

# Weekly Legislative Report

2.11.21



## GOVERNOR:

### Governor's State of the State Speech

On February 1, Governor Greg Abbott gave his State of the State speech via live video from Visionary Fiber Technologies in Lockhart. He reflected on 2020 and thanked health care workers, food service and grocery workers, truck drivers, and farmers for working through the pandemic, and he predicted a bright future for the state.

He said, "I can tell you that the state of our state is brimming with promise. That promise is seen in places like where I am tonight—Lockhart, Texas—home of great barbecue and the location of Visionary Fiber Technologies. The folks at Visionary Fiber use cutting-edge technology to provide innovative products that are transforming our future. They exemplify the tenacity of Texans. Going to work to earn a living. Going to work to make a difference. Persevering during challenges. Prospering because of the entrepreneurial spirit unique to Texas. Looking back, it's clear that 2020 was a year unlike any in our lifetime—not just for Texas and America, but for the entire world. I've seen firsthand the personal hardships and the pain that we have all endured. Our hearts are with those who suffered from COVID. And we mourn for every single Texan who lost their lives to the virus. We pray that their families will heal from the hurt of losing a loved one. We also pray for all the Texans who are still recovering from COVID. And we are grateful that this week, more than two million Texans have recovered from COVID. To say the pandemic is a challenge is an understatement, but to say that it has been a reversal of who we are as Texans is a misstatement. Texas remains the economic engine of America. The land of unmatched opportunity. Our comeback is already materializing. Texas has added new jobs for eight months in a row. In December alone, Texas added more than 64,000 new jobs. Texans are returning to work. Students are returning to school. Families are re-establishing routines. With each passing day of more vaccinations and increased immunity, normalcy is returning to Texas."

### Emergency Items

During his remarks, the governor identified five emergency items that the legislature will be able to consider before the 60<sup>th</sup> day of the session on March 12, including:

- Expanding rural broadband access;
- Preventing local defunding of police;
- Bail reform;
- Election integrity; and
- Liability protection from COVID-related lawsuits.

### Conclusion

The governor concluded by saying, "Opportunity is what Texas is all about. No doubt, we faced hard times this past year. But as Texans, we never shy away from challenges. Instead, we can embrace them. We adapt and overcome and grow stronger as a result. This session, the legislature can continue that legacy. We can help Texans across our state exit this chapter even stronger. We can help them achieve the boundless opportunities that exist only in Texas. Just as Texans have united and put their differences aside to support one another through the

pandemic, we in the capitol must also come together to work on their behalf. We must seize this opportunity to make our state healthier, safer, freer, and more prosperous for all who call Texas home.”

**Note:** *Specific issues addressed in Governor Abbott’s State of the State speech and information on the emergency items are detailed in the issue categories below.*

## **SENATE:**

The Texas Senate was not in session last week.

***This Week:*** The Senate reconvened at 3:00 p.m. on Tuesday, February 9, 2021.

## **HOUSE:**

On February 4, Speaker Dade Phelan (R-Beaumont) announced House committee assignments for the 87<sup>th</sup> Legislature. Speaker Phelan said, “The State of Texas has arrived at a pivotal moment in its history—one that requires us as lawmakers to work with one another, build consensus, and leverage the diverse strengths and backgrounds of those within our chamber to confront the unique challenges ahead. I have dedicated my speakership to creating a member-driven process that affords each of my colleagues a seat at the decision-making table, and have made these committee assignments to reflect their preferences, talents, and where I believe they will have the greatest impact on the issues to come before this body.”

Speaker Phelan said that the committee assignments were made with a number of considerations in mind, namely, the interests, skillsets, and express committee preferences of each member; the needs and priorities of the state’s rural and urban areas; and the diverse demographics of the House’s membership. Highlighting the need to invest in the future of House leadership, Speaker Phelan added, “The nature of this session will be anything but status quo, and the House stands to benefit from members assuming new roles and responsibilities and the fresh perspectives these appointments provide. I have the utmost confidence that each of these appointees will excel in the positions they’ve been selected for, and I thank them in advance for the work they will do.”

Speaker Phelan made some observations about his House committees:

- Twelve members were selected to chair committees for the first time.
- Consistent with House practice in preceding sessions, members are considered eligible to serve as a chair or vice chair in their third and second terms respectively, making 104 members eligible for a chair and 130 members eligible for a vice chair this session.
- Over 40 percent of the House’s membership has served less than three terms.
- The current makeup of the Texas House is 82 Republicans and 67 Democrats (with 1 vacant seat).
- Including the Speaker Pro Tempore, a leadership position equivalent to a chair, 21 chairs are Republicans and 14 are Democrats.
- Consistent with House Rules, which were adopted by members during the first week of the legislative session, there are 34 standing committees to which members have been appointed. Of those committees:
  - 5 chairs and 14 vice chairs are women;
  - 14 chairs and 21 vice chairs are Black, Hispanic, or Asian-American;
  - 11 chairs and 7 vice chairs represent rural areas of the state; and
  - 24 chairs and 27 vice chairs represent urban areas of the state.

- Speaker Phelan elected not to form Select Committees, thereby giving deference to the committee structure approved by members in the House Rules.
- In the interest of a fair and objective process, Speaker Phelan has chosen not to appoint chairs of other committees to simultaneously serve on the House Calendars Committee.

[Here is a link to the full list of committee assignments.](#)

### **Number of Committees**

The House has 34 standing and procedural committees, the same as 2019. In 2017, there were 38.

### **Republican Committee Chairs**

Republicans are chairing 21 of the House's standing and procedural committees, compared to 22 in 2019. In 2017, Republicans chaired 25 of the House's standing and procedural committees.

