



# Texans for Fiscal Responsibility 2017 Legislative Priorities

*Consistent with our guiding principles, Empower Texans has identified 15 key legislative priorities for the 85th Legislative Session. Republicans make up nearly two-thirds of the Texas House and Texas Senate — there are no excuses for lawmakers to be derelict in their duty to pass commonsense reforms called for by the grassroots.*

*Legislation in line with these priorities will be considered in the 2017 Fiscal Responsibility Index. (Legislators and the public are notified in advance when pending votes are subject for consideration.) Legislators will receive extra credit for authoring or sponsoring legislation that advances these priorities and that receives an up-or-down vote on the floor of their respective chamber.*

Text **ALERTS** to **313131** to receive real-time notifications of votes eligible for inclusion in the 2017 Fiscal Responsibility Index.

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# Budget and Tax Reform

## **Program-Based Budgeting:**

Currently the Texas Legislature uses a “strategy-based” budget writing technique that appropriates money to agencies along with a list of “strategies” or goals for them to spend their resources on.

Lawmakers should instead use a “program based” technique where individual programs are funded by line item (meaning every spending item is listed on its own separate line in the budget). This change would allow taxpayers to review the results as well as empower the governor to exert greater authority over spending with his line-item veto. ([read more](#))

## **Zero-Based Budgeting:**

Traditionally, appropriators in the Texas Legislature utilize what’s commonly referred to as “incremental” budgeting. Under that process, agencies begin at their previous appropriation amount and are provided increases to account for rising costs, population, etc.

Such a practice is inherently flawed because it rests on the assumption that the particular agency is running efficiently and revenue is spent appropriately. In addition to enabling waste, fraud, and abuse, the process is also rigid and slow to adapt.

Instead, lawmakers should implement a zero-based budgeting system by which the state budget is wiped clean every time and is re-calculated as if starting from scratch, saving taxpayer money and making government more efficient. ([read more](#))

## **Eliminate the Franchise Tax:**

A decade ago, liberal lawmakers in the Texas Legislature came together and imposed an onerous tax on the gross margins of Texas’ businesses. Since its birth, this onerous tax has imposed an unnecessary burden and undermined our competitive edge.

The problem with a “business tax” is no matter how government tries to disguise it, businesses do not pay taxes; people always pay the cost of the tax. Lawmakers should eliminate this burden on the state’s economy. ([read more](#))

## **Taxpayer Protections:**

More than a dozen other states require a supermajority vote for taxes to be raised. Known as tax limitation amendments, they require the support of three-fifths (60%), two-thirds (67%), or even three-fourths (75%) of members of both chambers before taxes can be raised. Meanwhile the Lone Star State requires just a bare majority of the Legislature.

Texans should demand that lawmakers take the threat of higher taxes off the table and commit to lasting fiscal responsibility. ([read more](#))

**Repeal of Revenue Generating Fees:**

Though state taxes haven't been raised in over a decade, many Texans are still paying more for their government through fees and fines.

Items like the Driver Responsibility Program, state inspections, and handgun license fees force Texans to pay not only for the service they receive, but subsidize much of the budget as well.

Lawmakers should eliminate these hidden taxes on consumers and fund programs they deem necessary out of general revenue. ([read more](#))

# Corporate Welfare and Cronyism

## **End Tax Abatements:**

One of the largest of the handouts, local property tax abatements have stormed onto the Texas economic landscape since their creation in 2001. With lost revenue impacting both communities and the state at-large, the time to end this ineffective practice has come. ([read more](#))

## **Abolish Hotel Occupancy Tax:**

Hotel patrons in Texas are currently subject to as much as a 15% tax on their lodging expenses, a majority of which comes from city and county hotel occupancy taxes. Contrary to popular belief, rather than impacting out-of-state tourists, these disproportionately fall on Texans traveling in the state (typically on business), and the handouts lack strict accountability standards.

Rather than taking Texans' hard earned money to pay for "arts promotion," lawmakers should repeal the HOT tax and force private developers to find private sources of funding. ([read more](#))

## **End Corporate Handout Programs:**

The State of Texas provides a host of incentive programs for large businesses, from tax breaks to cash handouts. Among these are the Texas Enterprise Fund, several Events Trust Funds, and the Texas Moving Image Industry Incentive.

