



October 8, 2021 Legislative Update

Third Called Special Session

As of today, there are 11 days remaining in the Third Called Special Session.

Budget

Comptroller Hegar informed legislators that they can count on a \$6 billion surplus in the state's general revenue fund. The state also has \$16 billion of federal pandemic aid funds that is currently in the process of being appropriated. Additionally, the Comptroller has projected the state's Economic Stabilization Fund (Rainy Day Fund) to have a \$12 billion balance at the end of 2023 and possibly more due to the price of oil. Texas finds itself having more cash than it currently needs.

Property Tax Relief

The House Committee on Ways and Means recently held a hearing to discuss House Bill 90. The bill was left pending in committee. HB 90, introduced by Representative Tom Oliverson (R-Cypress), would dedicate 90% of any revenue in excess of the state's new limit on general revenue-related spending for school property tax relief. HB 90 is different from previous tax rate "buy down" proposals, in that it would allow most new revenue growth to finance the state's traditional budget needs, reserving only the excess for property tax relief. Though some claim the bill would eliminate the school property tax by 2041 or sooner, experts shared with the committee that the bill would simply hold school taxes at current levels for the foreseeable future.

Redistricting Continues to Resemble a Combat Sport

Texas Senate: Late Monday evening, by a vote of 20-11, the Texas Senate approved a new political map for its own members that would cement Republican dominance in the Senate for another decade. Sixteen Republican incumbents will have safe districts for reelection, and two Senate seats being vacated by Republicans will likely elect the winners of the republican primary.

Amarillo Senator Kel Seliger is finding out firsthand that members of his own party used redistricting to send him packing. The senator's district lines were significantly changed, and as of this writing, two primary challengers have announce their candidacy. On Tuesday, former President Donald Trump endorsed one of Seliger's opponents and called Seliger a "RINO" — Republican in name only — a rare involvement in a Texas legislative race by the former president.

Texas House: The House Redistricting Committee met on Monday to hear House Bill 1, the House redistricting bill. After a long 16 hour hearing, the committee voted out HB 1 along party lines, 8-6. On Wednesday, the House Calendars Committee voted to place the bill on the chamber's major state calendar for next Tuesday, October 12th. Next Tuesday will be a long day for House members and you can expect a few heated exchanges throughout the debate.



Congress: The Texas Senate Special Committee on Redistricting voted out a redrawn congressional map Monday that would solidify another decade of a majority GOP congressional delegation. A full Senate vote on the maps is expected Friday. Once it passes the Senate, the proposed plan has to be approved by the House and can still change before it is signed into law by Governor Abbott.

American Rescue Plan Act of 2021 (“ARPA”) Appropriation

The House Appropriations Committee met on Wednesday to discuss the chamber’s proposed spending plan for roughly \$16 billion in COVID-19 federal relief funds. House Bill 145 by Chairman Greg Bonnen is expected to advance next week. The legislation proposes spending \$7.2 billion on the state’s unemployment compensation fund and sending \$3 billion to the Texas Department of State Health Services to provide funding for state and local hospital surge staffing and for the operation of regional infusion centers, among other things. The bill would also send roughly \$500 million dollars toward broadband expansion efforts and \$200 million to bolster the state’s cybersecurity. In addition, HB 145 would appropriate \$2 billion to the Texas University Fund to support research and development programs at Texas institutions of higher education, contingent on the passage of a new constitutional amendment.

The Senate’s proposed spending bill is Senate Bill 8 by Chairwoman Jane Nelson. On Thursday, Senator Nelson convened the Senate Finance Committee to discuss SB 8 which is very similar to the House proposal. The committee voted 11-0 to pass a bill allocating \$16.3 billion worth of COVID relief funds. The measure now moves to the full Senate, where it is likely to win approval. The bill will likely undergo additional revisions once in the Texas House.

Retirement Announcements

The latest retirement announcement came from State Representative Eddie Lucio, III. Lucio has served seven terms representing Texas House District 38, covering the southwestern portion of Cameron County in the Texas Legislature. The complete list of current retirements includes:

House (14)

Not seeking reelection (12)

- Chris Paddie - HD 9 (R)
- Ben Leman - HD 13 (R)
- James White - HD 19 (R)
- Cecilia Israel - HD 59 (D)
- Phil King – HD 61 (R)
- Tan Parker - HD 63 (R)
- Michelle Beckley - HD 65 (D)
- Scott Sanford - HD 70 (R)
- Matt Krause - HD 93 (R)
- John Turner - HD 114 (D)
- Jim Murphy - HD 133 (R)
- Eddie Lucio, III – HD 38 (D)

Resigned (2)

- Jake Ellzey - HD 10 (R)
- Leo Pacheco - HD 118 (D)

Senate (2)

Not seeking reelection (2)

- Jane Nelson - SD 12 (R)
- Dawn Buckingham - SD 24 (R)



Looking Ahead

The House recessed until Monday, October 11, 2021. The Senate meets today, Friday, October 8, 2021 and is expected not to work during the weekend.