Summary of Major Legislation

72nd Legislature
1st Called Session

July - August 1991
The Environment

Senate Bill 2
by Senator Parker

△ Creates the Texas Natural Resource Conservation Commission (NRCC) to oversee and regulate the state’s environmental, natural and energy resources.

△ Incorporates the functions of the following existing agencies:

- Texas Water Commission.
- Texas Air Control Board.
- Water Well Drillers Board.
- Solid Waste, Water Hygiene, On-Site Wastewater Treatment and Environmental Radiation Control functions of the Texas Department of Health.

△ Consists of three full-time board members, appointed by the Governor.

△ Provides that the NRCC has the sole power to issue licenses and permits.

△ Allows the Texas Water Development Board to survey the state's lakes to determine the state's water capacity.

△ Requires environmental review of highway department projects.

△ Provides for wetlands mitigation.

△ Allows certain counties to increase hotel and motel taxes to provide beach cleanup funds.

△ Adds environmental enforcement provisions, including affirmative defense provisions and strengthens penalties for littering.

△ Creates a Legislative Natural Resources Board to oversee the transition.

△ Includes amendments to the Texas Clean Air Act needed to implement the Federal Clean Air Act of 1990.
Health and Human Services

House Bill 7

by Representatives Vowell, et al.

Senate sponsors: Senators Brooks, Parker, Zaffirini, Johnson, Carriker, et al.

△ Creates the Health and Human Services Commission to oversee all health and human services programs in the state.

• Governed by a single Commissioner, appointed by the Governor.

• Charged with improving and coordinating services, and reducing duplication by consolidating similar programs.

• Maintains current governing structures for existing agencies for the current biennium.

• As its first priority, the Commission will consolidate protective services for abused children, the elderly, and disabled Texans into a single agency. Then the Commission will merge all health services into a single agency.

• Sets up budget planning procedures designed to increase access to federal matching funds.

△ Requires the Governor to appoint a task force to review existing MHMR facilities and recommend, by December 31, 1991, whether to consolidate, down-size or close any of them, which could end the Lez lawsuit.

△ Authorizes $45-million in bonds for mental health and mental retardation centers, if approved by the voters. Proceeds from these bonds would still need to be appropriated by a future session of the Legislature.

△ Requires doctors, dentists and other health care workers who have tested positive for Human Immunodeficiency Virus to notify patients and obtain consent before performing certain invasive procedures.

• Follows the guidelines recommended by the federal Center for Disease Control.

△ Allows the state to fine nursing homes for violations of state rules and regulations.
Medicaid

By Senators Brooks, Parker, Zaffirini, Johnson, Carriker, et al.,
House Sponsor Representative Vowell

△ Expands the state's use of the Medicaid disproportionate share program.

△ Provides about $500 million each year to hospitals that provide the largest share of care to persons on Medicaid or the uninsured.

- Uses money from local hospitals to draw increased federal matching funds and provide health care for low-income and uninsured Texans.

- 95 percent of the funds go toward large hospitals with a significant disproportionate share of low-income or uninsured patients.

- 5 percent of the funds are for rural hospitals serving large numbers of low-income or uninsured Texans.

△ The program will be implemented upon federal approval.
Transportation

by Representatives Cain, Russell, Pierce and Al Edwards

Senate sponsor: Senator Glasgow

△ Provides for the regulation, construction, financing and use of facilities for public transportation.

△ Creates the Texas Department of Transportation (TDOT)

- Merges the Texas Department of Highways and Public Transportation, the Texas Motor Vehicle Commission, the Texas Department of Aviation, and, in 1997, the Texas Turnpike Authority.

- Produces a savings to the General Revenue Fund estimated at $10 million for the biennium.

- Reorganizes the board of the Texas High Speed Rail Authority and transfers its duties to the Railroad Commission on September 1, 1995.

- Directed by a 3-member commission appointed by the Governor for 6-year, staggered terms with an executive director appointed by the commission.

△ Includes a compromise on the South Texas “private turnpike” that assigns the regulation of these private road companies to the new TDOT and includes provisions designed to protect the interests of the border cities.

