



CAI Texas/TCAA LEGISLATIVE SESSION UPDATE AND OVERVIEW

TCAA Minute – January 19, 2021

Texas House and Senate Convene for 87th Regular Legislative Session

The Texas House and Senate gavelled in the start of a new Texas legislative session last Tuesday. Rep. Dade Phelan from Beaumont was elected as the new Speaker of the Texas House by a vote of 143-2, with only two freshmen members opposed. Phelan will be joined by 17 new House freshmen, one of whom will be elected on January 23rd in a special election to fill an open seat. The Senate welcomes four new members of its own; all but one have previous legislative experience serving in the Texas House.

After the swearing in of all members and the adoption by both houses of the procedural rules to govern the session, the House and Senate adjourned until Tuesday, January 26th. In response to the ongoing COVID-19 pandemic, Speaker Phelan and Lieutenant Governor Dan Patrick have both expressed a desire to minimize in-person capitol operations during the first month or so of the legislative session. Despite these early precautions, two Texas House members missed opening day ceremonies due to COVID-19 infections, and a third member reported testing positive last Thursday afternoon after spending three days with his fellow legislators on the House floor and at gatherings outside the capitol.

House and Senate Adopt New Procedural Rules

As we noted above, both chambers of the Texas Legislature adopted new rules, some of which are designed to minimize COVID-19 exposure in the Texas Capitol. Masks are required on the House floor unless the member is speaking on the front or back microphone, and required in committee meetings unless speaking on a microphone or sitting behind a plexiglass barrier. Members of the public are required to wear masks at all times in the House chamber or a committee room. Texas residents can electronically submit comments on legislation being considered by a House committee, and House committee members can virtually participate in a committee hearing, but only invited witnesses will be able to testify virtually. The Texas Senate, meanwhile, will require legislators to be tested every day and to wear a mask while on the Senate floor and away from their desk. Members of the public

are required to wear a mask at all times in the Senate chamber and Senate committee rooms.

The Texas Senate again raised the threshold to bring a bill to the Senate floor, this time from three-fifths of the Senators present (19 of the 31 members) to five-ninths (18 members). Republicans currently have 18 members in the Texas Senate, and changed the rules to ensure that they continue to control the flow of legislation in that chamber. In his first term as Lieutenant Governor in 2015, Dan Patrick successfully pushed to change the longstanding “Two-Thirds Rule” for the same reason. The Senate also did some minor shuffling of their committees, including creating a Committee on Local Government and bringing back the Committee on Jurisprudence, which returns after being absent for several sessions. Both of these committees seem likely to consider legislation relevant to community association interests, and the CAI Texas Chapters and TCAA will be following them closely.

Texas Comptroller Issues Encouraging Budget Revenue Estimate

Comptroller Glenn Hegar on Monday issued his biennial budget revenue estimate, which determines the amount of money that the Texas Legislature can spend during the current legislative session. The revenue projection is significantly better than Hegar predicted last July, largely due to increased online sales tax revenue and a broader recovery in sales tax revenue. There is a \$950 million projected budget shortfall for the upcoming 2022-2023 budget cycle (as opposed to the \$4.6 billion shortfall predicted in July), though there are several reasons that number could get even lower, including:

- Proposed 5% budget cuts by state agencies, which could save up to \$1 billion
- Federal CARES Act funding, which has already provided \$13 billion to state and local governments in Texas, some of which could be used to offset any budget shortfall. Additional federal funding was approved in December, and yesterday President-elect Joe Biden proposed an additional \$1.9 trillion stimulus bill.
- The Texas Economic Stabilization Fund ("Rainy Day Fund") has a balance of \$11.6 billion, which the Texas Legislature could spend to cover current or future expenses.

Community Association Issues

The CAI Texas Chapters and TCAA continues to monitor the hundreds of bills already filed this legislative session, and will continue to connect with legislators, stakeholders, and community associations across the state. In the coming weeks, this newsletter will provide an overview of some specific bills that could impact Texas homeowners. As always, we are proud of the work being done by local community associations and professionals in Texas, and want to empower you and your neighbors to continue that success.

We hope to hear from you about the issues of concern to you and your neighbors, and also encourage you to share your support of community associations with your local legislators. For more information on the Texas Legislature and updates on our activities and events, please visit www.caionline.org/txlac and www.txcaa.org.