



**Bills and Riders Successfully Advanced by State Senator Craig Estes
82nd Regular Session**

LOCAL DISTRICT BILLS

- SB 179** — Senate Bill 179 will statutorily incorporate the service area of the part of Graham ISD located in Young County into North Central Texas College District. The citizens of Graham have been pursuing higher education facilities for almost 40 years. With the passage of Senate Bill 179, and the inclusion of Graham ISD into the North Central Texas College service area, that dream can finally be realized. This bill reflects the desires of the community, and seeks to serve not only the future of Graham, but the future of Texas as well, through increased access to higher education. (Estes/Sp: Hardcastle).
- SB 1121** — Senate Bill 1121 will increase student fees to \$17 to \$35 per student for each long semester and \$17.50 for each summer for the purpose of operating, maintaining, improving, equipping, and financing the Clark Student Center and acquiring or constructing additions to the center. SB 1121 has been approved by both the students of Midwestern State as well as its regents, and serves to implement in statute a fee that the university has voluntarily imposed upon itself for the betterment of its institution. (Estes/Sp: Lyne).
- SB 1230** — SB 1230 grants the City of Denton limited authority to sell excess natural gas from their combined heat and power plant to nearby industrial customers located only in the city's industrial park. SB 1230 will incentivize economic development and growth while simultaneously promoting the use of green energy by authorizing Denton to sell energy commodities that result from operating a CHP system. This in turn will attract industrial projects to the City's Economic Development District. (Estes/Sp: Crownover).
- HB 92** — This bill expands the authority to regulate slaughterers to Navarro County and Collin County. Under current Texas Law, certain counties have more authority over the regulation of slaughterhouses than other counties. In some areas, the County Commissioners Court has the authority to vote to require a slaughterer to obtain a permit from the county and has the authority to vote to prohibit the operation of a slaughterhouse under certain circumstances. (Cook/Sp: Estes).
- HB 314** — Corporal David Slaton of the Texas Department of Public Safety was killed in the line of duty on September 20, 2010, in Montague County in SD 30. The trooper was a popular figure in the area known for his good humor and jovial personality. As a show of respect, the Montague County Commissioners Court requested, and the Texas Department of Transportation subsequently approved, the naming of a section of U.S. Highway 81 in honor of Trooper Slaton. H.B. 314 amends the

Transportation Code to designate the Corporal David Slaton Memorial Highway. (Hardcastle/Sp: Estes).

- HB 534** — This bill modifies Gunter Municipal Utility Districts No. 1 and 2 to allow the Districts to continue to exist within the boundaries of the City after they are annexed and to levy a tax in addition to the City's tax rate. This bill was amended on the Senate floor to include provisions that provide for the creation of the Case Creek Municipal Utility District in Grayson County and the Mustang Ranch Municipal Management District in Collin County. (Phillips/Sp: Estes).
- HB 707** — This bill is bracketed to the City of Lavon. Its purpose is to validate the city's actions relating to the Grand Heritage Public Improvement District. This award-winning development was originally intended to be a MUD but was instead created as a PID. Because of complexities in the creation, the Attorney General's office has not approved the bond issue. This bill validates the acts undertaken by the City during the PIDs creation and would allow the bonds to be issued. The legislation does not authorize any new or additional acts as all events required for the creation, including the assessment, have already occurred. (Laubenberg/Sp: Estes).
- HB 1524** — Creates a conservation and reclamation district to be known as the Case Creek Municipal Utility District No. 1 of Grayson County. The district will encompass more than 1,500 acres in Grayson County, Texas, and consist of several noncontiguous tracts. (Author Phillips; Estes amended to HB 534).
- HB 2330** — Creates the County Court at Law No. 2 in Wise County. The bill would allow the county courts to be located in the county seat (Decatur), or some other location as decided by the judge and commissioners of that court. (King/Sp: Estes; Estes filed SB 1218, the Senate companion).
- HB 2549** — House Bill 2549 would allow the Texas State Historical Association to be included on the State Employee Charitable Campaign to help raise additional funds with no burden to the state. This would allow state employees to voluntarily authorize a deduction to this organization if they so choose. The Texas State Historical Association (TSHA) is anchored at University of North Texas, and is a nonprofit educational organization whose mission is to further the appreciation, understanding, and teaching of Texas's rich and unique history through research, writing, and publication of related historical material. (Crowover/ Sp: Estes).
- HB 2809** — The Greater Texoma Utility Authority was established by the Texas Legislature in 1979 for the purpose of providing its member cities with help in the construction of water and wastewater facilities and to provide both member and non-member cities with operations services for water and wastewater facilities. The Authority enters into contracts with its member cities to provide for the water and wastewater construction and operations services that are needed in the North Texas area that it serves. Currently, the Authority has the ability to approve change orders that do not increase the original construction contract price by more

