



B/CS Chamber of Commerce 2023 State Legislative Action Plan Bullet Points

Economic Development

Protect the Economic Development Sales Tax for Economic and Community Development Purposes

The economic development sales tax, commonly known as Type A and B sales tax, meets the needs of both large and small communities. The flexibility provided by this tax gives cities the opportunity for both economic and community development activities, while enabling their community to compete for jobs and investment. The future prosperity of communities in Texas is enhanced by the Type A and Type B sales tax and it has long been the indispensable asset that allowed Texas to remain at the forefront of success in economic development. Projects that received location, expansion, or retention assistance from this sales tax have generated an overall impact of nearly \$110 billion in annual gross state product and nearly 1.2 million jobs.

Support Reauthorization of Chapter 313 of Texas Tax Code

The Texas Economic Development Act (Chapter 313) has helped attract billions in new investment to Texas and helped create thousands of high-paying jobs, while increasing property tax base for school districts and local governments. Chapter 313 allows for a 10-year limitation on the appraised property value for a portion of the school district property tax and in exchange, the business agrees to build or install new property and create jobs in the school district. This act makes money for the state by helping attract and generate new tax revenue from new sources of business activity that otherwise may not be in the state.

Support Continued Funding of the Texas Enterprise Fund

The Texas Enterprise Fund (TEF) has invigorated the states' renewed economic development efforts and allowed Texas to compete globally for new jobs and high-impact investment. Since 2004, the TEF has awarded over \$679 million towards projects creating over nearly 104,256 direct jobs and capital investment of more than \$34 billion. For example, Apple's expansion in Williamson County will add 4,000 direct jobs and \$400 million in investment to that area.

Maintain Funding for Texas Workforce Development Programs

The Texas Workforce Commission has administered funding to job training programs, such as the Skills Development Fund, the High Demand Job Training Program, and others since its inception. The Skills Development Fund is the only customized job training program for economic development in Texas. Through this fund, 120,947 jobs have been created, 4,572 employers have been helped, and 398,125 workers have been trained. Programs and funds like the Skills Development Fund will continue to pay dividends in this great state for years to come.

Support and Promote Innovation and Entrepreneurship

In order for Texas to stay competitive in a global economy, it is very important to support and invest in technology and innovation that will lead to business investment and high-paying jobs for Texans. Programs like the Governor's University Research Institute (GURI) and the Cancer Prevention Research Institute of Texas (CPRIT) ensure continued innovation and investment in Texas.

Promote and Protect Local Control including Preserving Local Tax Incentives like Chapter 312 of the Texas Tax Code

The degree to which local leaders, institutions and governing bodies can make independent decisions about the governance and operation of their community, influences how much a community can shape their own destiny, manage their own growth, and better represent their citizenry. Chapter 312, known as the Property Redevelopment and Tax Abatement Act, allows communities to attract new jobs and grow tax bases without any cost to the state or to local taxpayers. Programs, including Chapter 312, will ensure more successful communities throughout the State of Texas.

Preserve Chapter 380 and 381 Agreements for Economic Development Projects

Economic development agreements have empowered both Texas cities and counties to negotiate favorable deals for their residents while attracting investment, development and creating jobs. Chapter 380 of the Local Government Code authorizes municipalities to offer incentives designed to promote economic development such as commercial and retail projects. Chapter 381 of the Local Government Code allows counties to provide incentives encouraging developers to build in their jurisdictions. Using such agreements, cities and counties may promote state and local economic development and stimulate business all at little cost or risk to taxpayers.

Healthcare

We support solutions that will allow the most efficient use of public, group and individual insurance arrangements to reduce the number of uninsured Texans.

Texas continues to lead the nation in the number of uninsured residents, and the end of the Public Health Emergency declaration is expected to see up to 1 million Texas residents disenrolled from the Medicaid program. There are proposed pathways to expansion coverage that may be cost neutral or lead to savings in state spending. Expansion may focus on private insurance options that require personal accountability and engagement to control costs, but it is critical that any health insurance option will include coverage of pre-existing conditions and all essential health benefits.

We support increased state funding to ensure timely and appropriate access to inpatient and outpatient, community-based services and supports for Texans with a behavioral health diagnosis.

Bryan/College Station/Brazos Valley has significant behavioral health needs, yet the region's 350,000 residents do not have a local inpatient mental health facility to support residents in crisis. Recent surveys show that 1 in 5 residents struggled with behavioral health issues, yet access to providers and facilities remains challenging with a lack of providers and coordination of care.