As seen with the repeal of the Texas Emerging Technology Fund last session, efforts by Gov. Abbott and other lawmakers to end these programs should continue to gain ground in the coming session. ([read more](#))

## **Reform Economic Development Corporation Spending:**

With the passage of a 1987 constitutional amendment, the floodgates of public money flowing to private interests was blown asunder. This event birthed the local sales tax diversion to economic private development in Texas, under the management of unaccountable entities known as Economic Development Corporations. The negotiations of these local sales tax redistributions are statutorily shrouded in secrecy, and attempts to curtail this aspect, as well as spending reforms, have been met with little success.

Lawmakers that claim to support transparency will have a chance to prove their assertions on this issue during the upcoming session. ([read more](#))

# Election Integrity

## **Ballot Transparency:**

Property taxes and local debt in Texas are both growing at astronomical rates. Voters need taxpayer-friendly reforms that empower them to make more informed decisions on local tax increases and bond referendums.

Texas should enhance ballot disclosure requirements for local governments, including the entity's current financial status, a bond's total cost with interest, and the tax impact of the proposed measure.

Unrelated, large-scale projects should be split into separate ballot propositions, to improve transparency and accountability to voters. ([read more](#))

## **Uniform Election Dates:**

Hosting elections at times outside a uniform election date discourages general voter participation at best—and actively manipulates election results at worst—all while increasing the cost to taxpayers.

Barring an unforeseen vacancy or emergency circumstance, citizens should demand that all general elections, tax increases, and debt elections be held on November uniform dates so voters can expect them and participate in the process. ([read more](#))

## **Uniform Polling Locations, Eliminate “Rolling Polling:”**

For years, local governments have been manipulating election results by scheduling voting at locations and times that target specific voting populations sympathetic to their cause.

These nefarious practices discourage turnout by the general public and hand voting power to individuals whose interests are aligned with those in office. Texans should push for reforms that require uniformity in both the locations and times used for early voting and Election Day, regardless of the election. ([read more](#))

## **Ballot-By Mail Reform:**

Though Voter ID has diminished in-person voter fraud, little has been done in regard to reform the integrity of the mail-in ballot process.

After major investigations into the practice in Hill and Tarrant Counties, voters should demand that the election code be shored up to prevent such malfeasance from occurring again and restore voters' faith in elections. ([read more](#))

## **Closed Primaries:**

Unlike virtually all other private organizations in the state, political parties still allow anyone to vote in their primary elections.

Texas should limit primary participation to members of political parties; Democrats should decide on Democrat candidates and Republicans should decide on Republican candidates. Citizens should demand that lawmakers implement a closed primary system and allow parties to govern themselves. ([read more](#))

# First Amendment Protections

## **Restore Due Process at the Texas Ethics Commission:**

In recent years, the Texas Ethics Commission – the state’s regulator of speech regarding legislation, elections, and public officials – has become weaponized as a tool used by the powerful against the grassroots.

Texans subjected to the commission’s process can find themselves in an endless cycle of harassment and abuse forcing them to either hire expensive attorneys or surrender. Lawmakers should closely examine the TEC’s processes, and implement safeguards typically found in the criminal justice system to ensure the agency can no longer violate Texans’ rights. ([read more](#))

## **Election Code Reform:**

Written in an era before a number of landmark court decisions acknowledged greater speech rights for citizens, the Texas Election Code is antiquated and in desperate need for reform.

Texans deserve laws that are clear and easy to understand, particularly when those laws impact fundamental liberties. ([read more](#))

## **Regulate Public Officials, Not Citizens:**

Ultimately, private citizens should not have their speech regulated. They should be free to speak about legislation, candidates, public officials, and to petition government without being required to pay fees or hire the lawyers necessary to complete elaborate reports.

All legitimate reporting can be accomplished by requiring public officials – who can get the assistance they need and be held accountable – to file the reports. ([read more](#))

# Higher Education Reform

## **Freeze Tuition Rates:**

Since the Texas Legislature “de-regulated” public university tuition in 2003, the cost for Texans has exponentially increased. Lawmakers should take back their authority to set tuition rates and freeze them at their current rates. ([read more](#))

## **Repeal Tuition Set-Asides:**

Public university students in Texas currently pay a 20% tax on their tuition to fund scholarships for other students. Lawmakers should end what amounts to textbook wealth redistribution and make college more affordable for all Texans. ([read more](#))

## **Repeal In-State Tuition for Illegal Immigrants:**

Under the terms of a law passed in early 2001, illegal aliens are allowed to receive “in-state tuition” at the state’s public universities – the same discounted tuition rate offered to Texas residents — giving them a cheaper education than is available for U.S. citizens and legal residents from other states. That “cheaper” education comes from tax dollars paid by Texas taxpayers.