than 10 percent, as provided in Section 49.273(i) of the Texas Water Code. This bill amends the Greater Texoma Utility Authority's enabling act to allow the Authority to approve change orders related to construction contracts as long as the total cost of the change orders do not increase the original contract price by more than 25 percent. (Phillips/Sp: Estes).

HB 3803 — This bill create the Cottonwood Municipal Utility District No. 2, containing approximately 829 acres, located partially with the extraterritorial jurisdiction of the City of Dorchester in Grayson County. (Phillips/Sp:Estes).

HB 3846 — Establishes provisions relating to the creation of the Mustang Ranch Municipal Management District No. 1 in the City of Celina, providing authority to levy an assessment and issue bonds in order to provide improvement projects and services that confer a special benefit on property in the district and to pay for such projects and services by levying special assessments. (Author Laubenberg; Estes amended to HB 534).

STATE AFFAIRS

SB 18 — SB 18 modifies processes and requirements governing eminent domain, including evidence to be considered by special commissioners in making decisions on damages awards, the rights of property owners to repurchase taken property, the requirement of a bona fide offer to purchase property, and landowners' right to access information from an entity taking their property. (Estes/Duncan; Sp:Geren, Oliveira, Kleinschmidt).

SB 1216 — This bill ensures that women who may have been forced to sign an arbitration agreement as part of a divorce or a child custody dispute will be able to try defenses to the contract containing the agreement to an impartial court, instead of a biased arbitrator. Under a 1967 Supreme Court case called *Prima Paint v. Flood & Conklin Manufacturing Co.*, defenses to a contract containing an arbitration agreement have to be tried to an arbitrator. This means that if, for example, a man holds a gun to his wife's head and forces her to sign an arbitration agreement stating that their divorce will be tried according to Sharia Law in front of their Imam, the question of whether or not the contract should be enforced will be decided by the Imam, instead of an impartial court. The bill changes this outcome and requires the question of the contract's enforceability to be tried in court before the case is sent to an arbitrator. (Estes/Sp: Hatnett).

HB 1904 — This bill was intended to make it easier for write-in candidates for precinct or county chair of a political party to determine their filing deadlines. Under current law, the deadline floats between December 29 and January 6. This bill set the new deadline to fall five days after the regular filing deadline, which falls on January 2. Thus, the bill will cause the new filing deadline for write-in candidates for these offices to fall on January 7. (Sheffield. Sp: Estes; There was no Senate companion to this bill.)

TRANSPORTATION BILLS

- SB 896** — "Gold Star" license plates are issued to certain family members of persons who died while serving in the US Armed Forces. This bill adds "Father" into the list of persons eligible to apply for and receive a Gold Star specialty license plate, and is in honor of the family members of the brave men and women of Texas who have made the ultimate sacrifice for our state and country. (Estes/Sp: Laubenberg).
- HB 2469** — Motorcycle safety awareness for both riders and drivers is an important tool in preventing motorcycle accidents. Citizens have worked to initiate programs to educate motorists regarding the importance of watching for motorcyclists, including a program to place crosses on the roadside where a fatal motorcycle accident has occurred. HB 2469 seeks to expand these efforts by creating a memorial sign program at the Texas Department of Transportation for victims of motorcycle accident. This bill requires a sign designed and posted under its provisions to include a red cross, the phrase "In Memory Of" and the name of one or more victims in accordance with agency rule, and the date of the accident that resulted in the victim's death. (Phillips/Sp: Estes; There was no Senate companion to this bill.)

