

INTERIM STUDY CHARGES

In accordance with charges issued by House Speaker Tom Craddick, Committees of the Texas House of Representatives will be examining the following issues of interest to cities during this legislative interim.

House Committee on Appropriations

- Examine alternative **spending limit methodologies** found among the various states as they impact state and local spending and recommend potential changes to the Texas budget process to bring long-term, innovative strategies to control costs of major governmental programs.
- Analyze the current **financial condition of the Texas Department of Transportation** including but not limited to cash in bank, encumbered funds, use of bond capacity and projected needs for various funds allocated to the Texas Department of Transportation and their appropriation for major projects over the last five years. This analysis should include a review of revenues diverted from the State Highway Fund for non-transportation applications. Examine alternative sources of revenue to sustain future transportation needs.

House Committee on Business and Industry

- Monitor the Texas **workers' compensation system**, and the continued implementation of the reforms of HB 7, 79th Legislature, Regular Session, by the Texas Department of Insurance and other state agencies. (Joint Interim Charge with the House Committee on Insurance)

House Committee on Corrections

- Explore the use of technology practices that improve efficiency, safety, and coordination of **criminal justice activities** on the state, local, and county levels.
- Study policies and procedures related to **illegal immigration and border security** of the Texas Department of Criminal Justice, county probation departments, and local and county jail facilities, and make recommendations to improve coordination with international, federal, state, and local authorities. (Joint Interim Charge with the House Committee on County Affairs)

House Committee on County Affairs

- Examine recent **attempts by municipalities to exert regulatory authority beyond city limits and extraterritorial jurisdiction**. Evaluate the current relationship between and possible conflicts related to regulatory authority expressly given to state agencies by the legislature

and regulatory authority delegated to home-rule municipalities. (Joint Interim Charge with the House Committee on Land and Resource Management)

- Study policies and procedures related to illegal **immigration and border security** of the Texas Department of Criminal Justice, county probation departments, and local and county jail facilities, and make recommendations to improve coordination with international, federal, state, and local authorities. (Joint Interim Charge with the House Committee on Corrections)

House Committee on Economic Development

- Study the performance of the Texas Enterprise Fund, the Texas Emerging Technology Fund, the Texas Economic Development Act, the Texas Enterprise Zone Program, and other **economic development tools** in promoting economic development in Texas, and recommend any needed statutory changes.
- Study the use of the **Texas Economic Development Act** since its enactment as HB 1200, 77th Legislature, Regular Session. Determine how the act may be enhanced to better attract significant capital investments by science and technology industries developing alternative energy sources. (Joint Interim Charge with the House Committee on Energy Resources)

House Committee on Elections

- Study the general issues of **electronic voting technology**, including the issues of general benefits and risks, security and accuracy, paper trails, etc.
- Monitor the continued implementation of the **federal Help America Vote Act** of 2002 by the Office of the Secretary of State, specifically including the implementation of the Texas Election Administration Management system to maintain voter registration records, administer elections, and execute and report election results.
- Study **poll worker recruitment and training** in Texas, and suggest possible statutory improvements.
- Research the current Texas law prohibiting the use of **public resources for political advertising**, and determine whether the law needs to be amended to clarify that publicly funded e-mail systems may not be used for political communications.

House Committee on Insurance

- Monitor the Texas **workers' compensation system**, and the continued implementation of the reforms of HB 7, 79th Legislature, Regular Session,

by the Texas Department of Insurance and other state agencies. (Joint Interim Charge with the House Committee on Business and Industry)

House Committee on Judiciary

- Study the issue of **municipal sovereign immunity** for damages to citizens' private property, and recommend any necessary statutory changes.

House Committee on Land and Resource Management

- Examine the authority of the **General Land Office**, the School Land Board, and similar state agencies to engage in various types of real estate transactions, and determine the appropriateness of this authority.
- Observe and study ongoing litigation and actions by condemning authorities in light of the *Kelo* decision and make recommendations for changes in **eminent domain** law needed to protect private property rights. Specifically, examine the body of law used to determine the amount of compensation property owners receive when their land is condemned, in whole or part, and determine the appropriateness of this scheme as compared to others.
- Research **annexation** practices in the state to determine whether municipalities are abiding by both the spirit and the letter of the state's annexation laws, thereby maintaining a proper balance between municipal governments and individual residents.
- Examine the effectiveness of the **Private Real Property Rights Preservation Act** (Chapter 2007, Government Code).
- Examine recent **attempts by municipalities to exert regulatory authority beyond city limits and extraterritorial jurisdiction**. Evaluate the current relationship between and possible conflicts related to regulatory authority expressly given to state agencies by the legislature and regulatory authority delegated to home-rule municipalities. (Joint Interim Charge with the House Committee on County Affairs)

House Committee on Law Enforcement

- Study the qualifications and standards necessary to be designated a **police agency**.
- Study the funding of **Texas 9-1-1 and poison control systems** and the requirement to transition Texas 9-1-1 systems to the next generation of technology to meet future expectations for emergency communication systems.

