



86th Texas Legislative Session Summary

During the 86th Texas Legislative Session, 7,420 pieces of legislation were filed. Texas and Southwestern Cattle Raisers Association (TSCRA) was actively involved with and tracked 799 bills, approximately 11% of the total filed. TSCRA publicly registered a position on 106 bills, with 25 of those ultimately being passed by the legislature and sent to the Governor. The Governor has until June 16 to veto legislation.

Two key pieces of legislation did not make it to the Governor's desk.

The first, eminent domain reform, was heavily supported by TSCRA and other property owner organizations. The Senate overwhelmingly passed meaningful reform legislation with S.B. 421, authored by Sen. Lois Kolkhorst. The bill was heavily negotiated before it was passed by the Senate, and negotiations continued once the bill was sent to the House. In the final days of negotiation, when consensus with opposition groups was imminent, S.B. 421 was abruptly taken from the House sponsor by Rep. Tom Craddick, who rewrote the bill in a manner that was not just meaningless for property owners, but actually could have worsened many of the problems that already exist. None-the-less, TSCRA allowed the legislation to move forward with hopes that the bill could be fixed in the conference committee process, where the House and Senate work out the differences between their versions of a bill. The Texas Senate offered compromise language that implemented much needed improvements for property owners while resolving the issues raised by private condemning entities. All five Senate negotiators quickly signed the conference report, but unfortunately the House appointed a slate of extremely pro-energy legislators, led by Craddick, who refused to sign the conference committee report, killing the legislation in the final days of the legislative session.

The other key bill that did not advance to the Governor dealt with central filing. TSCRA was opposed to the central filing legislation, and a study on the same topic. Both bills were authored by Sen. Bob Hall and Rep. Ken King. Implementation of a central filing system would force anyone who purchases an agriculture product in Texas to pay a registration fee and register as an agricultural buyer with the state. Under this system Texans would have to do a title search on an online database each time they purchase an agricultural product. This type of system would also shift the liability of the lending bank and borrowing producer to all purchasers of agricultural products. For these reasons TSCRA worked to ensure a central filing system was not passed into law.

A summary of the preliminary budget sent to the governor and the 25 TSCRA tracked bills that made it to the Governor are provided below. Updates will be made after the Governor's veto period.

Budget

The legislature approved funding in a few areas of interest to TSCRA:

- Texas Tech Veterinary School received \$17.4 million
- West Texas A&M Center for Food Animal Production received \$4 million
- Texas Animal Health Commission
 - General Revenue Funds for the biennium total \$27.48 million

- This includes \$8.0 million for the agency's continued cattle fever tick control and eradication activities, a decrease of \$1.2 million related to one-time expenditures on vehicles and capital equipment
- And an increase of \$374,400 in funds for salary increases for inspectors
- Texas A&M Agrilife Research received no new funding
- Texas A&M Extensions Service received \$6.8 million for their Disaster Relief program
- Texas A&M Forest Service Border Division received \$200K in additional funding
- Texas A&M Veterinary Diagnostic Laboratory received \$1.2 million extra this biennium for poultry labs

Texas Parks & Wildlife, Texas State Soil & Water Conservation Board, Texas Water Development Board and the Texas Department of Agriculture are still analyzing the full budget to summarize the total financial benefit received by each respective agency.

H.B. 347 - Rep. Phil King/Sen. Brian Birdwell

Elimination of distinctions in annexation consent requirements

During the 85th Legislative Session major reforms were made to the annexation process. S.B. 6 ended forced annexation by municipalities in counties with populations of 500,000 or more so that residents can vote whether to be annexed. However, these reforms applied to only 11 of Texas' 254 counties. H.B. 347 extends S.B. 6's annexation reforms statewide. H.B. 347 removes the "tier" designations from statute, thereby providing property owners in all counties, regardless of population size, the same protections against forced annexation.

H.B. 1066 – Rep. Trent Ashby/ Sen. Charles Perry

Coordinating corresponding transfer and production groundwater permits

H.B. 1066 would require a groundwater conservation district (GCD) to extend the term of a groundwater transfer permit on or before its expiration to at least the length of the corresponding groundwater production permit from which the water was being transferred. Future renewals of groundwater production permits would renew corresponding transfer permits. These permits would be subject to the same conditions to which they were subject before their extension. A GCD could grant or deny an application to extend a term only using rules that were in effect at the time the application was submitted, and the application would be governed by district rules consistent with the bill.

H.B. 1254 – Rep. Jim Murphy/Sen. Kelly Hancock

Ag valuation eligibility of land secured by a home equity loan

Questions have been raised regarding whether property is eligible to be designated for an agricultural use if the property secures a home equity loan. H.B. 1254 resolves this confusion by confirming the eligibility of land to be designated for such use.

