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ADDENDUM

(THIRTY-EIGHTH DAY — Monday, April 15, 2019)

The following remarks regarding **CSSB 2** and **CSSB 9** on third reading were ordered reduced to writing and printed in the *Senate Journal*.

(Senator Perry in Chair)

CSSB 2

Presiding Officer: Chair recognizes Senator Watson, for what purpose?

Senator Watson: At the appropriate time, I'd like to speak on the bill.

Presiding Officer: You're recognized.

Senator Watson: Thank you very much then, Mr. President, and thank you, Senator Bettencourt, Members of the Senate. Let's start off with a proposition that there is no question the Legislature must take action to address rapidly rising property taxes. There is no disagreement about that. But Senate Bill 2 won't do it. The legislation that could provide true property tax relief, which I believe is House Bill 3, is frankly being held hostage in order to secure passage of this legislation, which only creates the appearance of property tax relief. In fact, the illusion of property tax relief was deemed so essential that the possibility of the nuclear option was invoked. We all know that the biggest culprit in the rising property taxes is the Legislature. As property values go up, the Legislature's responsibility for public school funding goes down. Over the past six years, the growth in property values across the state has generated an additional 10 billion dollars in local property tax revenue, which has freed up the same amount in state dollars to be spent according to the will of the Legislature. Those state dollars could have been invested in lowering school tax rates or increasing the homestead exemption if controlling property taxes had been the priority. But it wasn't made a priority. Other things became priorities, things like decreasing a revenue stream such as the margins tax, which was created mainly to decrease property taxes. It's important sometimes to have someone else to blame. Others want to, people want to say some other entity is doing this to us and causing our property taxes to come up, go up. Well, the problem is you can't be both the victim and the perpetrator. While Senate Bill 2 takes aim at local governments, we all know that it was the Legislature's willful neglect that created this crisis, and SB 2 won't fix it. Thank you, Mr. President.

Presiding Officer: Senator Watson. Chair recognizes Senator Lucio, for what purpose?

Senator Lucio: To speak on the bill.

Presiding Officer: You're recognized.

Senator Lucio: Thank you, Mr. President. Senator Bettencourt and Members, I cannot express how hard this vote is on final passage. Perhaps, quite frankly, one of the most difficult since my election to the House of Representatives in 1986. I looked at the Members on the floor, and I can see at least five of us that voted for a 10 billion dollar tax relief package for then-Governor George W. Bush, another 10 billion, Senator West, for Governor Perry, and now this will be, and I, I don't have a figure on it, but I'm sure it'd be in the billions. My constituents want property tax relief, but they won't, they don't want it at the expense of local government control or at the expense of the ability of their cities and counties to provide the services they expect and need. Although property tax relief is important to my constituents, it's certainly not an equitable process. The relief provided to the owner of a \$75,000 home in Donna, Texas, is not the same as the relief provided to the owner of a 750,000 home in Plano, Texas. And in a game of winners and losers, the lost is at the expense to the State of Texas, its subdivisions, and its cities. The state's property tax mechanism needed reform, and for the period in which I served on the Select Committee on Property Tax Reform and Relief, the committee heard the message time and time again from property owners across the state. We also heard from local governments expressing the handicap that could be experienced by a low rollback tax rate and the state's failure to meet its responsibility, especially to the independent school districts of Texas, which are still included in Senate Bill 2. In my humble opinion, the best way to reduce property taxes is by increasing the state's share supporting the values of all Texans with the next generations of Texans at the core of those principles. And at the end of the day, my constituents expect I represent their best interest while on the Senate floor. Is their best interest saving on property taxes or fewer, less responders in the field? Is their best interest \$100 saved over the course of a year or deferred road maintenance causing \$100 in damage to their vehicles? It's a hard choice to make. I support the amendment that improves Senate Bill 2, especially the exemption provided for indigent criminal defense, and I'm grateful to Senator Flores for improving Senate Bill 2 in this way. And there were other amendments that were added that I consider good amendments. The already strapped cities and counties in my property-poor Senate district tell me Senate Bill 2 will be detrimental to their already limited ability to serve their communities. So, at the end of the day, my constituents are strapped, too, and need all the help they can get. Therefore, Senator Bettencourt, Members, I will be voting present on Senate Bill 2.

Presiding Officer: Chair recognizes Senator Zaffirini, for what purpose?

Senator Zaffirini: To speak against passage.

Presiding Officer: You're recognized.

