

## **The Last Last Week in the Legislature**

### **Contentious Session Ends**

Almost down to the last gavel, the 80<sup>th</sup> Texas Legislature was mired in controversy and political maneuvering. The press has been full of stories about the battle over the Speaker during the last few days of the session, so I will only mention the highlights. When a House member wanted to bring a motion to vacate the chair, the Speaker refused to recognize the member for that purpose. A parliamentary ruling was requested stating that this was a privileged motion and the Speaker was required to recognize the member under the House rules. The parliamentarian agreed that it was a privileged motion, but the Speaker ruled it was not and that he did not have to recognize the member. The parliamentarian resigned as did her deputy. The Speaker hired a new parliamentarian that interpreted the rules to the Speakers liking. The Speaker also ruled that the House could not replace the Speaker without an impeachment proceeding, which requires a two-thirds vote.

With the new parliamentarian, the Speaker basically refused to recognize members for privileged motions, or motions to appeal his rulings to the House. With the members stymied, one member tried to make a roll call vote as a part of a personal privilege speech. When he was forced to stop, partly because members were objecting to being put on the spot, he called for all members opposed to the Speaker to take their voting machine keys and walk out. Immediately after that walkout, there was no longer a quorum on the floor and the House adjourned. That was Sunday night.

Monday was the last day of the session, normally reserved for recognition resolutions, bill corrections and veto overrides. Since the House had prematurely adjourned on Saturday, a number of important bills were still in limbo. To take up those bills on Monday, each required a two-thirds vote of the members to suspend the rules. Using that mechanism, the House worked through most of the remaining bills the last day of the session.

### **The Big Three**

Of course Speaker Craddick was not the only leader to suffer difficulties during the session. The session started with almost immediate rejection of some of Perry's ideas and Dewhurst was put in the penalty box for about three days in the Senate. The *Austin American Statesman's* editorial board opined that none of the big three were covered in glory. Check out the article at

[http://www.statesman.com/opinion/content/editorial/stories/05/29/29sinedie\\_edit.html](http://www.statesman.com/opinion/content/editorial/stories/05/29/29sinedie_edit.html).

### **Sunset Bill Extends SDSI to 2013**

The Texas State Board of Public Accountancy and the licensing boards for Architects and Engineers are all part of a pilot project which designates the boards as "self-directed, semi-independent" agencies. This means they operate outside the legislative appropriations process and can use the license and exam fees generated to manage the agency. For this privilege, the TSBPA pays \$700,000 per year to the state's general fund from the license fees. It gives the agencies freedom to manage their operations with minimal state oversight.

The original legislation initiating the pilot project expired six years from its enactment. The expiration date in the existing legislation is 2009. In a housekeeping bill for the

Sunset Commission, HB 3249 by Rep. Truitt (R-Keller), the expiration date for the pilot project is extended to 2013. The bill has passed and is on its way to the governor.

None of the agencies involved nor TSCPA was involved with this bill and we were all surprised to discover this one word change to the pertinent statute. While the bill is a 23 page bill that affects numerous agencies, the only change affecting TSBPA was this date change.

### **Recap of CPA Bills**

- ✓ HB 2144 to improve interstate mobility for out-of-state CPAs passed and sent to the Governor.
- ✓ HB 863 exempting CPAs from the requirement to maintain a privacy policy passed and was signed by the Governor.
- ✓ HB 2365 establishing Texas Accounting Principles which excuse state and local governments from complying with GASB Statement NO. 45 requiring recording of expenses and liabilities for other postemployment retirement benefits passed and was sent to the Governor.
- ✓ SB 1750 which required licensing agencies to issue licenses to convicted felons if the offense was more than five years past did pass the Senate and was voted out of a House committee with an amendment to exclude CPAs from the legislation. The bill died in the House.
- ✓ HB 2352 started as a simple bill to allow property tax consultants to work for lawyers. Along the way it picked up an amendment that would have limited property tax consulting to lawyers only. TSCPA was successful in getting that amendment stripped from the bill. The bill did pass and was sent to the Governor.
- ✓ SB 1854 making school district audit work papers confidential and not subject to the open records act died on the House floor.
- ✓ HB 1316 exempts state and local government CPAs from the \$200 head tax if their employment restricts them from practicing public accounting (no moonlighting). The bill was passed and sent to the Governor.
- ✓ HB 3314 started as a bill to expand entity tax liability to individuals and increase the state's leverage in collecting delinquent taxes. The original bill included overreaching language that, among other things, made tax planning a crime. Through TSCPA efforts the offending language was modified. In the Senate the bill became a Christmas tree of other bills added as amendments. The bill finally passed and was sent to the Governor.
- ✓ HB 38 would have required professional licensees to prove their citizenship or work eligibility to receive and renew a license. The bill died in the House Calendars committee.