CRIMINAL JUSTICE BILLS

- HB 1028** — This bill creates a new type of protective order (known commonly as a restraining order) that prohibits a convicted criminal from contacting his victim or the victim's family during the time he is imprisoned. The law already requires similar orders for offenders who have been released on parole. (Phillips/Sp: Estes; there was no Senate companion to this bill.)
- HB 1137** — Requires a business establishment before completing an over-the-counter sale of a product containing ephedrine, pseudoephedrine, or norpseudoephedrine to transmit the record to a real-time electronic logging system. The administration of the electronic logging system is free of charge to business establishments and law enforcement and law enforcement agencies and their personnel will have the sole right of access to the database. (Darby/ Sp: Estes; Estes filed SB 913, the Senate companion).
- HB 2560** — This bill forces the Department of Family and Protective Services to allow foster parents who are licensed to carry concealed handguns to exercise their Second Amendment rights. The Department had a rule in its regulations that said foster parents could not have a handgun in a car where the foster child was present. This bill invalidates that rule to allow foster parents who have concealed carry permits to carry in the car with their foster children. (White/Sp: Estes; There was no Senate companion to this bill.)

HB 2118 - HB 2118 adds certain chemicals used in making bath salts to Penalty Group 2 of the Texas Controlled Substances Act. The primary components in bath salts are MDPV and Mephedrone which are both banned by this bill as well as many subsidiary components used in the creation of bath salts. Bath salts are legal due to the packaging listing them as not for human consumption and though not widely used presently, the rate of abuse is growing exponentially. This drug can have fatal effects. Similar to SB 1066 by Estes but adds more of the components used in making bath salts. (Coleman/sp: Estes)

SB 1217 - SB 1217 makes the penalty for reporting false emergencies with regard to excavating more severe. This was done to protect the safety of the excavators and surveyors who were subject to unnecessary risk under the pretense of a non-emergency. Excavators would declare an emergency so they could avoid the 48 hour rule and would begin digging immediately without knowledge of what was underground. This bill makes a false emergency a crime and creates civil and criminal penalties. (Estes/sp: Hildebran)

BUSINESS AND COMMERCE

SB 249 — This bill adds a banker and a public member to the Finance Commission. The Finance Commission is a nine-member body that regulates all types of lenders in Texas. Even though banks hold the overwhelming majority of assets regulated by the Commission, there is currently only one seat reserved for a banker. This bill adds another banker to reflect that the majority of the Commission's responsibility relates to that industry. It also added a public member to preserve the public's existing majority on the Commission. (Estes/Sp: Orr).

SB 940 — This bill would have deregulated Austin Energy and ended its regional monopoly to prevent the utility's aggressive "green energy" mandates from driving up the cost of electricity to the state. Austin Energy responded by offering the Texas Facilities Commission an electricity contract with such a good rate, the bill was no longer needed. Thanks to this bill, the state will be mostly insulated from Austin Energy's rate increases.

SB 1231 — This bill was brought to us by the Secretary of State's Office, and will help them to streamline health spa (or gym) regulation. SB 1231 would make certain changes to the Health Spa Act in an effort to achieve efficiency and modernization. These changes serve two primary purposes: 1) to modernize the Act by removing outdated requirements and 2) to address issues in the language of the Act that have arisen through its administration. These changes in statute will allow the Secretary of State to more efficiently and effectively regulate Health Spas. (Estes/Sp: Laubenberg).

SB 1568 — This bill strikes confusing wording from a statute to clarify that a shareholder may not bring or maintain a derivative suit against a corporation following a merger

that destroys his ownership interest. This codified the interpretation the courts had already given to the language and confirmed that Texas law is the same as Delaware law and the business law of other states. (Estes/Sp: Elkins).