H.B. 1262 – Rep. Keith Bell/ Sen. Robert Nichols

Extending the registration period for certain trailers

H.B. 1262 would require the Department of Motor Vehicles to develop a system of registration to allow the owner of a trailer, semitrailer or pole trailer with a gross weight of 7,500 pounds or less to register the vehicle for up to five years. A trailer owner could select the number of years for registration and would pay the cumulative fees for the entire registration period at the time of registration.

H.B. 1409 – Rep. Trent Ashby/Sen. Robert Nichols

Qualification of timber land for open-space property tax valuation

Some counties have begun taking the position that land used for oil and gas production loses its eligibility for appraisal as open-space land. In these counties, landowners have lost eligibility to have land appraised under the open-space land exemption and owed five years of back taxes with interest. Last session, the legislature passed H.B. 3198, which corrected this situation but left out the timber open-space exemption. This bill allows

land qualified as timber to continue to qualify as such even if a portion of land is being used for oil and gas production.

H.B. 1743 – Rep. Tracy King/Sen. Brandon Creighton

Reduction of the penalty and interest for removing land from open-space property tax valuation

The additional tax and interest imposed on open-space land or timber land when a change in use occurs is outdated and excessive. H.B. 1743 reduces this tax burden by decreasing the back-taxes owed from five to three years and decreasing from seven percent to five percent the annual interest rate added to that additional tax.

H.B. 1960 – Rep. Four Price/Sen. Charles Perry

Governor’s broadband council

Broadband connectivity is lacking in many areas of rural Texas. To help close this digital divide, H.B. 1960 creates a broadband development council within the governor's office.

H.B. 2496 – Rep. John Cyrier/Sen. Dawn Buckingham

Limiting municipal designation of a historic landmark

There is a lack of clarity and consistent requirements regarding a municipal designation of a property as a historic landmark without the property owner's consent. H.B. 2496 addresses these concerns by setting out circumstances under which certain municipalities may designate a property as a local historic landmark and establishes a uniform, statewide process for designating places or areas as historical landmarks.

H.B. 2845 – Rep. Terry Canales/Sen. Brandon Creighton

Removal of wind power facilities

Given the possibility for wind power facility owners to abandon their equipment if they go out of business or do not have adequate funds to remove the facility at the end of its lifespan, H.B. 2845 requires that they include a provision in the lease to remove equipment and restore the surface of the land to its original condition, and post a bond or other financial assurance to cover the cost of removal and restoration.

H.B. 3246 – Rep. Drew Darby/ Sen. Kelly Hancock (Filed Without Signature)

Establishing ownership of fluid oil and gas waste

H.B. 3246 is the only bill of the Session that TSCRA opposed that was still sent to the Governor. This bill establishes that when fluid oil and gas waste is produced, it becomes the property of a person that treats that waste for some other form of beneficial use. This would apply unless otherwise expressly provided by a legally binding document, including an oil or gas lease and a surface use agreement. TSCRA believes this policy stance further complicates groundwater ownership in Texas. Unless the groundwater rights have been severed from an estate, groundwater belongs to the surface owner. This position was previously passed by the Texas Legislature and upheld through the court system. Fluid oil and gas waste contains groundwater. TSCRA believes the transfer of this water without consent of the surface owner directly contradicts current law, especially in instances where the surface estate and mineral estate are separately owned. We have raised these concerns with the Governor’s office along with other property owner groups. Partially because of these concerns, Governor Abbott will not sign the bill, nor will he veto it because of overwhelming support by both the Senate and House of Representatives. You will notice that this bill has been filed without a signature, meaning that the bill will become law even without the Governor’s signature.

H.B. 3316 – Rep. James White/Sen. Schwertner

Crime stoppers expansion

Expands the types of tips that can be reported to crime stoppers organizations to include public school districts and open-enrollment charter schools in the reporting process. TSCRA initially shared concerns with other law enforcement groups about unintended consequences that could have negatively impacted the TSCRA *Operation Cow Thief* program, but changes were made to address these concerns.

H.B. 3348 – Rep. Ryan Guillen/Sen. Chuy Hinojosa

Ag and open-space property tax valuation eligibility of land quarantined by TAHC

Landowners whose land qualifies for special appraisal for property tax purposes as agricultural or open-space land should not be penalized if the Texas Animal Health Commission has established a temporary quarantine for fever ticks on that land. H.B. 3348 provides for the continued eligibility of such land to be appraised as agricultural or open space land and eases the burden on landowners and streamlines the process of keeping their agricultural exemption.

H.B. 3706 – Rep. Jay Dean/Sen. Bryan Hughes

TSCRA Special Ranger LTC application requirements

Recently, a streamlined handgun license application process and fee reductions were made available for active and retired peace officers but were not applicable to active and retired railroad peace officers and Special Rangers of the Texas and Southwestern Cattle Raisers Association. H.B. 3706 extends these benefits to those officers, both active and honorably retired.