We support continued state funding for physician, nurse, behavioral health professional and allied health professional education and training as a part of workforce development.

On the front lines of the earliest days of the COVID Pandemic, healthcare workers (nurses, therapists and technicians) faced personal exposure, long hours and emotional exhaustion and left their healthcare jobs in record numbers during the pandemic. The Texas legislature should look at a broad range of programs and funding to help educate the next generation of healthcare workers, rebuilding the aging healthcare workforce.

We support local funding options to secure a Medicaid rate enhancement without using additional state funding.

Texas must find ways to work with the provider community to draw down additional federal dollars to improve Medicaid reimbursement rates, allowing for improved access and reducing the losses that providers encounter when caring for Medicaid patients.

Higher Education

Making a transformational difference is a hallmark of Texas A&M University and Blinn College District students, staff, faculty, and graduates. The legislative priorities of both Texas A&M and Blinn College reflect and reinforce their commitment to continue providing a quality, accessible, and affordable education.

Texas A&M University

- Significant investment in the university's core mission, academic education, by increasing per-student formula funding, specifically to account for added costs per significant enrollment growth.
- Secure investment in the state's 1943 Hazlewood Act tuition waiver for eligible students by covering costs incurred by universities, currently an unfunded mandate, to honor a 2009 legislative commitment for dependents of military service veterans, known as "legacy" beneficiaries.
- Sufficient investment in the university's student mental health services by directing funding to expand counseling resources to effectively and efficiently increase retention of mental health professionals and improve recruiting.
- Sustainable investment in the university's research programs by enhancing certain funding levels especially increasing the rate for the Texas Research University Fund (TRUF) and maintaining the funding for the Governor's Research University Initiative (GURI).
- Substantial investment in the university's professional workforce development ecosystem for all industry sectors, especially high-demand related to semiconductor chip manufacturing, by dedicating funding to leverage available federal programs specifically the U.S. CHIPS and Science Act, as well as recommendations from the Governor's National Semiconductor Center Task Force.

Blinn College District

- We support increasing state funding for both academic and workforce training in order to meet the education needs of Texas students at an affordable rate.
- We support the expansion of workforce training to fill the critical workforce needs of our state and provide ongoing support to the Texas economy.

Regulatory / Taxes

We support discontinuing unfunded mandates on local governments.

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 - This can sometimes force the affected localities to raise taxes, reduce services, issue new debt, or, more typically, the local government is forced to absorb the cost of the new state mandate using existing resources.
- The Legislature should not impose any mandates on local political subdivisions that impose additional costs without, at the same time, providing the appropriate funding.

We support restricting new and reducing existing state regulatory burdens, taxes and fees imposed on Texas businesses.

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- We support and encourage increasing communication and partnership between state and local governments, as both attempt to solve the issues confronting their constituents.

We support encouraging increased collaboration between State agencies to reduce waste, fraud and duplication.

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- This could potentially be done by refocusing the mission of the Sunset Commission on the abolition, consolidation, and/or cost reduction of state agencies to achieve the result of an overall reduction in state appropriations.

We oppose additional property tax Revenue Caps on local governments.

We oppose property tax revenue caps on local government entities that apply any cap less than the current Voter Approved Rate (3.5% increase) requiring a mandatory referendum.

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We support legislation that maintains internet/online sales tax sourcing as the point of purchase rather than point of distribution.

- This allows the tax to be remitted to the location where the buyer purchased the goods thereby benefiting the local community of the buyer.

Texas Public Education

School Finance

- Advocate for an adequate and equitable school finance system that raises per pupil funding to the national average.
- Support sustainable state funding for HB 3.
- Advocate for local discretion with spending to ensure that the needs of students, staff, and communities are met.
- Support the use of enrollment vs. attendance as the standard for school funding.

Transparency and Accountability

- We support ensuring that all private, charter, and home schools that receive state funding are held to the same accountability standards for student performance and financial transparency as public schools.
- Increase the transparency and accountability of private, charter, and home schools that receive state funding.

Use of Public Tax Dollars

- We oppose any state plan that would divert public tax dollars from public schools to private entities, homeschooled students, or parents with no academic or financial accountability or transparency to the state, taxpayers, or local communities.

Ballot Language Honesty

- Allow school district bond and voter-approved tax ratification propositions to include ballot language that accurately informs voters of what the measure seeks to accomplish.
- Current laws surrounding ballot language requirements create confusion and do not allow for clarity.