### **Democratic Committee Chairs**

Democrats are chairing 13 of the House's standing and procedural committees, compared to 12 in 2019. In 2017, Democrats chaired 13 of the House's standing and procedural committees.

### **House District 68 Special Election Runoff**

On February 4, Governor Greg Abbott issued a proclamation setting Tuesday, February 23, 2021, as the date for the special runoff election to fill the seat vacated by Senator Drew Springer. The early voting period for the runoff election will begin February 16, 2021. The runoff candidates are Republicans David Spiller, attorney and Jacksboro ISD board member, and Craig Carter of Nocona, owner of Old Boot Company.

**Next Week:** The House will reconvene at 2:00 p.m. on Tuesday, February 9, 2021.

### **BUDGET:**

#### **Next Week:**

The **Senate Finance Committee** posted an organizational meeting for Monday, February 8 at 10:00 a.m. in E1.036, the Senate Finance Committee Room.

The **Senate Finance Committee** met on Tuesday, February 9 at 9:00 a.m. in E1.036, the Senate Finance Committee Room, to take up the following Article I (General Government) agencies:

- Comptroller of Public Accounts
- Employees Retirement System
- Texas Emergency Services Retirement System
- Cancer Prevention and Research Institute of Texas
- Commission on State Emergency Communications
- Pension Review Board
- Commission on the Arts
- Library and Archives Commission
- Veterans Commission
- State Preservation Board

The **Senate Finance Committee** met on Wednesday, February 10 at 9:00 a.m. in E1.036, the Senate Finance Committee Room, to take up the following Article I (General Government) agencies:

- Office of the Governor
- Trusteed Programs within the Office of the Governor
- Office of the Attorney General
- Secretary of State
- Historical Commission
- Facilities Commission
- Public Finance Authority
- Bond Review Board
- Department of Information Resources
- State Office of Risk Management
- Ethics Commission

The **Senate Finance Committee** met on Thursday, February 11 at 9:00 a.m. in E1.036, the Senate Finance Committee Room, to take up the following Article VI (Judiciary) agencies:

- Supreme Court of Texas
- Courts of Appeal
- Comptroller's Department – Judiciary Section
- Office of Court Administration
- Texas Indigent Defense Commission
- Office of State Prosecuting Attorney
- State Law Library
- Office of Capital and Forensic Writs
- Commission on Judicial Conduct

The **Senate Finance Committee** will meet on Friday, February 12 at 9:00 a.m. in E1.036, the Senate Finance Committee Room, if necessary to complete pending business.

**Note:** *Additional meetings of the Senate Finance Committee have been posted for every weekday through March 2, 2021 (except Monday, February 15).*

## **TAX:**

### **Budget and Taxes**

In his State of the State address, Governor Abbott pledged a balanced budget with no new taxes. He said, "To say the least, we must balance the state budget without increasing taxes. I want to thank Senators Nelson and Hinojosa, as well as Representatives Capriglione and Longoria, for their financial stewardship this last year to put Texas in a position to achieve those goals."

### **Sales Tax Revenue in January**

On February 1, Comptroller Glenn Hegar said state sales tax revenue totaled \$3.07 billion in January, 0.3 percent less than in January 2020. The majority of January sales tax revenue is based on sales made in December and remitted to the agency in January. That compares to:

- December collections were \$2.86 billion, 5 percent less than December 2019;
- November collections were \$2.98 billion, 6.3 percent less than in November 2019;
- October collections were \$2.72 billion, 3.5 percent less than in October 2019;
- September collections were \$2.57 billion, 6.1 percent less than in September 2019;
- August collections were \$2.82 billion, 5.6 percent less than in August 2019;

- July collections were \$2.98 billion; 4.3 percent more than July 2019;
- June collections were \$2.67 billion, 6.5 percent less from June 2019; and
- May collections were \$2.16 billion, 13.2 percent less than May 2019.

Comptroller Hegar said, “The slight decline in total sales tax revenue masks starkly contrasting results among economic sectors, with strong gains in collections from retail trade offset by continued deep declines in collections from recreational services and the oil- and gas-related sectors. Stay-at-home spending trends that emerged in response to the COVID-19 pandemic continued through the Christmas shopping season, with elevated receipts coming from online vendors, electronics and appliance stores, building materials and home furnishings stores, big box general merchandisers, and sporting goods stores. While oil and gas well drilling activity has risen from lows reached earlier in the pandemic, the December active rotary rig count for Texas was still more than 60 percent lower than a year ago, depressing sales tax receipts from mining, construction, manufacturing and equipment rental, and leasing businesses. Receipts from restaurants also remained below levels seen a year ago, while receipts from recreational services—such as live music venues, amusement parks, bowling centers, and fitness clubs—remained severely depressed.”

Total sales tax revenue for the three months ending in January 2021 was down 3.9 percent compared to the same period a year ago. Sales tax is the largest source of state funding for the state budget, accounting for 59 percent of all tax collections. The effects of the COVID-19 pandemic continued to be evident in some sources of revenue in January 2021. Texas collected the following revenue from other major taxes:

- motor vehicle sales and rental taxes – \$408 million, down 13.4 percent from January 2020;
- motor fuel taxes – \$294 million, down 4.7 percent from January 2020;
- oil production tax – \$255 million, down 35.7 percent from January 2020;
- natural gas production tax – \$103 million, down 21.6 percent from January 2020;
- hotel occupancy tax – \$27 million, down 35.1 percent from January 2020; and
- alcoholic beverage taxes – \$94 million, down 27.6 percent from January 2020.