Senator Zaffirini: Thank you, Mr. President. Mr. President and Members, significant property tax reform is a worthy and important goal that all of us embrace. The fundamental approach reflected in the Committee Substitute for Senate Bill 2, however, is flawed. It exacerbates the problems of communities instead of solving them. By capping localities' ability to fund essential services, this bill gives the

illusion of property tax relief but does not actually reduce taxes. It merely slows the increase in future taxes without addressing the underlying drivers of property taxes, namely public education and rising property values. The Committee Substitute for Senate Bill 2 not only would fail to provide homeowners the relief they need desperately but also would be extremely detrimental to local governments and to school districts. Accordingly, many county and city and school officials are rightly concerned about the impact this bill would have on their ability to serve and to lead their growing populations adequately. For these reasons and more, I will vote no on Senate Bill 2. Thank you, Mr. President and Members.

Presiding Officer: Thanks, Senator. Chair recognizes Senator Menéndez, for what purpose?

Senator Menéndez: Thank you, Mr. President. I rise to speak against the Committee Substitute Senate Bill 2.

Presiding Officer: You're recognized.

Senator Menéndez: Thank you, Mr. President. Members, during this session, I've asked my city, county, school districts, the hospital districts, all of them, to calculate what the impact would be on them. This morning I received, after we saw the new floor amendment, to find out what would the impact be of this 3.5 percent cap. It went back 10 years and applied three and a half percent cap, instead of the current eight percent. Going back 10 years allowed them to use actual property values, both the ups and the downs, including the great recession we went through a few years ago and the current upswing we've, we've been going through. So, the savings, you might be surprised, would have been for the average San Antonio homestead \$1.65 per month. A home of \$179,000 would have saved less than two dollars a month under this cap, yet the impact to the City of San Antonio's finances would have been \$137 million. That's a lot of money that can be used for police officers, firefighters, street repair, sidewalks, parks, libraries, and the summer swimming pools. I say this to make a point. This bill will not deliver meaningful property tax relief. Meaningful property tax relief can only be accomplished through public school finance. This bill can be seen as a punishment to our cities and an erosion of the abilities to provide the basic city services that the state does not provide. My city and all the cities of Texas do not deserve this treatment. The average growth of a city of San Antonio's M&O rate is 2.6 percent over the last 10 years. The city has not raised its tax rate in 27 years, and it has lowered it seven times in that same timeframe. The City of San Antonio has managed its residents' property taxes wisely. The city budget has grown modestly under the eight percent cap. Property taxes have grown at 2.6 per year and the city has a AAA bond rating, the highest it can. But that may be jeopardized because of the lack of financial flexibility this cap will create. If the city's credit rating is reduced, costs for capital projects and infrastructure will go up. So, this bill may actually do more harm than good. I've also reached out to the City Manager, and I've asked about contracts. They can't enter long-term contracts that may exceed the cap, and so, it would definitely harm the ability to purchase in bulk and make the best contracts for our citizens. Senators, I have the confidence in the voter, voters of my city. If the City Council isn't a good steward of the property taxes, they will vote their members out, and we have two-year terms. And when I ran in 1997, I ran as an incumbent, as an

unknown. So, we can't say that incumbents always have the advantage. We're intervening, in my opinion, where we're not needed. For \$1.65 a month to the average homeowner in San Antonio, that will actually cost all the residents millions of dollars, and for this and other reasons, I will be voting no against the Committee Substitute to Senate Bill 2.

Presiding Officer: Chair recognizes Senator Rodriguez, for what purpose?

Senator Rodríguez: Thank you, Mr. President, to speak against the Committee Substitute for Senate Bill 2.

Presiding Officer: You're recognized.