Texas should end a program that rewards illegal aliens for breaking the law and entices more to enter the state. ([read more](#))

# K-12 Education Reform

## **Eliminate Overlapping County School Boards:**

Redundant education bureaucracies in both Dallas and Houston County continue to spend millions of taxpayer dollars with minimal accountability while providing high cost, low quality services.

Although the establishment of independent school districts took place decades ago, Dallas and Houston have yet to abolish the county bureaucracies that once managed their schools- Dallas County Schools (DCS) and Harris County Department of Education (HCDE), respectively. DCS and HCDE exist with little purpose and productivity, yet levy a property tax and consume tax dollars from the state and independent school district.

By abolishing these redundant and outdated county entities, lawmakers will save taxpayers millions and increase productivity within the district. ([read more](#))

## **Expand Educational Freedom:**

For years, a child's zip code has determined what type of education they receive. By expanding educational freedom through school choice and Education Savings Accounts, parents can have the liberty to choose what school or educational method best suits their child's needs, despite the neighborhood they live in. This will also lend to an overall better quality of education through competition and a more productive use of taxpayer dollars as educational funds follow the individual child and not the bureaucracy.

As the cost of education rises and educational equality lags in Texas, lawmakers must prioritize the expansion of educational freedom during the 85th legislative session and give parents and students the option to choose. ([read more](#))

## **Eliminate "Passing the Trash:"**

For years, school districts have been hiding sexual assault cases between employees and students in an effort to avoid public backlash and financial liability. By not alerting the state, guilty employees simply resign and move to another district- putting more unassuming students at risk. This practice, known as "passing the trash" has become increasingly prevalent among Texas schools and has resulted in a rising number of sexual assault cases between school employees and students.

Numerous legislators, as well as Lt. Gov. Dan Patrick, have vocally condemned the practice of "passing the trash" and will be taking steps during the 85th legislative session to end it. It's imperative that lawmakers address the lack of oversight and accountability among Texas school districts in order to protect our students. ([read more](#))

## **Abolish Robin Hood**

Texas' wealth redistribution system, known as "Robin Hood", requires property-rich school districts to send portions of their tax revenue to the state, which in turn is allocated to property poor districts. Robin Hood was created in an effort to provide equal funding to all schools, regardless of the economic status of their relative neighborhoods, however, has resulted in rising property taxes and skewed budgeting within school districts.

Lawmakers should reassess the current approach to educational equality in Texas and abolish Robin Hood. ([read more](#))

# Local Government Reform

## **Local Accountability for Government Pensions:**

Taxpayers now face \$60 billion in unfunded pension promises. If left unreformed, Texans will face colossal property tax increases, while public employees will continue to be promised unreliable retirement plans.

When Texas was under Democrat rule, legislators cemented unsustainable retirement benefits into state law at the behest of public-employee unions. This decision has prevented local officials from reforming their own employees' pensions, thrusting the plans of Texas' largest cities into insolvency.

State lawmakers should refuse to bail out unsustainable government pensions and should instead return control and accountability back to locally elected officials. ([read more](#))

## **Forced Annexation Reform:**

Local officials should not be allowed to force themselves onto powerless taxpayers. City officials should be required to obtain approval from voters whom they seek to govern prior to taxing and regulating their lives.

Under current state law, Texas cities can expand their borders without obtaining voter approval from the newly annexed residents. This allows money-hungry politicians to impose new taxes and regulations on Texans who did not vote for them – and even worse – without asking for their permission. ([read more](#))

## **Citizen Petition and Initiative Reform:**

Lawmakers should empower citizens seeking to hold local officials accountable. Time and again, local politicians, bureaucrats, and tax-funded lawyers use unethical and illegal tactics to thwart lawful petition drives and stifle voter opposition.

The process for citizens seeking to petition their government should be made easier, not more difficult, and government officials undermining or violating the law should face criminal consequences. ([read more](#))

## **Transparency for Local Officials' Voting Records:**

Citizens can view the record votes of their state and federal lawmakers online—the votes cast by local officials should also be published to increase transparency and public accountability.