- HB 1390** — This bill seeks to reduce the number of subcontractors who act in good faith but lose their rights to retained funds in construction projects. Current law requires the owner of a construction project to retain 10% of each payment to the general contractor for the benefit of the subcontractors and suppliers working on the project. When the project is completed, these funds are released to the general contractor, who distributes them to the subcontractors and suppliers. This bill alters the current notice and filing requirements for perfecting a lien on retained funds to make these requirements more flexible without burdening the owners. (Deshotel/Sp: Estes; Senator Estes filed SB 590, the Senate companion to this bill.)
- HB 2382** — This bill fixes an issue in the wording of a statute that can sometimes mandate double coverage of risks by insurance companies that fail to provide proper notice of nonrenewal. The bill provides that an insurance company's obligation to extend policies for which improper notice of nonrenewal was given expires if the policyholder obtains coverage under a new policy. (Murphy/Sp: Estes)
- HB 1401** — Local option elections determine whether or not alcohol may be sold in an area. This bill ensures that everyone living in an area that will be affected by one of these elections gets to vote. The City of Celina, in Collin County, recently discovered that, when a new subdivision is annexed right before one of these elections, the law is not clear on whether or not the new citizens are allowed to vote. This bill settled the question in favor of allowing everyone who will be affected to vote, regardless of how recently they were annexed. (Laubenberg/Sp: Estes; Senator Estes filed SB 1375, the Senate companion to this bill.)

AGRICULTURE/RURAL BILLS

- SB 248** — This bill provides enhanced protections for Texas grain producers by increasing bonding requirements for grain warehouses and securing additional enforcement authority for the Texas Department of Agriculture. Many farmers in Senate District 30 lost hundreds of thousands of dollars when 17 failed elevators closed their doors in a two-year time span. Industry expressed concern about the current protections provided in law for the grain depositors. Senator Estes authored SB 248 in an effort to address these concerns. SB 248 increases bonding requirements from 6 cents to 10 cents per bushel of storage capacity, establishes a minimum net worth requirement of \$200,000 and increases the minimum bond amount from \$20,000 to \$35,000. Every year, hardworking farmers battle the weather and

economy; they expect to trust that when grain is deposited, it will be measured and stored in accordance with the law. **Based on USDA data, SD 30 counties with the most wheat, sorghum, grain and corn production include Collin, Denton, Grayson, Wichita, Stephens, and Baylor. Supported by the Farm Bureau and several producer groups. (Estes/Sp: Landtroop).

SB 479 — This bill expands the scope of Chapter 87 of the Civil Practices and Remedies Code to include "farm animal activities;" thereby protecting property owners from exposure to liability for injuries caused by non-equine "farm animals". Current law only limits liability incurred by property owners for *equine* activities. This raises concerns for property owners that sponsor events because they have no protection and are exposed to liability for any injury caused by non-equine animals. (Estes/Sp: Miller).

SB 766 — This bill seeks to protect the state's shooting ranges from encroaching urbanization. With the state's growing population, many shooting ranges in areas that used to be rural are being harassed in court by their new suburban neighbors. Many of these cases involve fraudulent evidence and impossible allegations. This bill requires people who sue a shooting range to submit expert evidence in support of their cases to ensure that their claims are legitimate. The bill also gives municipalities authorization to shut down dangerous ranges that are not built in accordance with generally accepted industry standards. (Estes/Sp: Isaac).

SB 1086 — This bill makes the necessary statutory changes to provide the Texas Department of Agriculture with specific authority to raise revenue to recover marketing and economic development costs by implementing voluntary economic development and marketing programs at a fee for Texas communities and businesses. This cost recovery legislation is necessary because the budget greatly reduces General Revenue appropriations to the Texas Department of Agriculture's economic development and marketing programs. Agriculture currently represents 9.5 percent of the gross state product and employs one in seven working Texans. TDA's economic development and marketing programs are key to the development and diversification of Texas agriculture and its products. (Estes/Sp: Hardcastle).

