



Texas BOMA Legislative Update
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In the past month, we've seen some big headlines across the state. The biggest of headlines is the school finance ruling, where a state district judge ruled that the Texas system of funding public education is unconstitutional. Other headlines included the unofficial start of the fall campaign season (Labor Day), which brought with it many television ads that you've probably seen by now. Finally, we have a winner in the special election to replace Senator Robert Duncan (R-Lubbock).

School Finance Ruling

The Texas Constitution requires the Legislature to fund public education in the state. Generally, Texas funds public education through a combination of local property taxes and state general revenue. Generally, the funding by the Legislature must be enough to provide a good basic education for all students in the state, regardless of whether they're in a wealthy or poor school district.

Judge Dietz, sitting by assignment, ruled that the Texas school finance system did not accomplish what the Constitution requires. This ruling, which everyone expected, is actually a relatively common act in Texas. Generally, the Legislature creates a school finance funding system, which starts off as constitutionally permissible but, eventually, gets out of balance and becomes unconstitutional. In modern times, this has happened in an 8-10 year cycle, with the law lawsuit declaring the school finance system unconstitutional coming in 2006. In that year, the Legislature, in a special session, created the Margin Tax to help fund school finance.

This lawsuit will be appealed to the Texas Supreme Court. It is widely expected that the Supreme Court will not issue its ruling until after the 2015 regular session. If, as expected, the Supreme Court agrees (at least in part) with the lower court that the school finance system is unconstitutional, the Legislature will almost certainly be brought back in a special session to fix the school funding system. Until then, however, we expect few big changes to school finance from the Legislature.

SD 28 Special Election

As we previously reported, long-time Senator Robert Duncan resigned his position in the Texas Senate to become chancellor of Texas Tech University. This triggered a special election, which was held on Tuesday, September 9. In that election, State Representative Charles Perry (R-Lubbock) garnered about 54% of the vote against 5 opponents, meaning he won the race without a runoff. Representative Perry will be sworn in as the newest state senator in the near future.

Campaign Season Begins

In a bit of good news for television companies and cable providers, and bad news if you don't like campaign commercials, the campaign season has (un)officially commenced. Labor Day traditionally marks the start of the fall campaign season, and this year was no different. While both candidates for Governor are on the airwaves now (and are likely to remain on TV until the November 4 election), we anticipate other candidates will start going up with ads in the coming weeks. Of course, TV advertising is just the tip of the iceberg, as you will start to see yard signs in your neighborhoods, and you will probably start receiving political pieces in the mail from campaigns.

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