### **Margin Tax Technical Corrections Bill Passes**

As predicted last week (I get one right occasionally) the HB 3928 conference committee stripped the anti-Sprint amendment from the bill but otherwise left the bill intact as it passed the Senate. The bill passed and is on its way to the Governor. You can find a summary of the bill as passed at

<http://www.tscpa.org/gvt/legislative/SummaryHB3928AsPassed.pdf>.

In case some of you noticed, HB 1207 by Keffer relating to the revised franchise tax transition provisions also passed the legislature. The language in HB 1207 is identical to the language changing the same sections in HB 3928. I believe HB 1207 was offered

initially to be sure to close a loophole for new taxable entities that went out of business before January 1, 2008, just in case HB 3928 got bogged down and failed to pass.

## **TLS 80<sup>th</sup> Legislature Summary**

### **Unofficial Session Recap**

<b>Session</b>	<b>2007</b>	<b>2005</b>
<b>HB Filed</b>	4140	3592
<b>HB Passed</b>	953	876
<b>SB Filed</b>	2058	1892
<b>SB Passed</b>	525	512
<b>HJR Filed</b>	108	102
<b>HJR Passed</b>	10	5
<b>SJR Filed</b>	68	54
<b>SJR Passed</b>	7	4

### **Official “Shoe” Joins the “Tie”**

Last week I let you know that the Bolo Tie was the official tie of Texas and to that you can add the cowboy boot as the official shoe, absent a Governor’s veto. He did veto the salamander as the official state amphibian of Texas (I really do not make this stuff up). That resolution was sponsored by Rep. Bonnen (R-Angleton) who also happened to sponsor the bill that repudiated Perry’s executive order to vaccinate young ladies against the HPV. According to The Quorum Report, to whom I’m indebted for pointing out this tidbit: “Any connection between the two actions would be pure conjecture, of course.”

### **Horsemeat Bill Dies**

The last hope of horse rendering plants to provide horsemeat for European palates didn’t make it. SB 911 relating to the continuation of the Animal Health Commission, which included an amendment designed to keep horse rendering alive, died in the Senate. I don’t know what that means for the Animal Health Commission, since this was their sunset renewal bill.

### **Sorry, No Gas Tax Holiday**

Rep. Keffer predicted that Rep. Martinez-Fisher’s (D-San Antonio) amendment to SB 1886, which would give Texans a 90 day gas tax holiday, chances of survival were between “slim and none.” Martinez-Fisher assured it would be none when he successfully got a resolution from the House to the conference committee to keep the gas tax holiday on the bill. The bill died in that conference committee.

### **We Are Not Giving Up Our Cut!**

The cities had momentary relief when SB 125 mandating a split of red-light camera revenue with the state failed to make a House deadline, but it was momentary. The Senate put the language on SB 1119, which was the bill with all the requirements set out for the use of red-light cameras. That bill passed. So red-light cameras are still legal, they just won’t be as profitable as in the past.

### **Special (groooaan) Session Talk Already**

Just two days after the close of the 80<sup>th</sup> Legislative Session Dewhurst was already talking about a special session for 2008. Why? To deal with the under or over collections from the new Margin Tax. He says if the tax collects too much money they will have to have a special session to give it back to the taxpayers. Yeah, right! And the tooth fairy will deliver your refund too. However, if there is a shortfall in revenue – I don't even want to think about it.

### **Even Loco and Dissent Calendar is Controversial**

At the end of each session an anonymous author known as the Friendly Capital Cockroach publishes a Loco and Dissent Calendar of tongue-in-cheek bills that should have been. This year, after the L & D Calendar was published a letter arrived with another version of the L & D calendar. For those of you into insider jokes, the original L & D calendar is attached for your perusal. To check out the alternatives go to *The Quorum Report* site as follows:

Cover letter:

[http://www.quorumreport.com/DocumentsOnline/Preservation\\_Board\\_Letter.pdf](http://www.quorumreport.com/DocumentsOnline/Preservation_Board_Letter.pdf).

Supplemental L & D Calendar:

[http://www.quorumreport.com/DocumentsOnline/Supplemental\\_Loco\\_and\\_Dissent.pdf](http://www.quorumreport.com/DocumentsOnline/Supplemental_Loco_and_Dissent.pdf).

### **Will House Crown Craddick King?**

We'll let you know in the first edition of the 2009 Last Week in the Legislature.

Bob Owen  
June 1, 2007