SB 1356— Currently a person who owns one or more horses, hogs, dogs, sheep, or goats in this state may register with the Texas Department of Public Safety (DPS), for exclusive use, any tattoo mark or other generally accepted identification method that is not previously recorded. This registration is then forwarded to the county clerk in the county where the animal is located. This method of tattoo registration is not used because most people register tattoos for livestock directly with the county. This bill repeals Subchapter E of Chapter 144 Agriculture Code, so a person would simply register the marking with the county. (Estes, Sp: Hardcastle).

SB 1357 — If stray livestock, stray exotic livestock, or stray exotic fowl wander onto another owner's property, those estrays are subject to Chapter 142 of the Agriculture

Code. This bill clarifies the redemption process in Section 142.004 of the Agriculture Code so that the owner of the estray and the owner of the public or private property both have a fair opportunity to recover the strayed livestock or expenses for holding the estray. (Estes/Sp: Hardcastle).

- HB 1840** — This bill establishes the Texas Grain Producers Indemnity Board, allowing grain producers to pay assessments to protect themselves from financial ruin in the event of a warehouse collapse. This bill allows farmers of corn, soybeans, wheat, and grain sorghum in the state of Texas *the option* to form a board to protect themselves from loss and damage due to the financial failure of a grain warehouse. The indemnity board is to be established as a separate entity from the Texas Department of Agriculture with some oversight from the Agriculture Commissioner. **Based on USDA data, SD 30 counties with the most wheat, sorghum, grain and corn production include Collin, Denton, Grayson, Wichita, Stephens, and Baylor. Supported by the Farm Bureau and several producer groups. (Phillips/Sp: Estes; Estes filed SB 1232, the Senate companion to this bill).
- HB 2108** — Every ten years, beginning September 1981, cattle ranchers are required to re-register their cattle brands, earmarks, tattoos, and other marks for their cattle. The re-registration of all brands occurs this fall. Under current law, the respective county clerk in each county is the person the state designates to record and file the cattle brands. This bill allows for a county clerk to set up an electronic filing system of cattle brands to automate the process of filing and registering brands. An electronic filing system will save manpower hours at the county courthouse and create a more convenient system for ranchers to re-record their cattle brands. (Paxton/Sp: Estes).
- HB 2742** — This bill amends the definition of a person in the "business of structural pest control" to include an individual who offers to perform or advertises for services related to pest control. The bill reinstates language into the Occupations Code that was inadvertently left out during the Sunset review. This bill would once again make it illegal to offer or take money for "pest control services" without a license. (Kleinschmidt/Sp: Estes).
- HB 2810** — This bill protects dairy operation tax exemptions. Some dairies in Texas have shifted from the traditional dairy farm to more efficient systems that use complex structures in place of the traditional barns and milking parlors. The increasing use of these systems has raised questions on whether the tax exemption for other, more traditional, items of agriculture is applicable to some of the new structures and features utilized on dairies. HB 2810 address such questions by clarifying that the tax exemption for agricultural items does include certain types of personal property incorporated into or attached to special-purpose dairy structures. The passed language is consistent with current administrative practice, and therefore has no significant fiscal implications. **Based on USDA data, SD 30 counties with the most dairy operations are Erath, Parker, Wise, Cooke, Montague, Palo Pinto, Archer and Clay. (Sid Miller/Sp: Estes).

