

SINE DIE REPORT

83RD LEGISLATIVE SESSION



The 83rd Regular Texas Legislative Session, as well as the First, Second and Third Called Special Sessions, have concluded. The following is a brief report on the impact of the actions taken by the 83rd Texas Legislature on the Texas Department of Agriculture (TDA) and our stakeholders.

APPROPRIATIONS (REGULAR SESSION)

The biennial revenue outlook for the fiscal years 2014-2015 budget indicated an increase in state revenues, as compared to the previous appropriation cycle. State legislators passed an appropriations bill to fund the state budget totaling \$197 billion in state and federal funds. During the budgeting process the Legislature debated major funding initiatives for water, education, health care, tax relief and transportation.

After sustaining a 49 percent reduction in general revenue appropriations during the 2012-2013 budget cycle, TDA initiated an agency-wide reorganization to reduce costs and change business practices to better meet the needs of our constituents. As a result of the efficiencies gained, TDA requested an appropriation with no increases and no new programs. In fact, TDA requested less budget than the prior biennial appropriation. The 83rd Legislature adopted TDA's requested budget for 2014-2015, and lawmakers expanded grant programs to assist food banks and created programs to promote nutrition education, including:

- The Texans Feeding Texans Surplus Agricultural grant program is an ongoing effort to offset the costs of harvesting, gleaning and transporting surplus agricultural products from Texas fields to Texas food banks. The Legislature increased program funding from \$1.8 million to \$2.9 million over the biennium.

- The Brighter Bites/Ace for Health program builds partnerships with community leaders and schools to promote healthier eating habits at home. The Legislature provided \$1.2 million in new funding through TDA to expand this program into additional schools in Houston and Dallas.

WATER (REGULAR SESSION)

Water was a hot topic during the legislative session. Funding a portion of the state's water plan was the subject of much debate, with the Legislature seeking ways to facilitate the implementation of the state water plan following the recent record drought. Deciding how much and the method by which to fund water infrastructure development was a more divisive issue. The solution was finally agreed upon and passed in three bills, which included a proposed constitutional amendment that will appear on the November 5, 2013 ballot.

Senate Joint Resolution 1 by Sen. Tommy Williams and Rep. Jim Pitts proposes a constitutional amendment, which will constitutionally create two funds for the implementation of water projects in the state water plan:

- State Water Implementation Fund for Texas (SWIFT); and
- State Water Implementation Revenue Fund for Texas (SWIRFT).

These funds would be administered by the Texas Water Development Board (TWDB) and act as revolving loan funds for water infrastructure and conservation projects.

House Bill 4 by Rep. Allan Ritter and Sen. Troy Fraser provides for structural changes at the TWDB and for the mechanics of SWIFT and SWIRFT. Among other provisions, the bill establishes how projects are prioritized for funding selection, including an evaluation process by the regional water planning groups, followed by a TWDB ranking.

At least 10 percent of the fund must be used for projects designed to serve rural political subdivisions and agriculture water conservation projects. The bill also requires 20 percent of projects to be dedicated to water conservation and reuse, which includes agricultural irrigation projects.

The final piece of the funding strategy is House Bill 1025, the supplemental appropriations bill by Rep. Jim Pitts and Sen. Tommy Williams. If voters approve the constitutional amendment proposed in SJR 1 that allows for the use of \$2 billion for water funding from the state's Rainy Day Fund, then HB 1025 will be the vehicle that transfers the funds.

EDUCATION (REGULAR SESSION)

Senate Bill 2 by Sen. Dan Patrick and Rep. Jimmie Don Aycock is characterized as a comprehensive overhaul of the laws relating to charter schools in Texas. The bill increases the number of charters that can be issued from 215 to 305 by 2019. The bill also moves oversight of the charter approval, renewal and closure process from the State Board of Education to the Texas Education Agency.