Under current law, it's difficult for taxpayers to see how individual officials have voted on specific issues. Because there is no published record of votes, taxpayers are required to submit a formal open records request or be physically present and record the votes themselves. ([read more](#))

# Pro-Citizen Ethics Reform

## **Require Disclosure of Government Contracts Held by Public Officials:**

Texans have a right to know if and when legislators and other public officials are making money from government contracts. All elected officials should be required to disclose government contracts on their annual personal financial statements. ([read more](#))

## **Ban Public Officials from Lobbying While in Office:**

Most Texans are surprised to learn that some state and local officials work as lobbyists for private interests while simultaneously serving in public office. These conflicts of interests should not be tolerated and the practice should be made illegal. ([read more](#))

## **Require Disclosure of Bond Counsel and Legal Referral Fees:**

Many attorneys who serve in public office make money on the side through legal referral fees and through fees earned as counsel for the issuance of government bonds. Allowing public officials to earn these types of fees has been a recipe for bribery scandals in other states.

Texans have a right to know if their public servants have potential conflicts of interest and if they are profiting off of growing public debt. ([read more](#))

## **Abolish Legislative Pensions:**

High-dollar pensions linked to the salaries of full-time district judges serve as an incentive to keep legislators in office long after they have worn out their welcome. These pensions should be eliminated.

In the meantime, the pensions should be de-coupled from district judge salaries so that legislators can no longer give themselves a raise under the guise of aiding the judiciary. ([read more](#))

# Promote Free Markets

## **Promote Consumer Freedom:**

Here in Texas we find evidence of government meddling in consumer markets in all corners of our economic lives. Whether it be related to raw milk, residual blue laws, or something as everyday as vending machines, assaults on the freedom of consumers are still on the books and being considered for new law. ([read more](#))

## **Occupational Licensing Reform:**

In what's a growing phenomenon, governments are increasingly demanding permission slips for citizens to work. Currently, more than 800 occupations are licensed in the U.S., one in four workers now needs a license to make a living, and Texas is no safe-haven from the practice—it's one of the nation's biggest offenders. ([read more](#))

## **Rollback Burdensome Regulations:**

Regulations are often duplicative, useless rules promulgated by unelected bureaucrats. While they are advanced with feel-good intentions like public safety and clean water, they can come at tremendous costs that depress economic activity and often impact the viability of Texas entrepreneurs attempting to gain a foothold. ([read more](#))

# Property Rights

## **Eminent Domain Reform:**

Texas law grants itself, as well as some private entities, the authorization to take private property for public use through a practice called eminent domain.

Abuse of this practice has allowed some private entities, who arguably shouldn't have eminent domain power, to use this process for private projects that would benefit the pockets of developers – rather than the public at-large. Lawmakers need to reform this practice. ([read more](#))

## **Civil Asset Forfeiture Reform:**

Civil asset forfeiture was formed with the intent of disrupting drug markets by removing their most valuable assets: cash and vehicles. But, judging the law's impact rather than intent, we see it has grown to be abused and used as an additional revenue stream for cash-strapped law enforcement agencies.

No Texan should bear the burden of losing their private property without being convicted, or in some cases even accused, of a crime. Lawmakers need to recognize the practice for what it has become in many instances – highway robbery – and bring an end to civil asset forfeiture completely. ([read more](#))

# Property Tax Reform

## **Rollback Rate Reduction:**

Lawmakers should dramatically lower the “rollback” rate — essentially the percentage local governments can increase property taxes on existing taxpayers before voters have the option to challenge it.

Cities and counties routinely exceed the current 8 percent limit without voters realizing it, resulting in dramatic tax hikes on the existing tax base, and far beyond what’s needed to accommodate for population growth. ([read more](#))

## **Automatic Votes for Tax Increases:**

All local governments should have to obtain voter approval for annual tax hikes that exceed the state’s “rollback” limit.

While school districts are currently held to this standard, cities, counties, and other localities are not. As a result, cities and counties are taking advantage of taxpayers who have little to no recourse.

Under current law, voters are only given the option of a burdensome petition drive. In both rural and urban areas, it requires that taxpayers collect an overwhelming number of voter signatures and hire lawyers to protect their validity before a public vote on the tax increase is triggered. ([read more](#))

## **Lower Appraisal Caps:**

A county appraisal district in Texas may not increase the appraised value of a homestead by more than 10 percent in a given tax year.

Although property tax burdens are ultimately determined by local taxing entities – since they set the tax rates – lowering appraisal caps would prevent sudden and rapid appraisal hikes on individual property owners. ([read more](#))

## **Citizen-Led Appraisal Boards:**

Currently, elected officials and others who serve on local taxing entities have direct or undue influence over the appraisal process, which is a clear conflict of interest.