- HB 2994** — This bill creates the Urban Farm Microenterprise Development Fund and Urban Farm Microenterprise Support Program within the Texas Agricultural Finance Authority to provide financial assistance to microenterprises for farms in urban areas. The Urban Farm Support Program would provide financial assistance to small, owner-operated enterprises that are engaged in research and production of agricultural technology and tools that are intended for use in urban areas. Implementation of the loan program is dependent on the receipt of gifts and grants and the bill prohibits the use of state money for the purposes of the program. **Supported by the Texas Farm Bureau, Texas Poultry Federation, Texas Southwestern Cattle Raisers Association. (Miles/Sp: Estes, no Senate companion).
- HB 2996** — This bill creates the Texas Urban Agricultural Innovation Authority that promotes the expansion and creation urban agricultural projects. The bill also creates the Urban Farmer Interest Rate Reduction Program to provide reduced interest rate loans to urban farmers. The Urban Farmer Grant Program would provide grants of \$5,000 to \$20,000 to agricultural producers who own or lease real property for agricultural purposes in a municipality with a population of at least 500,000. HB 2996 would prohibit the use of state money for the purpose of the newly created Authority. (Miles/Sp: Estes, no Senate companion).
- HB 2997** — This bill creates the Urban Farming Pilot Program within the Department of Agriculture to provide grants to urban farmers to establish new urban farms and expand existing urban farms. The bill also creates the Select Committee on Urban Farming and requires that the committee make recommendations to the legislature regarding the performance and operation of the program, urban farming trends and the capacity for urban farming in the state. The Urban Farming Pilot Program and the Select Committee on Urban Farming are both two-year programs ending in September 2013. (Miles/Sp: Estes, no Senate companion).
- HB 3199** — This bill removes the Department of Agriculture's authorization to adopt rules and procedures related to the inspection and enforcement of rose grading requirements for all rose plants sold or offered for sale within this state. The Texas Department of Agriculture sunset bill, passed in the 81st Legislative Session, repealed a provision of the Agriculture Code relating to the issuance by the Department of a certificate of authority for the grading of rose plants. The Department no longer issues these certificates, so the authorization is no longer needed. (Cain/Sp: Estes).

NATURAL RESOURCES BILLS

- SJR 16** — This bill proposes a constitutional amendment to add water stewardship to the list of land uses that qualify for appraisal based on the land's productive capacity, instead of market value. Over 90 percent of the land in Texas is privately owned and 83 percent of the land in Texas qualifies as open space land. All Texans rely on those open space landowners to protect and conserve water resources. In

conjunction with SB 449 by Watson/Estes, this proposed constitutional amendment incentivizes landowners to invest in projects to improve water quality and increase water conservation for the State. This bill provides the legislature with a new and innovative approach to preserving the State's water supply. (Estes/SP: Ritter).

SB 408 — This bill amends the John Graves Act with regard to when airboat runs are required to monitor the John Graves Scenic Riverway. This bill allows for the same number of required inspections, but stretches the inspections to being conducted quarterly (two by air and two by water) rather than biannually to address problems the Brazos River Authority has been experiencing when collecting required samples. This bill also prohibits the use of commercial airboats on the John Graves Scenic Waterway, while providing allowances for emergency and law enforcement personnel. The Legislature has recognized the environmental sensitivity and ecological benefits of this unique stretch of river. Recently however, recreational and commercial airboats have created a safety and noise problem along the John Graves Scenic Waterway. Airboats can damage habitat, degrade water quality, create a noise nuisance and pose a real danger to fishing activities and people in canoes and kayaks. **This bill impacts Palo Pinto and Parker Counties. (Estes/ Sp: Keffer).

SB 449 — This bill amends the Tax Code to include water stewardship as an activity under the definition of “agricultural use.” Landowners are required to actively use qualified open-space land to promote and sustain water quality and conservation of water resources. The Parks and Wildlife Department, with the assistance of the comptroller, would have to develop standards for determining whether land qualified for a water stewardship valuation. The comptroller would have to designate one chief appraiser from a rural area and one from an urban area to assist in developing the standards. The comptroller would have to adopt the standards by rule and distribute them to each appraisal district. (Estes Joint Author with Watson/Sp: Ritter; Estes filed SB 409, the same bill).

SB 691 — This bill amends the Texas Water Code to clarify that a groundwater conservation district may not require any permit issued by the district for a well used solely for domestic use, or for providing water for livestock or poultry, *if the well is* located on a tract of land larger than 10 acres and either drilled, completed or equipped so that it is incapable of producing more than 25,000 gallons of groundwater a day. Groundwater districts have reported problems with individuals and attorneys interpreting this subsection to mean that you can simply meet one factor, rather than the legislative intent to meet them all. SB 691 provides clarification of legislative intent and protects the current agriculture exemption from manipulation and misuse. (Estes/Sp: King).

