

## Texas BOMA Legislative Update

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Historically, Labor Day marks the unofficial start of the fall campaign season. Over the next two months, voters will be bombarded with advertising for and against candidates, and the political rhetoric is likely to pick up as well. At the same time, in Texas, many legislative committees are finally holding their interim committee hearings.

### **The Presidential Race**

President Obama will face off against Governor Romney this fall in the presidential election. At this time, we believe the race continues to favor President Obama's re-election, though there are some numbers that tell a different story. Importantly, the most recent polls show President Obama has a higher unfavorable rating (48.7%) than a favorable one (47.7%), and the public, by a two to one margin, thinks the country is on the wrong track. Both of these numbers indicate some potential problems for the President's re-election chances.

The presidential race will be decided by a few swing states. At this time, we count 126 electoral votes in "toss up" states, and that is where the majority of dollars and time will be spent this cycle. Both President Obama and Governor Romney have proven their ability to raise substantial sums of money. This is also the first presidential election cycle with Super PACs (which can raise unlimited sums of money from donors). Combining the candidate's fundraising with Super PACs means this will be the most expensive presidential election in history, with some cost estimates nearing one billion dollars.

### **The Statewide Races**

There are no competitive statewide races in Texas this year. Former Texas Solicitor General Ted Cruz (R) will face off against former State Representative Paul Sadler (D) in the race for the U.S. Senate. Mr. Cruz is expected to win this race, as Texas remains a Republican state at this time. Similarly, while there are several other contested races for the Texas Supreme Court, the Court of Criminal Appeals, and the Railroad Commission, all the Republican nominees are expected to win.

### **State House Races**

The Texas House is in for a shakeup in membership next legislative session. In 2011, there were 35 new members of the Texas House; next year, there will be at least 40 new members. This means that more than 1/2 of the members of the Texas House will have served one term or less.

Most of the representatives have already been chosen through the primaries, either because they have no general election opponent or because the district was drawn so that their general election opponent is not competitive. At this time, we count twelve competitive House races across the state. Our best estimates have Democrats picking up several of those seats, which should put the partisan breakdown of the Texas House at about 95 Republicans and about 55 Democrats.

### **Interim Committee Hearings**

The House Business & Industry Committee met recently in Austin to take up an interim charge requesting them to study the current lien laws in Texas. At the hearing, various parties testified on the lien laws. On one side were the minority, who said the lien laws need to be scrapped altogether and replaced. The other side, which included builders, banks, and general contractors, said there were some tweaks needed to better the system, but that a wholesale revamp was not necessary. At this time, it is too early to tell if one side will attempt to run with legislation this spring. We will continue to closely follow this issue and keep you informed.