House Bill 5 by Rep. Jimmie Don Aycock and Sen. Dan Patrick makes several significant changes to student testing, graduation requirements and school assessments. The bill reduces the number of end-of-course assessments from 15 to five and eliminates state mandates that student scores affect a student's final course grade. HB 5 creates a single high school diploma, called the foundation program, and enables students to pursue their interests through unique diploma endorsements

in areas such as science and technology, business and industry, and the humanities. HB 5 also establishes a new school accountability rating system that provides a clearer understanding of overall school performance. Schools will be measured on academic performance, financial performance, and community and student engagement. Schools will be given a grade of A-F.

TAXES (REGULAR SESSION)

House Bill 500 by Rep. Harvey Hilderbran and Sen. Glenn Hegar grants a franchise tax cut to Texas businesses and makes permanent the \$1 million small business tax exemption. The bill phases in a five percent across-the-board franchise tax cut starting with a 2.5 percent cut in 2014 and increasing to five percent in 2015.

House Bill 800 by Rep. Jim Murphy and Sen. Bob Deuell creates a tax credit for companies conducting research and development. The bill seeks to make Texas economically competitive in the field of research and development, as well as to encourage new investments, promote the creation of high-paying jobs, and complement Texas' manufacturing industries through innovation and efficiency.

OTHER BILLS IMPACTING TDA'S MISSION (REGULAR SESSION)

- House Bill 341 by Rep. Jim Pitts and Sen. Robert Nichols excludes mineral interests from the property interests that may be condemned by a regional tollway authority.
- House Bill 474 by Rep. Sergio Muñoz Jr. and Sen. Juan "Chuy" Hinojosa provides for an optional procedure for the issuance of an oversize or overweight vehicle permit in areas of Hidalgo County to offer an alternative for produce companies currently required to stop and redistribute their load before crossing the border from Mexico into Texas.
- House Bill 487 by Rep. Cecil Bell and Sen. Robert Nichols clarifies existing law with regard to a local official's authority to request or accept assistance from volunteers in a hazardous or dangerous situation and limits the volunteer's liability in providing such assistance.

- House Bill 511 by Rep. Jim Murphy and Sen. John Carona creates a non-expiring license plate and eliminates the requirements to carry a paper registration receipt on a token trailer, which is defined as any trailer over 6,000 pounds that has appor-tioned or combination truck registration.
- House Bill 561 by Rep. Paul Workman and Sen. Kel Seliger exempts schools from the tax imposed when land is taken out of agriculture production and sold for another use.
- House Bill 677 by Rep. Charlie Geren and Sen. Kevin Eltife increases the number of dams exempted from certain dam safety regulatory requirements by changing the county population threshold from less than 215,000 to less than 350,000.
- House Bill 749 by Rep. Richard Peña Raymond and Sen. Eddie Lucio Jr. requires TDA to partner with Baylor University’s Texas Hunger Initiative to develop a five-year plan to improve outcomes in summer food service programs.
- House Bill 842 by Rep. Cecil Bell and Sen. Bob Deuell authorizes school districts to implement a college credit program recognizing certain courses or activities necessary to obtain an industry-rec-ognized credential concurrently with the student’s high school diploma.
- House Bill 970 by Rep. Eddie Rodriguez and Sen. Bob Deuell amends regulations pertaining to the cottage food industry including expanding the types of foods allowed to be produced and the loca-tions foods can be sold.
- House Bill 1081 by Rep. Mary González and Sen. José Rodriguez requires the Texas Animal Health Commission to conduct a study on bovine tuber-culosis in the El Paso Milk Shed and assess the risk level of reoccurrence if dairy farming is introduced in areas determined to be infected with or at high risk for bovine tuberculosis.
- House Bill 1133 by Rep. John Otto and Sen. Craig Estes establishes a state sales and use tax exemption for tangible personal property used to provide cable television service, Internet access service or tele-communications services.
- House Bill 1392 by Rep. Susan King and Sen. Jane Nelson creates a reliable and consistent method for individuals and small businesses to obtain clear and timely guidance for how to achieve compliance with various food and health regulations before an inspection by the Texas Department of State Health Services.
- House Bill 1493 by Rep. Tracy King and Sen. Glenn Hegar relates to the 2011 transfer of Texas Department of Rural Affairs functions to TDA. The bill removes outdated and duplicative func-tions and statutes.
- House Bill 1494 by Rep. Tracy King and Sen. Juan “Chuy” Hinojosa modernizes several statutes pertaining to regulatory programs administered by TDA, which creates efficiencies in TDA’s adminis-trative enforcement processes. The bill modernizes and clarifies the TDA’s Weights and Measures stat-utes by simplifying the licensing of equipment ser-vice companies and service technicians. HB 1494 authorizes TDA to send renewal notices by email or traditional mail, according to the preference of the licensee, and authorizes TDA to establish, by rule, the notice requirements for commodity board elections. The bill also modifies the basis for assess-ment of citrus production if a referendum is passed for its collection.
- House Bill 1521 by Rep. Travis Clardy and Sen. Robert Nichols establishes provisions for non-com-mercial domestic and exotic fowl owners to take similar precautions as non-commercial diseased or exposed livestock owners to dispose of diseased and exposed fowl.
- House Bill 1819 by Rep. Kyle Kacal and Sen. Kel Seliger expands protection to sheep and goats if an individual’s livestock escapes a pasture, clarifying that a neighbor does not have the right to harm that livestock.
- House Bill 1931 by Rep. Ryan Guillen and Sen. Craig Estes authorizes counties or cities with a pop-ulation of 150,000 or less to transfer funds from local law enforcement agencies’ abandoned vehicle auctions to the state prosecutor for use in com-pensating a property owner whose vehicle, aircraft, watercraft or outboard motor was damaged because of the law enforcement agency’s pursuit.