Accountability - Measure what matters

- Advocate for the establishment of a comprehensive accountability system that looks beyond high-stakes, one-day, multiple-choice exams to meaningful assessments that have value for students, parents, and teachers, as well as measures what each community deems important in promoting college and career readiness.
- Advocate for the removal of A–F campus and district ratings that oversimplify the complex work of schools and teaching to the test.

School Safety

- Advocate for increased funding of the School Safety Allotment and local flexibility to ensure districts can adequately meet student and staff safety needs.
- Advocate state funded support for increased counseling services and campus based mental and behavioral health services for students. The academic needs of students cannot be separated from the social, emotional and behavioral needs of students and vice-versa.

Teacher Recruitment and Retention- Increase support

- Elevate the profession of teaching by providing more substantial financial aid and other programs to incentivize students to enter the field
- Increasing educator and staff compensation
- Improve staff health and retirement benefits
- Decreasing the burdensome state mandates that increase an educator's workload
- Increase state (not district or retiree) support of the Teacher Retirement System (TRS) pension to ensure the system remains solvent and provides for all retirees. Account for Cost-of-Living Adjustment (COLA).

Energy & Natural Resources

The continued production of energy and stewardship of our natural resources is vital to a sustainable national and local economy.

Electricity

- We support preserving local regulatory authority.

- We oppose legislation that would require municipally-owned utilities to transition their customers to customer choice in ERCOT.
 - Provisions within the state statutes relating to municipally-owned electric utilities must be maintained in order to continue to allow local decision-making authority on all utility matters, including the local option to participate in retail competition.
 - Oppose any legislation that would take rate-setting authority for municipally-owned utilities from the locally elected city councils.

- We support easing regulatory requirements to support targeted expansions of the transmission system.
 - The Texas economy is growing and new businesses are locating here at a rapid pace, some of which are quite large terms of electrical requirements.
 - Electric utilities need the ability to expand their transmission infrastructure quickly in order to meet the requirements of these new customers and continue to grow the Texas economy.

- We oppose legislation that would restrict municipalities and municipally-owned utilities from engaging in the legislative process including, but not limited to, contracting with a legislative professional, paying dues to an association that contracts with one, or by implementing excessive disclosure and reporting requirements.
 - For MOUs, this is especially important as a competitive balance.
 - A private company that owns electric generation assets would be able to contract with legislative professionals to help boost their message.
 - A MOU that owns similar assets would either be totally unable to do so or would have to report information that the private company would not be required to.

Water

- We oppose legislation that would (1) require Groundwater Conservation Districts to transition groundwater management to a surface-acreage based correlative rights system; or (2) limit the ability of Groundwater Conservation Districts to protect historic use for well owners and their reasonable investment-backed expectations in their water wells.

- We support legislation that would allow a municipality or Special Utility District to count their service territory as part of an area legally controlled as far as acreage and drilling wells, and we oppose legislation that would amend Section 36.116(c), Water Code, to limit the ability of a Groundwater Conservation District to consider the service area and needs of a retail public utility.
 - Chapter 36, Water Code, allows groundwater conservation districts (GCDs) across Texas flexibility in the tools they use in their groundwater permitting and production allocation rules. This flexibility acknowledges the different patterns of use and regulatory systems that have developed historically in different areas of the state and the wide variations in the nature of aquifers. Regulations that work well in areas dominated by agricultural irrigation may not work well in urban and suburban areas where the primary use is municipal water supply or industry. Some GCDs have substantial groundwater production for municipal, industrial, and agricultural purposes, and have rules that strike a careful balance between those users in managing the aquifers.
 - Some special interests have pursued a one-size-fits-all agenda, arguing that the statutes should be changed such that all GCDs should be limited to regulating only based on surface acreage legally controlled for the right to produce groundwater. Pursuing such an approach would result in mass regulatory takings claims and litigation because of the impacts on GCD rules, permits, and permit holders and the investments they have made, would be devastating to reliable water supplies for millions of Texas families and businesses, and is inconsistent with the opinion of the Texas Supreme Court in its landmark decision in *Edwards Aquifer Authority v. Day* (“the Day case”).
 - Public water systems have a legal duty to provide reliable and affordable drinking water within their service area territories and should be able to count acreage within their service area for purposes of GCD production rules or well drilling that are based on acreage. To require such systems to purchase or lease the groundwater rights from all of the acreage in their services areas is not only absolutely infeasible, the funding source for such a cost-prohibitive exercise would ultimately be the customers, who would, in effect, be paying themselves for the purchases and leases of their groundwater rights minus all of the millions of dollars in costs such an endeavor would require.
 - Similarly, Chapter 36 allows GCDs to protect historic users of groundwater prior to the creation of a GCD and its adoption of rules in order to protect the prior economic investments made by well owners. Any change to Chapter 36, Water Code, to remove the ability of GCDs to protect historic use or to use another statutory permitting tool, or to mandate that all GCDs use the same tool, would unravel GCD rules across the state and lead to mass chaos for permit holders whose permits were issued under those rules and who made investments prior to and under those permits, and ultimately lead to mass litigation and takings claims. The ultimate losers would be the Texas residents and businesses who would pay much more for the same water supplies they are receiving today.
 - While the Texas Supreme Court in the *Day* case held groundwater to be privately owned by the landowner like oil and gas, it also held that GCD regulations must necessarily be