△ Provides for “motor voter” voter registration and handicapped motorist regulations.

△ Requires the DPS to phase out the use of commissioned officers in driver’s license offices and in inspecting motor vehicle inspection stations.

△ Requires greater privatization of road maintenance, engineering work and vehicle and equipment repair.

△ Reduces the number of highway district offices from 24 to 18, effective September 1, 1992—for a savings of $21 million over the next biennium.
Transportation, cont'd

- Allows the lease of highway rest areas from the state for food sales and other small businesses.

more Transportation

House Joint Resolution 10
by Representatives Cain, Russell, Pierce and Al Edwards
Senate sponsor: Senator Green

- Allows the merger of the Texas Turnpike Authority into the Texas Department of Transportation

- Authorizes the Texas Department of Transportation, or any successor agency, to spend funds for turnpikes but provides that the full cost of the construction, maintenance and operation of turnpikes and other toll projects must be repaid from revenues from the projects.

Prisons

Senate Joint Resolution 4
by Senators Lyon, Brown, Dickson, Bivins, Leedom, et al.
House sponsors: Representatives Hightower and Carter

- Provides bond authorization for corrections institutions, youth corrections institutions and mental health and mental retardation institutions.

- Amends the Texas Constitution to authorize the legislature, contingent on voter approval to issue up to $1.1 billion in general obligation bonds, in addition to amounts previously authorized, to buy, build, or renovate corrections institutions, youth corrections institutions, and mental health and mental retardation institutions.

- Provides for 25,300 new prison beds.
State Fiscal Management Senate Bill 3
by Senators Montford, Brooks, Barrientos, Bivins, Dickson, et al.
House sponsors: Representatives Rudd and Williamson

- Improves the overall fiscal management practices of the state relating to the administration, use, expenditure, transfer, receipt, and collection of certain state and local revenue. Provides incentives for agencies to make significant cost savings in the future.

- Increases certificate of title fees.

- Re-creates the Interagency Energy Council to recover oil and gas revenue.

- Requires direct deposit for certain state employees, retirees and vendors.

- Provides for dues check-off.
  - Authorizes state employees to make a membership fee transfer to state employee organizations.

- Earns additional interest by enhancing the rapid deposit program.

- Coordinates state legal services by the Attorney General.

- Puts federal funds management under the Office of State-Federal Relations; creates an advisory committee.

- Requires state agencies to do annual internal audits, audit plans, and performance audits.

- Requires a performance audit to be conducted of the TRS during the 92-93 biennium.

- Consolidates state funds and abolishes the dedication of revenues, effective August 31, 1995.

- Requires state agencies to submit bond information to the Bond Review Board.
  - Centralizes debt issuance of certain state agencies.
State Fiscal Management, cont'd.

- Allows public junior/community colleges to issue notes for asbestos cleanup and removal.

△ Establishes debt indicators and a six-year strategic capital improvement plan.

△ Revises the budget process by requiring the LBB to determine an estimated growth rate for the state economy.

  - If the LBB fails to set a rate, the growth rate would be considered zero, thus capping appropriations at their current levels.
  
  - Revises the LBB budget submission process and spending limit adoption process to ensure a spending limit is set.
  
  - Allows delinquent taxes to be deducted from state payments and retained by the state.

△ Revises the limit on the authority of cities to grant public funds to private entities for economic development purposes.
House Bill 54

by Representatives Wilson, et al.

Senate sponsor: Senator Montford

△ Establishes a state lottery contingent upon voter approval.

△ Creates a division in the office of the comptroller to administer a state lottery.

• Appropriates $12 million to the comptroller for the administration of the lottery.

• The General Revenue Fund must be reimbursed within a year.

△ Provides for licensing of sales agents.

• Requires stringent background checks of lottery division employees and potential sales agents and contractors.

△ Encourages minority business participation in awarding licenses and contracts.

△ Prohibits the purchase of lottery tickets with food stamps, AFDC checks, credit cards or by mail or telephone.

△ Designates $100,000 to a non-profit organization for compulsive gambling research or treatment.

△ Requires the comptroller to adopt rules prohibiting video lottery.