- House Bill 2311 by Rep. Kyle Kacal and Sen. Charles Schwertner clarifies the statutes pertaining to a state animal identification program. The bill ensures a program developed by the Texas Animal Health Commission cannot be more stringent than the federal animal disease traceability program. The bill provides a process for the Texas program to differ from the federal but only in circumstances of disease or emergency management.
- House Bill 2312 by Rep. Kyle Kacal and Sen. Glenn Hegar clarifies the process for a potential state beef check off program for the purposes of implementing beef marketing, education, research and promotional programs by the Texas Beef Council.
- House Bill 2394 by Rep. Charles Perry and Sen. Kelly Hancock requires the Texas Department of Motor Vehicles to study and provide a report on the feasibility of requiring a title for all trailers, semitrailers and travel trailers not considered manufactured housing.
- House Bill 2451 by Rep. Tracy King and Sen. Glenn Hegar authorizes an agricultural aircraft operation to exclude from its total revenue for franchise tax purposes the cost of labor, equipment, fuel and materials.
- House Bill 2741 by Rep. Larry Phillips and Sen. Robert Nichols relates to vehicle licensing and includes a provision to increase penalties on trucks that are hauling overweight loads. The bill also provides the option for a logger to obtain a permit that allows 84,000 lb. gross vehicle weight (GVW) and 38,080 lb. on one set of tandem axles based on the number of counties they operate in or a logger may purchase a permit good for 43 counties based on 84,000 GVW and a maximum of up to 44,000 lb. on axles with pre-notification and a bond.
- House Bill 3233 by Rep. Allan Ritter and Sen. Troy Fraser streamlines the process for the Texas Commission on Environmental Quality to transfer surface water rights.
- House Bill 3256 by Rep. Kyle Kacal and Sen. Carlos Uresti requires agriculture producers to present their tax registration number when applying for certain agriculture considerations such as specialty agriculture license plates, vehicle registration or short-term permits to carry excess weight.
- House Bill 3509 by Rep. Dennis Bonnen and Sen. Kel Seliger clarifies state agencies' roles relating to the state's response to federal actions regarding endangered species.
- House Bill 3566 by Rep. Tim Kleinschmidt and Sen. Glenn Hegar clarifies that TDA has the authority to adopt rules restricting false, misleading or deceptive advertising or competitive bidding by pest control businesses either under the license business name or a trade name.
- House Bill 3567 by Rep. Tim Kleinschmidt and Sen. Craig Estes amends the composition of the 11-member structural pest control advisory committee.
- House Bill 3761 by Rep. Bobby Guerra and Sen. Juan "Chuy" Hinojosa requires TDA to develop a feasibility report on the creation of a border agricultural inspection training program to train TDA employees to perform agricultural inspections at ports of entry along the border.
- House Concurrent Resolution 55 by Rep. Eddie Lucio III and Sen. Juan "Chuy" Hinojosa urges the U.S. Department of State to take appropriate action to ensure that Mexico complies with the 1944 Treaty regarding shared water resources and make required water deliveries to the United States a priority.
- Senate Bill 131 by Sen. Jane Nelson and Rep. Wayne Smith seeks to extend hours that wineries may remain open for sale and consumption until 2 a.m. on New Year's Day to accommodate New Year's celebrations.
- Senate Bill 162 by Sen. Leticia Van de Putte and Rep. Dan Flynn eases the transition of service members and their families into civilian life by creating a process for receiving reasonable credit toward an occupational license in Texas based on licenses received from other jurisdictions, including U.S. Department of Defense.
- Senate Bill 174 by Sen. Craig Estes and Rep. Charles "Doc" Anderson authorizes a sheriff or the sheriff's designee to dispose of estrayed animals under a perilous condition if an owner does not immediately remove the animal. The bill also adds stray bison to the list of animals protected under the stray law.

