



**Texas BOMA Legislative Update**  
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**August 7, 2014**

The last two months have been eventful in Texas, both with election activities and official business conducted by the legislative branch.

**Special Elections**

As we reported in June, Texas held a special election to replace Senator Tommy Williams (R-The Woodlands) on May 10. Representative Brandon Creighton (R-Conroe) and Representative Steve Toth (R-The Woodlands), who both decided to seek the senate seat instead of running for reelection, advanced to the runoff. On August 5, the runoff election was held, and Representative Creighton handily defeated Representative Toth. Representative Creighton is expected to resign his seat and be sworn in as the new Senator in the near future.

In addition, as we reported in June, Senator Robert Duncan (R-Lubbock) resigned his seat to be the new chancellor at Texas Tech University. Governor Perry set the special election date for September 9. There are five candidates running for the office, including State Representative Charles Perry (R-Lubbock), who defeated long-time incumbent Representative Delwin Jones in 2010; Jodey Arrington, a former Texas Tech University vice chancellor; former Sweetwater Mayor Greg Wortham; Delwin Jones; and Wortham resident Epifanio Garza. At this time, conventional wisdom has the top contenders as Representative Perry and Mr. Arrington.

**Other Campaign News**

*Governor*

Attorney General Greg Abbott (R) continues to lead Senator Wendy Davis (D-Fort Worth) in the race for Governor, according to various polls released over the past month. General Abbott also is leading in the money race, reporting about \$35.5 million in the bank as of June 30 to Senator Davis's \$8 million, although multiple other organizations devoted to help elect Senator Davis have several million in the bank as well. At this time, we continue to believe General Abbott is the frontrunner to replace Governor Rick Perry (R).

### *Lieutenant Governor*

Senator Dan Patrick (R-Houston), who defeated three-term incumbent Lieutenant Governor David Dewhurst (R) in the May 27 Republican primary, will face off against Senator Leticia Van de Putte (D-San Antonio) in the November election for Lieutenant Governor. There have been fewer public polls released in this race than in the race for Governor, but those polls show Senator Patrick as the frontrunner.

### **Interim Committees**

The Texas Legislature has begun holding multiple interim committee hearings. Speaker Joe Straus (R-San Antonio) created a House Select Committee on Economic Development, which held its first meeting on July 23. Based on the campaign rhetoric we have seen from candidates across the state, we anticipate this will be a large issue in 2015, with potential changes to some economic development tools that have been around for decades. This group will continue to meet over the coming months to discuss economic development incentives.

### **State Finances**

State revenue collections continue to exceed expectations. At this time, we expect the state to have a multibillion dollar budget surplus coming into the 2015 session. On top of that budget surplus, the state's Rainy Day Fund is expected to have between \$8 and \$10 billion in it, depending on whether voters elect in November to dedicate a portion of the state's oil & gas severance taxes to fund transportation (the vast majority of those taxes are currently dedicated to the Rainy Day Fund). What this means is that, once again, it appears the state will have significant funds available to it in the 2015 session, though the ongoing school finance lawsuit leaves lawmakers with a question as to how much additional funding the courts will require for education going forward.

We will continue to monitor these issues as they develop, and we will keep you informed.