SB 692 — This bill would amend current law relating to groundwater conservation district permit exemptions to make it clear that exemptions apply to groundwater use and not to a specific well. Currently, groundwater conservation districts require drilling or operating permits based on the use of the groundwater to be

withdrawn; however, the provisions of Chapter 36 of the Water Code are not clear and seem to state that the exemptions apply to the *well* rather than the groundwater *use*. This is problematic in situations where the initial exempt use changes, often due to development of the property changing its domestic nature. The new use is no longer exempt; however, property owners use Chapter 36 to contend that the well is "grandfathered" and is therefore exempt from groundwater conservation district regulation. (Estes/Sp: Doug Miller)

- SB 693** — This bill would amend Chapter 36 of the Water Code to require a groundwater district to contract with the State Office of Administrative Hearings (SOAH) to conduct a hearing, if requested by a permit applicant or other party to the hearing. This bill provides a means of addressing balance in the permitting process and provides an opportunity for an objective forum for permit applicants or parties to a contested case. Under current law, a groundwater district may contract with the SOAH to conduct a hearing in connection with an application for a permit or permit amendment. (Estes/Sp: Price).
- SB 1146** — This bill removes the New Technology Research and Development Program as a program eligible for Texas Emissions Reduction Plan (TERP) funding. The elimination of this underperforming program saves \$18.7 million in General Revenue– Dedicated Funds in the 2012–13 biennium and reallocates future TERP appropriations for emissions and reduction grants. (provisions of this bill passed in SB 527 by Fraser, Estes, et al.).
- SB 1361** — This bill raises the audit exemption cap for certain water districts from \$100,000 to \$250,000. Under current law, Water Control and Improvement Districts are required to have all fiscal accounts and records audited by a certified public accountant each year. Smaller districts are exempt if they have no outstanding bonds and have less than \$100,000 in gross receipts. In the case of these small districts, the audits can consume up to half of the interest earned, which is the only new revenue coming into the district. This bill increases the exemption cap from \$100,000 to \$250,000. Districts would still be required to file an annual financial report with the Executive Director in lieu of complying with the annual audit. **According to TCEQ, this bill impacts 51 water districts, several throughout SD 30. Knox County WCID brought the bill to our attention. (Estes/Sp: Hardcastle).
- HB 3268** — Combined heat and power (CHP) systems use onsite generators to produce electricity and heat-recovery technologies to collect and utilize waste heat from the generator. CHP systems capture the heat that otherwise would be lost in the traditional generation of electricity. The thermal energy recovered in a CHP system can be used for heating or cooling. Because CHP involves some production of electricity, an entity applying for a permit for a CHP unit must accept the emission limits provided for in the Standard Permit for an Electric Generating Unit or go through the full permitting process, which causes an unreasonably burdensome cost in time and money for many small systems. This

bill would require the TCEQ to develop a Standard Permit or Permit By Rule for stationary natural gas engines used in a CHP system that would establish emission limits for air contaminants released by the engines. (Lyne/Sp: Estes).

BUDGET RIDERS authored by Estes- included in HB1 CCR

Hostable Cotton Fee (TDA)

H.B. 1580 (Flynn/Hegar) passed in the 81R, requires TDA to establish and collect a hostable cotton fee for fields in which cotton stalks, volunteer cotton, or other noncommercial cotton remains past the stalk destruction deadline. This new fee was developed in direct cooperation with the cotton industry. This rider was necessary to appropriate the generated revenue for the program, which was not incorporated in the Texas Department of Agriculture's bill pattern the previous session. This rider allows the agency to move forward on this very important program.

Prescribed Burn Program Fees (TDA)

This rider (modified Rider 22) reduces the amount of revenue required to be collected for the prescribed burn program. There are only 62 licensed individuals in the state. Under the cost recovery model presented in the base budget, prescribed burn permits would increase in cost 10,000%. This rider was submitted in response to constituents concerns. This is public safety matter as increasing permit fees to \$5,000 would prevent some licensed burners from renewing licenses. If a prescribed burn prevents just one wildfire, it will have paid for itself. To offset costs, this rider would increase certification fees from \$50 to \$500. The Department worked with stakeholders, and this is an agreed to number. (Rider was not adopted into CCR, but the cost recovery requirement in rider 22 was reduced in the amount needed to increase these fees to \$500, rather than \$5,000).