- Senate Bill 198 by Sen. Kirk Watson and Rep. Dawnna Dukes prohibits property owners' associations from restricting a property owner from using drought-resistant landscaping or water-conserving natural turf.
- Senate Bill 376 by Sen. Eddie Lucio Jr. and Rep. Eddie Rodriguez requires certain public schools with eighty percentage of students eligible for free or reduced school meals to offer a free breakfast to each student. Provides for a waiver.
- Senate Bill 441 by Sen. Brian Birdwell and Rep. John Davis requires the Texas Workforce Commission, in partnership with the Texas Higher Education Coordinating Board, to establish the Texas Fast Start Program to promote rapid delivery of workforce education and development in job sectors that require post-secondary education.
- Senate Bill 583 by Sen. John Carona and Rep. Byron Cook establishes a new framework for dispersing money under the Universal Service Fund by reducing support for a company or cooperative with more than 31,000 access lines, unless the company demonstrates financial need for continued support. The bill provides special provisions to continue support for small rural companies.
- Senate Bill 611 by Sen. Eddie Lucio Jr. and Rep. Eddie Lucio III changes the manner in which water districts that historically delivered irrigation water but are now delivering larger amounts of raw, untreated water to municipal suppliers determine the amount of flat rate assessment against irrigable land in the district.
- Senate Bill 655 by Sen. Brian Birdwell and Rep. Phil King ensures that all sections of the law pertaining to eminent domain only authorize a taking of private property for public use by eliminating references to the use of eminent domain authority for public purpose.
- Senate Bill 702 by Sen. Glenn Hegar and Rep. J.M. Lozano ensures minimum insurance requirements for Certified and Insured Prescribed Burn Managers are consistent throughout the statute.
- Senate Bill 764 by Sen. Kirk Watson and Rep. Tracy King provides that self-insurance funds of a political subdivision satisfy the insurance requirements required for Certified and Insured Prescribed Burn Manager certification as long as the minimum insurance standard is met.
- Senate Bill 772 by Sen. Carlos Uresti and Rep. Drew Springer eliminates obsolete and redundant reporting requirements for TDA.
- Senate Bill 818 by Sen. Robert Duncan and Rep. Drew Darby makes changes to the Texas boll weevil eradication program as the majority of the state moves towards a maintenance program. Changes include authorizing the transfer of funds between eradication zones and maintenance areas and requiring eradication zones to meet certain budgetary requirements before the zone can petition to discontinue the program. The bill requires TDA to adopt rule to prohibit the movement of cotton from areas infested with boll weevil if the area is not participating in the program.
- Senate Bill 860 by Sen. Eddie Lucio, Jr. and Rep. Marsha Farney authorizes public junior colleges to partner with public technical institutes to provide, as part of the dropout recovery program curriculum, career and technology education courses that lead to industry or career certification.
- Senate Bill 916 by Sen. Craig Estes and Rep. Tim Kleinschmidt clarifies quorum requirements for the Bioenergy Policy Council and Bioenergy Research Committee, and provides options for council members to attend meetings by telephone conference call, videoconference or other similar telecommunication methods.
- Senate Bill 1095 by Rep. Tracy King and Sen. Juan "Chuy" Hinojosa authorizes the use of additional methods of fever tick eradication and adds animals, other than livestock, capable of hosting or transporting fever ticks to the state's fever tick program provisions.
- Senate Bill 1214 by Sen. Charles Schwertner and Rep. Drew Darby improves TDA's ability to maintain economic development initiatives. Specifically, the bill directs TDA to establish the Texas Economic Development Fund. The bill authorizes TDA to establish in rule the benefits of the Certified Retirement Community program, as well as provides several updates to the Texas Agriculture Finance Authority programs.