House Committee on Local Government Ways and Means

- Study whether Texas law should be amended on the methods used to determine the “place of business” of retail operations under Chapter 321, Tax Code, governing municipal sales taxes, and whether better-defined procedures and limitations should be enacted to assist the comptroller in **determining reallocation of sales tax revenues** from one municipality to another.
- Review provisions for local government notices on potential **tax rate increases** and clarify potentially conflicting statutes. Look at requiring two (rather than one) public hearings on the tax rate increase.
- Examine the addition of members to the **board of directors of appraisal districts** who are not appointed by the taxing jurisdictions of the district. Determine methods for appointing these additional directors.
- Examine the system for **appraising property for property tax purposes**:
 - Study the implementation and effects of HB 1010, 80th Legislature, Regular Session.
 - Consider whether the statutory system for choosing the Central Appraisal District Board of Directors and governing the board’s operation adequately protects the public interest.
 - Evaluate whether the authority of the chief appraiser should be limited.
 - Consider alternative methods and procedures for conducting the Comptroller’s School Value Study to ensure both the equitable distribution of state school aid and a more stringent review of local appraisal practices.
 - Examine constitutional and statutory constraints on the enforcement of uniform appraisal standards across the state and the ability of the state to provide oversight of appraisal districts.
 - Consider ways to improve appraisal district efficiency, transparency and services, including, but not limited to, the reconfiguration of appraisal districts.
 - Evaluate changes in the property valuation appeal system that could expedite and reduce the cost of dispute resolution.

House Committee on Natural Resources

- Monitor outgoing efforts related to joint planning in **groundwater management** areas, including progress toward setting desired future conditions for aquifers. Examine and evaluate the process relating to an appeal challenging the approval of desired future conditions.
- Monitor the implementation of legislation enacted by the 80th Legislature, including HB 3, HB 4 and SH 3; work in conjunction with legislatively created committees, such as the Environmental Flows Advisory Group, the Water Conservation Advisory Council, the Bexar Metropolitan Water

District Oversight Committee, and the Joint Interim Committee on State Water Funding.

- Evaluate creating a uniform template for the creation of **Municipal Utility Districts** or other special districts with addendums for special powers to expedite the creation of new districts.
- Review the **Texas Commission on Environmental Quality fee structure** for water programs and examine the scope of services being funded by such fees and the allocation of resources, including personnel to provide services on a timely basis.

House Committee on Pensions and Investments

- Explore options for funding **other post-employment benefits**, and examine strategies employed by other governmental entities in addressing these obligations.
- Analyze the impact of allowing a retiree to return to work in the **Texas Municipal Retirement System**.

House Committee on Public Health

- Research issues relating to the Indigent Health Care and Treatment Act (Chapter 61, Health and Safety Code) and related local health care initiatives (Chapter 534, Government Code), and make recommendations to address any imbalance between counties for the provision of health care.
- Examine the status of asthma in Texas, and make recommendations to prevent asthma and to assist children and adults with asthma to more effectively manage their disease. Develop strategies for decreasing the direct medical and indirect related costs associated with asthma.
- Examine activities at the Texas Medical Board as they relate to the protection of public health and the practice of medicine, and the status of implementation requirements established by HB 1973, 80th Legislature, Regular Session. The committees should consider any findings by the Texas Sunset Commission. (Joint Interim Charge with the House Committee on Appropriations)
- Examine the State of Texas' preparedness level to handle a public health emergency. (Joint Interim Charge with the House Committee on Defense Affairs and State-Federal Relations)
- Review the effectiveness of the Driver Responsibility Program, and provide recommendations for increasing the collection rate of assessed penalties. Provide recommendations for amnesty and incentive programs established by the passage
- Study the state's current and long-range need for physicians, dentists, nurses and other allied health and long-term care professionals. Make recommendations regarding strategies related to geographic distribution and barriers to recruitment of high- need professions, especially for

primary care providers and long-term care professionals. (Joint Interim Charge with the House Committees on Border and International Affairs and Appropriations)

House Committee on Regulated Industries

- Research the effects of both wholesale and retail **competition in the Texas electric market**.
- Study and review information on the Internet and other communications services, and how Texas can best prepare for potential changes to Internet and communications services, and infrastructure demands. Recommend policy changes to encourage greater infrastructure investment while ensuring the continued growth and development of the Internet. Study the current state and **local communications tax structure**, including an analysis of the tax burdens imposed on consumers and providers of communications services.

House Committee on State Affairs

- Research and recommend the best ways to require governmental entities in Texas, both state and local, to develop reasonable **investment strategies** that will help the Texas economy and increase jobs and resources brought to the state.
- Study the merits of developing a coherent state policy of offering incentives to local governments for activities relating to **recruiting and hosting special events**.
- Study and make recommendations to encourage authorization for political subdivisions to enter into agreements with the United States Department of Homeland Security under Section 287(g), Immigration and Nationality Act, to perform the **functions of immigrations officers**.

House Committee on Transportation

- Examine the role of **metropolitan planning authorities** in state law, as well as the creation of rural planning authorities to address the planning needs outside of metropolitan planning organizations but within council of government boundaries.

House Committee on Urban Affairs

- Study and evaluate the levels, methods and alternatives by which the state funds all **affordable housing programs**, focusing on administrative cost-effectiveness to determine greater returns on investment, savings and efficiency. Examine the current procedures and applications of the annual, integrated Low Income Housing Plan prepared by the Texas Department of Housing and Community Affairs, and prepare

- recommendations for the development of a comprehensive, long-range, statewide plan or model to address growing needs throughout the state.
- Monitor current methodology involving departmental rules, procedures and policies governing state and federal compliance in the evaluation and ranking of all **multifamily affordable housing applications** for the allocation of funds during the annual awards cycles.
 - Examine the development and implementation of a physical standards (asset oversight) rating system for **multifamily residential rental facilities**, to be used by all local and state issuers of tax-exempt bonds and tax credits, to determine eligibility for future financing and for compliance enforcement purposes.

House Committee on Ways and Means

- Examine fiscal implications of the list of items eligible for the **sales tax holiday**. Study the policy and benefits of current sales tax treatment for information technology services, including research and development.

**The Senate Interim Charges have not been released.*