Equine Incentive Program (TDA)

This rider corresponds to HB 1881 (81R, Miller/Estes), a bill brought to our office by the horse breeding industry. Owners who pay into the program are eligible for future awards based on a point system; however, the necessary contingency rider was not included in the previous budget. This rider provides the department with appropriation authority for the fees collected in the 2012-13 biennium (estimated to be \$25,000 in each year) and also provides the agency with one-time appropriation authority in FY2012 for all fees collected in FY 2010 and 2011 (\$37,260).

Receipts from the Sale of Eagle Mountain Lake (TPWD)

In March 2007, the Texas Parks and Wildlife Department (TPWD) completed the sale of Eagle Mountain Lake State Park, a 400-acre property located approximately 20 miles northwest of Fort Worth. This rider ensures that the proceeds from the sale of the Eagle Mountain Lake State Park would be held for purchase of a suitable replacement property and not used for other purposes.

FTE Cap Flexibility to Manage Reductions-in-Force (TPWD)

Grants the Texas Department of Parks and Wildlife greater flexibility in managing the agency's FTE cap. Allows the agency to report FTEs based on eight quarterly reports, rather than the year-end count.

Unexpended Balance Authority: Seized Assets (TPWD)

Allows the Texas Parks and Wildlife Department (TPWD) to carry forward any unexpended

balances of forfeited money, proceeds from the sale of forfeited property, or similar monetary awards related to the agency's participation in the seizure of controlled substances or other contraband. Agency is authorized to expend these funds for capital budget purposes.

Capital Budget Expenditures from Federal and Other Funding Sources (TPWD)

Allows Texas Parks and Wildlife Department (TPWD) to spend funds in excess of amounts appropriated in the agency's capital budget rider when gifts, grants, and federal funds are received and designated by the donor for construction and repairs, land acquisition, or purchase of specific capital items. The TPWD shall notify the Legislative Budget Board and the Governor upon receipt of such funds, of the amount received and the items to be purchased.

Petroleum Storage Tank Responsible Party Remediation (TCEQ)

This rider prepares for a transition to a change in law. The state's Responsible Party Reimbursement (RPR) program may expire on July 1, 2011 and all of the polluted sites will be transferred to the State Lead Program. This rider requests the TCEQ to be sure that when these sites are transferred, the cleanup work in progress on the RPR sites proceeds in the most efficient and cost saving manner, with minimal disruption to the remediation work in progress.

Barnett Shale Permit By Rule Study (TCEQ)

Prohibits the Texas Commission on Environmental Quality (TCEQ) from expending any funds to expand the Barnett Shale permit by rule to oil and gas sources located outside the 23-county area until the agency conducts a study on the economic impact of extending the provisions of the Barnett Shale permit by rule to other areas of the state.

Local Service Area Planning Rider (DSHS)

The Local Service Area Planning rider is intended to ensure the Department of State Health Services (DSHS) gives regard to local priorities and local needs in making decisions about how funds can be put to best use in a community. Local Service Area Planning allows communities to identify distinct mental health service priorities through a plan submitted to DSHS for the purpose of implementing mental health services that reflect unique needs in a particular area.

AMENDMENTS OF INTEREST

HB 4- TDA Study of Illegal Border Activity

This amendment to the supplemental appropriations Act allows the Texas Department of Agriculture to use funds already appropriated to assess the impact of illegal border activity on private, and specifically rural, landowners as well as agriculture production and trade in the border region. The goal is to assess the problem and the federal resources that could be requested or utilized to enhance efforts to secure the border. This directive focuses on the impact to private property owners along the border, especially those located in rural areas of the state where infrastructure and resources may be more scarce. TDA staff have begun cursory research on this topic and discovered that no other organization or agency appear to be doing this specific type of research. This amendment would provide the legislative buy-in and authorization needed to get this research started. (Amendment by Estes pulled down and incorporated in Ogden amendment).