- Senate Bill 1267 by Sen. Robert Nichols and Rep. Travis Clardy grants an individual providing labor or assistance to the Texas Forest Service in the performance of certain fire suppression duties on privately-owned land immunity from liability for civil damages.
- Senate Bill 1312 by Sen. Charles Schwertner and Rep. Jimmie Don Aycock requires veterinary technicians to be licensed by the State Board of Veterinary Medical Examiners rather than registered through the Texas Veterinary Medical Association. The bill establishes the scope of practice of a licensed veterinary technician, a certified veterinary assistant and a veterinary assistant, and makes other changes relating to the activities that require a supervising veterinarian.
- Senate Bill 1427 by Sen. Juan “Chuy” Hinojosa and Rep. Tracy King establishes a citrus nursery stock certification program to minimize the threat of citrus greening. The bill requires TDA to establish standards and procedures for certification and inspection of the nurseries growing citrus nursery stock in the defined citrus zone.

REDISTRICTING (FIRST CALLED SPECIAL SESSION)

Senate Bill 2, by Sen. Kel Seliger and Rep. Drew Darby, establishes the political boundaries for Texas Senate districts based on 2010 Census data, by ratifying the interim redistricting maps that a panel of federal judges drew for use in the 2012 elections.

Senate Bill 3, by Sen. Kel Seliger and Rep. Drew Darby, establishes the political boundaries for Texas House of Representatives’ districts based on 2010 Census data by ratifying, with minimal changes, the interim redistricting maps that a panel of federal judges drew for use in the 2012 elections.

Senate Bill 4, by Sen. Kel Seliger and Rep. Drew Darby, establishes the political boundaries for Texas Congressional districts based on 2010 Census data by ratifying the interim redistricting maps that a panel of federal judges drew for use in the 2012 elections.

TRANSPORTATION (THIRD CALLED SPECIAL SESSION)

House Bill 1, by Rep. Joe Pickett and Sen. Robert Nichols, allocates half of the oil and gas severance taxes currently transferred to the Rainy Day Fund to the State Highway Fund. The allocation may be reduced or withheld to maintain a sufficient balance in the Rainy Day Fund as determined by a select committee of legislators. The bill also requires the Texas Department of Transportation to identify and implement \$100 million in savings and efficiencies to be used for paying State Highway Fund bond debt. The bill also establishes legislative committees charged with reviewing and evaluating transportation funding topics and making recommendations. Provisions in the bill governing Rainy Day Fund balance and allocation of revenue would take effect only if voters approved the 2014 constitutional amendment authorizing the transfer to State Highway Fund.

Senate Joint Resolution 1, by Sen. Robert Nichols and Rep. Joe Pickett, proposes a constitutional amendment for the 2014 ballot authorizing provisions of House Bill 1 establishing the Rainy Day Fund sufficient balance process and the transfer of oil and gas severance tax revenue to the State Highway Fund.

Delivering exceptional customer service in the most efficient and market driven manner is the No. 1 priority for TDA. Staff is working to implement the legislative changes affecting the agency and will be working with stakeholders and lawmakers throughout the implementation.

The department is thankful to serve all citizens of our great state and to continue to be trusted partners promoting the protecting Texas’ \$100 billion agriculture economy.
