert Duncan and HB 818 by Rep. Craig Eiland. The Senate bill will be heard in the Senate Committee on State Affairs on Monday, March 9. Bob Parker is slated to testify on behalf of ABC of Texas. These bills were the result of negotiations among AGC-TBB, the Texas Construction Association and the TCJL. ABC of Texas is also an active participant in joint efforts led by TLR and TCJL to oppose any erosion in tort reform this session and to protect favorable court decisions.

**Trust Funds**—HB 1513 by Rep. Wayne Smith and SB 1137 by Senator Mike Jackson. The House bill has been referred to the House Committee on Business and Industry.

**Prevailing Wage**—HB 1042 by Rep. Tan Parker was referred to the House Committee on Technology, Economic Development and Workforce this week. The author, Rep. Tan Parker is Vice Chair of the committee. We are waiting for other interested individuals who participated in a conference call 2 weeks ago to do some further checking on whether trying to streamline and simplify the process would be a better course. Rep. Parker's office has contacted us about witnesses for the hearing.

**Trades Legislation**—Bills are starting to get introduced. We are circulating them to chapters for positions if we are not certain. We will need witnesses at short notice on some of these bills

In addition, ABC of Texas has taken positions on the following bills. For text of the bills, please see <http://www.capitol.state.tx.us/> --use the Search Legislation menu.

SB 127 (state building standards)—Against

SB 180 (State OSHA)—Against

SB 222 (prohibiting arbitration agreements in contracts)—Against

SB 229 (expanding availability of design-build)—For

SB 447 (allowing local preference in municipal contracts)—Against

SB 470 (elec. apprentice training)—Against

SB 496 (*Qui Tam*)--Against

SB 508 (local preference for bids)—Against

SB 555 (indemnification)—For

HB 48 (license suspensions for employing illegal aliens)—Against

HB 128 (checking immigration status for licenses)—For

HB 266 (punitive and expansive immigration bill)—Against

HB 303 (tax exemption for green buildings)—For

HB 308 (employer jury duty pay)—Against

HB 431 (state building standards—LEED)—For

HB 535 (preference for employers with health insurance)—Against

HB 707 (local preference for bids)—Against

HB 818 (indemnification)—For

HB 987 (comp. procurement and change orders for local gov'ts)—For