△ Generates an estimated $470 million in revenue for the 1992-93 biennium.

• Requires all lottery revenue to be deposited in the General Revenue Fund.

more Lottery

House Joint Resolution 8

by Representatives Wilson, et al.

Senate sponsor: Senator Montford

△ Requires a constitutional amendment providing for the creation of a state operated lottery to be placed on the November ballot.
Appropriations

Total 1992-93 General Revenue Appropriation: $34.3 billion*

Public and Higher Education: $19.3 billion
- Funds South Texas Initiative.
- Implements performance measures for formula funds.
- Fully funds the School Reform Finance Act.
- Funds Successful Schools Program @ $30 million.

Public Safety and Corrections: $2.4 billion
- Provides $15 million for substance abuse treatment programs, $5 million to the Department of Criminal Justice budget, and $10 million to the Commission on Alcohol and Drug Abuse.
- Provides $20 million for the Texas Youth Commission for a new 150 bed secure facility for juvenile offenders.
- Funds for the DPS for 25 additional narcotics officers and 10 additional vehicle theft officers.

Health and Human Services: $7.5 billion
- Generally maintains current service levels.
- Restores nursing home eligibility to current levels.
- Enhances community and in-home services for elderly and disabled people.
- Provides sufficient funding for federally-required expansions in preventative health services for children.
- Partially funds a new initiative to provide early treatment for emotionally-disturbed youth.
- Expands Medicaid eligibility for pregnant women and children.

* Includes approximately $311 million (net) in reductions produced by riders.
• Provides $2.1 million out of appropriated funds for a primary care demonstration project in the Lower Rio Grande Valley.

• Funds the newly created Health and Human Services Commission to oversee all health and human services programs.

△ Fully funds the newly-created State Ethics Commission with $2.8 million from the State Ethics Fund.
Revenue

by Representative Hury
Senate sponsor: Senator Glasgow

Provides for the imposition, application, rates, collection, and administration of various fees and taxes and to the allocation of revenue from fees and taxes.

- Increases gasoline and diesel tax rates by 5 cents.
- Increases business fees including corporate filing fees and records fees.
- Doubles fees for obtaining drivers' information records.
- Increases criminal justice fees including fingerprint searches, court costs, breath alcohol testing fees, and costs incurred responding to DWI/DUID emergencies.
- Increases tuition rates for institutions and degree programs.
- Imposes a 6.25% tax on the sale of taxable boats and motors purchased in Texas or used in Texas.
- Lowers the franchise tax rate from $5.25 per $1,000 to $2.50 per year of net taxable capital, and adds a tax of 4.5% of net taxable earned surplus.
  - Expands the franchise tax to include savings and loans and savings banks.
  - Exempts corporations with less than $100 liability (currently 125,000 corporations).
- Increases certain fees and fee limits relating to agriculture, library services, solid waste, low-level radioactive waste, architects, securities, the Railroad Commission, professional engineers, private investigators, chiropractors, vocational nurses, pharmacists, dental practitioners, hearing aid dispensers, barbers, and cosmetologists.
- Increases professional fees by $200 for attorneys, physicians, dentists, optometrists, chiropractors, psychologists, CPA's, architects, engineers, veterinarians, securities dealers, and real estate brokers, but not real estate salesmen.
Revenue, cont'd

- Increases state gross receipts tax on bingo from 2% to 5% and increases various other bingo licensing fees.

- Increases the yearly interest rate in delinquent taxes from 10 to 12% and provides that it may be compounded monthly.

- Includes service on taxable boats or motors and telephone answering services to the list of taxable services.

- Repeals sales tax exemption for improvements to realty except for school districts and nonprofit hospitals.

- Provides for the delay of the manufacturing equipment sales tax deduction phase-in.
  - Businesses may credit manufacturing equipment sales tax against the franchise tax.

- Reduces the tax rate on wagers at greyhound tracks from 6% to a sliding 2 to 5% scale based on the handle in $100 million increments, contingent upon passage of the constitutional lottery amendment.

- Increases the sales tax on motor vehicles from 6 to 6.25%.

- Increase the annual tax on coin-operated machines from $30 to $60.