different from those of oil and gas, stating that “regulation that affords an owner a fair share of subsurface water must take into account factors other than surface area,” noting that “groundwater regulation must take into account not only historic use but future needs, including the relative importance of various uses....” The legislature must preserve GCDs’ ability to use the various statutory tools required to balance these considerations, including the ability to protect historic use and to consider the service areas and needs of retail public utilities.

- We support legislation that would expand the use of Aquifer Storage and Recovery projects and oppose legislation that would attempt to undermine in any way House Bill 655 passed in the 2015 session, which gave the Texas Commission on Environmental Quality (TCEQ) exclusive jurisdiction for regulating and permitting of Aquifer Storage and Recovery (ASR).
 - HB 655 of 2015, which passed overwhelmingly in the House and Senate, removes regulatory roadblocks to building ASR projects, including specifically dual regulation by both TCEQ and GCDs.
 - HB 655 removed regulatory authority from GCDs for a variety of reasons, but primarily due to the requirement that TCEQ, as the delegated authority for the Safe Drinking Water Act in Texas, has sole responsibility for the permitting of Class V injection wells (ASR wells), and also because TCEQ has the technical expertise to review ASR project applications.
 - Following passage of HB 655, some GCDs have attempted to kill SWIFT-funded ASR projects that are based on recommended water management strategies in the Regional and State Water Plans.
 - GCDs should not be allowed to subvert state law enacted by the legislature.

- We support continued legislative funding of the Texas Water Development Board’s programs for planning and financing implementation of projects in the regional and state water plans and the regional and state flood plans.
 - Providing basic water and wastewater infrastructure is one of the core functions of government and is critical to the Texas economy and to public health and safety. However, state and federal financial assistance for water and wastewater infrastructure projects continues to be only a fraction of the billions of dollars needed in Texas for both new infrastructure and repair, maintenance, and replacement of existing aging infrastructure. The projected future economic consequences to Texans of failing to address these water infrastructure needs are staggering.
 - Similarly, funding for flood and stormwater infrastructure is largely exhausted, with more than three times more demand for funding submitted through applications to the TWDB than it has available for such projects. The Texas Legislature should provide additional funding to support both the landmark regional and state flood planning processes it established in 2019, which will cease after 2024 without additional funding, and for the financing of flood and stormwater infrastructure to implement those plans.

Transportation

The Bryan College Station Chamber of Commerce, in collaboration with all 15 major transportation planning partners in Brazos County, including local governments, general public transit provider Brazos Transit District and the Texas A&M University System, developed the following Transportation Vision for Brazos County: Through community consensus, plan, develop and operate a quality transportation system for people and goods that promotes safety, enhances quality of life and supports economic opportunity throughout Brazos County.

The Bryan-College Station Chamber of Commerce has worked with all of our planning partners to leverage local resources to address congestion and transportation safety. This infrastructure need is not just maintenance. Funding must allow for infrastructure expansion in our area of high growth, rapid economic development, and population expansion. With the population of Texas expected to double by 2050, the Bryan-College Station Chamber of Commerce supports:

- Development of the Interstate Highway 14 in Texas with a priority on the Brazos County section which includes the I-214 corridor identified in the federal Infrastructure Investment and Jobs Act.
- Using available legislative tools to eliminate or extend sunset provisions for Proposition 1 and Proposition 7 **AND** legislation to increase transportation funding for top priority projects across all transportation modes as approved by local elected officials via their Metropolitan Planning Organization and Rural Planning Organization and reinforced by public-private partnerships and regional mobility authorities.
- Legislation that equalizes the costs for road use consumption by alternatively fueled vehicles.
- Using available legislative tools to ensure that the Texas Electrical Grid does not become vulnerable to energy shortages with increased electric vehicle charging during periods of high demand.
- Additional state funding to rural and small urban public transit programs to assist local communities in meeting their mobility needs.