H.B. 3838 – Rep. Ernest Bailes/Sen. Brian Birdwell

Disclosure requirements for purchase or lease of mineral interests

There have been incidents in which mineral and royalty interest owners, primarily the elderly, have been the target of a scam by which they are presented with a document that purports to lease those interests, but instead authorizes their sale. H.B. 3838 provides protection for these owners by requiring a specific disclosure in certain offers to purchase a mineral or royalty interest.

H.B. 4257 – Rep. Tom Craddick/Sen. Donna Campbell

Prohibition on retaliation for municipal annexation disapproval

A municipality may provide governmental services to areas outside its boundaries. In the event voters disapprove of annexation there are concerns that the municipality may retaliate by refusing services or raising rates. H.B. 4257 prohibits retaliation, including retaliation in the form of higher rates, following the disapproval of a proposed municipal annexation.

H.J.R. 38 – Rep. Jeff Leach/Sen. Pat Fallon

Constitutional amendment prohibiting the imposition of an individual income tax

Proposes a constitutional amendment to bar the state from imposing or collecting an income tax, thereby requiring that any future imposition of an income tax be accomplished by constitutional amendment, requiring a two-thirds vote of each house before ratification by a vote of the people.

S.B. 14 – Sen. Robert Nichols/Rep. John Kuempel

Use of an electric cooperative's easements or property for broadband service

One of the most pressing current challenges for rural Texas is the lack of access to high speed Internet. S.B. 14 will make high-speed Internet more available to rural Texans by authorizing Texas electrical cooperatives and their affiliates to deploy broadband to their members using the cooperatives' existing electricity easements. Though some initial concerns were raised, TSCRA worked with the bill author and stakeholders to address those issues so TSCRA could support the legislation.

S.B. 317 – Sen. Bryan Hughes/ Rep. Steve Toth

Hunting of feral hogs without a hunting license

Under current law, feral hogs must cause depredation on landowner's property in order to be taken without acquiring an annual hunting license. S.B. 317 strikes "causing depredation" from statute to allow all feral hogs in Texas to be taken without the need to acquire an annual hunting license. S.B. 317 does not affect hunters' education requirements or aerial hunting permits.

S.B. 733 – Sen. Charles Perry/ Rep. John Cyrier

Authorizing a fee for participation in the Managed Lands Deer Program

S.B. 733 would authorize the Texas Parks and Wildlife Commission to impose a fee for participation in the Managed Lands Deer Program. The fee would be deposited in the game, fish, and water safety account.

S.B. 746 – Sen. Donna Campbell/Rep. Philip Cortez (VETOED)

Procedures for voter approval of municipal annexation

Provide more residents access to voting on annexation by lowering the petition threshold at the county level from 10 percent to seven percent of registered voters and provides protections for residents who have rejected annexation at the ballot box, requiring cities to wait at least five years before attempting to annex the same property.

S.B. 810 – Sen. Charles Perry/ Rep. John Cyrier

Revising identification requirements for breeder deer

S.B. 810 would require a breeder deer to be identified by an electronic identification device in addition to an identification tag and ear tattoo. The Texas Parks and Wildlife Department would be required to create and maintain a database containing electronic identification device numbers entered by deer breeders. In deciding to destroy a deer due to public health concerns, the department would have to consider an electronic identification device as evidence of positive identification for a breeder deer that could not be identified by either an identification tag or ear tattoo. An electronic identification device applied to a breeder deer would have to meet certain requirements specified in the bill. The bill also would specify additional requirements for both ear tattoos and identification tags, including that identification tags be commercially manufactured and have five alphanumeric characters.

S.B. 948 – Sen. Lois Kolhorst/ Rep. Armando Martinez

Relating to release sites for breeder deer

Breeder deer are managed similarly to livestock and thus have higher risks of communicating disease due to the allowance of intrastate transport and the increased contact they have with other deer. These factors greatly increase the risk of spreading disease and could prove to be detrimental to wild deer and other susceptible wildlife species. S.B. 948 seeks to address this issue by limiting the release of breeder deer to high fenced pastures to mitigate the spread of disease from a captive animal that is more easily managed to a wild population of comingled animals with little to no means of curtailing the spread of disease.

S.B. 1024 – Sen. Charles Perry/Rep. Tom Craddick

Access to services in an area annexed by a municipality

Residents living near the exterior of an area annexed by a municipality often face difficulties in accessing services and do so at great personal cost and effort. S.B. 1024 ensures that these residents have access to adequate and reasonably priced municipal services.

S.B. 1303 – Sen. Paul Bettencourt/Rep. Cecil Bell

Notice related to expansion of municipal extraterritorial jurisdictions

Property owners in a municipality's extraterritorial jurisdiction are affected to a certain degree by municipal regulation. Concerns have been raised regarding a lack of communication and information available to the public regarding an expansion of municipal territory through an annexation and the resulting extension of a municipality's extraterritorial jurisdiction. S.B. 1303 addresses these concerns by setting out requirements relating to maps of the actual or proposed boundaries of an extraterritorial jurisdiction of a municipality and notices to impacted landowners related to expanding the boundaries.