Appraisal boards made up of citizens would allow the public to check the power of collusive government institutions that appraise property and set tax rates. ([read more](#))

## **Repeal the Business Personal Property Tax:**

The property tax levied on business personal property should be repealed. Only eleven states other than Texas tax business tangible property and inventory.

This onerous practice requires that businesses pay property taxes on the land it occupies and its assets—including the inventory it uses to generate revenue. ([read more](#))

**Phase-Out of School M&O Property Tax:**

The state should use existing funding streams to permanently buy down local school district M&O (maintenance and operation) property taxes until they're phased out completely.

Responsible limits on the state's spending growth will allow it to take over more of the funding burden over time, while providing permanent tax relief to property owners. ([read more](#))

# State Government Reform

## **Design-Build Contracting:**

Design-Build contracting is a cost-saving construction method that is also more efficient than current methods. The problem is, the number of these contracts that the Texas Department of Transportation is able to bid out each year is capped at three. TxDOT should be given the ability to use this innovative method for project completion providing maximum benefit to taxpayers. ([read more](#))

## **Union Dues Collection:**

Public sector unions are afforded the luxury of having their dues automatically withdrawn by government entities and transferred to the unions. This presents a potential conflict of interest as unions often insert themselves into the political process regularly negotiate contracts with these same government entities and officials. ([read more](#))

## **Defined Contribution Pensions:**

The current defined benefit method of municipal employee pensions is unsustainable. Most private sector pension agreements have long switched to defined contribution methods to save employers money, and to ensure the long-term solvency of the plans. Public employee pensions in Texas should adopt a defined contribution formula for their pension plans. ([read more](#))

# State Sovereignty

## **Convention of States:**

Today, Washington has grown into a leviathan that continually expands its power while individual liberty and the rule of law are in retreat. In an effort to rein in a federal government that has far exceeded its limits, many conservative officials and activists are calling for an Article V Convention of States. ([read more](#))

## **Protect Local Liberty:**

For years Texas has thrived at the state level of government with tax reductions and the burden of regulation being lifted. Meanwhile, the local government expanded in size and scope under the rules that the state has set forth, setting the stage for a showdown over oppressive local edicts. ([read more](#))

## **Sanctuary Cities Ban:**

Ever since the failed amnesty of the 1980's, the U.S. has experienced rampant growth in the number of sanctuary cities. Incredibly, there are now over 200 localities in the United States operating as sanctuary cities today, including our own seat of Texas government, Austin. ([read more](#))

# Tax-Funded Lobbying

## **Abolish Tax-Funded Lobbying:**

Every legislative session, local taxpayers are forced to foot the bill on statewide legislative advocacy efforts – the majority of which is often at direct odds with the interests of the taxpayers funding them. Lawmakers should stand up to this unrepresentative practice and abolish all tax-funded lobbying outright.

It is already generally forbidden for public resources to be used on a campaign for office – and for obvious reason. So it should also be with the legislative advocacy – local officials should not be able to use taxpayer resources on political purposes. Lawmakers should address this fertile ground for corruption and address it by banning the use of taxpayer dollars on lobbyists statewide. ([read more](#))

## **Disclose Tax-Funded Lobbying Expenditures:**

Unwittingly, taxpayers across the state are funding advocacy efforts during the legislative session. At a minimum, local governments should be required to publish the amount paid and the nature of the advocacy work that they fund with taxpayer dollars.

Considering that more than 42% of registered lobbyists represent a government interest, it is time for lawmakers to shed some light on how this money is spent. While an outright ban should be the ultimate goal, in the short-term lawmakers should pass a disclosure bill so that citizens can be further empowered as to how their local government spends their tax dollars. ([read more](#))

# Tax and Expenditures Limits

## **Local Government Spending Limits:**

Local governments are seeing growths in debt like never before in Texas. Limits on the amounts that political subdivisions may appropriate during the fiscal year would be a strong bulwark to irresponsible stewardship of taxpayer dollars at the local level. ([read more](#))

## **Local Government Revenue Caps:**

Another angle for confronting the profligate spenders in city halls is to encourage enactment of local revenue caps. Doing so would provide the flexibility that local leaders need to provide essential services, while handcuffing their ability to waste taxpayer resources on crony projects. ([read more](#))

## **Strong Constitutional Spending Limit:**

While the Texas Legislature passed what is widely regarded as a conservative budget during the most recent session, the trends paint a different picture. While constitutionally limited, the state budget has been outpacing sensible measures for decades. ([read more](#))