



Austin Landline Report June 2019

Reviews of state leadership for the 86th Texas Legislature are generally positive, with House Speaker Dennis Bonnen getting the most credit. (Unfortunately, as you will see below, his selection of the chair of the committee overseeing eminent domain reform was not beneficial.)

Reforms and an increase of public education funding were made, reducing “Robin Hood”, increasing the state’s share of funding from 38 percent to 45 percent and capping property tax growth for school districts at 2.5 percent. City and county property tax revenue growth was capped at 3.5 percent. In all likelihood, however, future Legislatures will have to devise new funding sources to sustain the initiatives.

The Legislature adjourned on May 27th, having passed a budget, which will negate the need for a special session. The governor has until June 16th to veto bills, sign them, or just let them become law without his signature.

Here is a rundown on how STPRA’s bills and issues of interest fared:

Border Security

There were no new bills of particular interest passed, though a bill to do an infrastructure pilot project in Webb County and a bill to provide matching funds for federal Carrizo cane control came close. Funding for DPS border security was renewed for its third biennium.

Eminent Domain

For the third session in a row, eminent domain reform legislation came up short. This year, unfortunately, its fate was pretty well sealed when Midland Rep. Tom Craddick, with his close ties to the oil and gas industry, was appointed chair of the House Land and Resource Management Committee. This article provides some background and analysis: <https://www.texastribune.org/2019/05/27/eminent-domain-reform-died-in-the-texas-legislature/>

STPRA, working through our Eminent Domain Committee, is committed to actively promoting our interests in the interim to prepare for next session.

Prescribed Burns

No major legislation passed, but a bill that we supported by Rep. Murr came close and would have strengthened liability protections for individuals and burn organizations.

Property Taxation

Legislation was passed which will restrict the use of “eco lab” valuations for landowners by requiring the same “five of seven year” use restrictions that apply to other open space valuations. The problem for eco lab use is that it generally does not provide much of an income stream for the land, if any income at all. One concession we supported was added - “grandfathering” the status of applications currently in process.

A bill passed by Rep. Guillen ensures that appraisers take into account devaluations caused by fever tick quarantine designations. Otherwise, in the realm of property taxation, the Legislature lowered the revenue cap to 3.5 percent from 8 percent in allowable annual increases before local constituent approval elections are required.

Water

A limited number of new groundwater regulations were finally passed, with the notable exceptions of Rep. Larson’s long-debated brackish groundwater management legislation and a requirement that export permits coincide with production permits. It remains to be seen the actual impact of the brackish groundwater bill, which will be largely determined by how the Texas Water Development Board interprets and implements it.

Despite our objections, along with those of a few allied landowner groups, a bill was rushed through to the governor that seemed to protect landowners from being obligated to dispose of “waste” from oil and gas production on their property. In reality, however, the producers are already liable for disposing of the waste and the bill prevents landowners from having the option of retaining ownership rights for their groundwater, which is considered part of the “waste”. Currently, many oil and gas producers sell the production waste to specialty companies who then sell recycled groundwater to new users.

Surprisingly, bills changing attorneys’ fee payment requirements, syncing aquifer-wide management rules, and an omnibus groundwater management bill all failed due to House/Senate differences and the end of the session. Several flood management improvement bills passed, while a bill by Rep. Lozano that would have established a commission to study rural water issues passed the House, but hit a roadblock in the Senate.

Wildlife Management

Bills passed that strengthen identification requirements for breeder deer and more tightly regulate their release sites. A bill also passed that eliminates the need for permits to hunt feral hogs.