Senator Rodríguez: Thank you. Members, I want to talk about the regressive nature of this bill. It is regressive, hurting low-income Texans and low property wealth cities the most. While it likely will not result in property tax relief at all, as we have just heard, it likely will further shift the tax burden to middle- and low-income Texans. Fitch, the bond rating company, notes that once capped by the state on property taxes, local units of government will look for other ways to raise revenue. Fitch states, in fact, quote, most local governments retain the ability to increase non-tax revenues, for example, fines, service charges, and fees which could offset the impact of a lower rollback rate as it relates to revenue raising ability, unquote. Numerous case studies, Members, from places like Massachusetts, and even here in Texas, indicate this is the future, including a University of Houston Hobby Center report from February 2019. Unfortunately, Texas, with its reliance on sales and property taxes, is a high tax state for people with low incomes. According to the Institute for Taxation and Economic Policy, quote, the lowest income 20 percent of Texans contribute 13 percent of their income in state and local taxes, considerably more than any other income group in the state. For low-income families Texas is far from being a low tax state. In fact, it is tied with Arizona as the sixth highest tax state in the country for low-income families. Finally, Members, this bill, as Senator Lucio pointed out, lacks equity. Studies of communities in which an election results in exceeding the state mandated tax cut shows that more than often it is wealthy communities that vote to provide themselves the services they want, while low-income communities cannot afford the services they need. Now, doesn't this sound like a school finance system? I agree, as others have said, that we do need property tax reform that helps those who need it the most. But we need to help local communities, not cap them. And we need to make sure that the reform reaches the property taxpayer without imposing new burdens on working Texans. While I appreciate your efforts, Senator Bettencourt, unfortunately, I don't think this is it, and I cannot vote for Senate Bill 2. Thank you, Mr. President.

Presiding Officer: Thanks, Senator Rodriguez. Chair recognizes Senator West, for what purpose?

Senator West: Speak in opposition of the bill.

Presiding Officer: You're recognized.

Senator West: Members, this is my 26th year here in the Senate. And, frankly, I've served in the minority most of those 26 years. Observation, this has been one of the most partisan days I've seen in this body. I know elections have consequences, have a

majority and you have a minority. This bill represents the will of the majority without significant input of the minority. I really believe that the best solution, in terms of SB 2, given everyone wants to have property tax reduction, would have been a blend of thoughts on this particular bill and a compromise between both majority and minority, as opposed to a target set and votes geared towards meeting that particular target. I know as well as everyone else knows that the real tax relief comes in Senate Bill 3. I'm hoping, no, I'm praying that when we get to Senate Bill 3, HB 3, Senator Taylor, that when we look at the funding mechanisms that we do so with an eye towards being fair and making certain that we come up with a bill that represents not only the majority viewpoint but also have input from the minority. I hope that during this session we never have another day like this, when it was a very partisan day. I know we can do better. We must do better as a quote, unquote, the deliberative body. Thank you, Mr. President.

Presiding Officer: Thank you, Senator. Chair recognizes Senator Powell, for what purpose?

Senator Powell: Mr. President, I rise today to move that we have the remarks of Senators Watson, West, Menendez, Rodríguez, and Zaffirini in opposition to SB 2 reduced to writing and added to the Journal, please.

Presiding Officer: Is there objection to having those remarks reduced to writing? Chair hears none. (Gavel) So ordered, motion is adopted.

Presiding Officer: Chair recognizes Senator Hancock, for what purpose?

Senator Hancock: To speak on the bill.

Presiding Officer: You're recognized.

Senator Hancock: Thank you, Sir. And, Members, I'm sitting here and frankly, a little confused. I'm confused about those speaking against the bill calling it, that it does not bring property tax reform, that it doesn't bring any reduction by individuals who were telling us how difficult it was going to be for the cities, the counties to operate under this measure. I heard Senator Menéndez talk about the millions of dollars that San Antonio would lose, and so as we look at this bill and as I speak in support of this bill, I think it's, we needed a little reminder, a little reminder that it's not the cities' or the counties' money, that the money that they are so-called losing is the tax savings that is going to their constituents. And you can't say that this bill does not bring tax savings and then try to convince the rest of us about the millions of dollars that your cities and counties are going to lose. It is disingenuous. And I speak against the bill and say that it is partisan because it is not Republicans or Democrats that are paying these bills. It's all citizens, it's all citizens crying out. This polls higher than anything else across party lines. To claim that SB 2 is a partisan bill is mistaken because it is all of my constituents that are looking for property tax relief, regardless of party. And so, as I rise to speak for Senate Bill 2, I speak for my constituents. I speak for those property tax owners that are, they contribute the revenues that you talk about when you say this bill does nothing but is going to cost cities and counties millions. You cannot say both. It makes no sense. It does not add up. Senate Bill 2 does exactly what Senator Farabee suggested this body do 38 years ago. Is that when interest rates drop, the eight percent should drop as well. Members, we're 38 years too

late doing what we're doing today, and frankly, when eight was adopted, inflation was 10 to 12. We're simply coming back to where inflation is today, and the cities and the counties get to put all new growth on top of there, which truthfully adds about another three cents overall. This is doable. This is what both Republican and Democrat property owners are looking for, and so I commend Senator Bettencourt for bringing this to the floor, and I commend those that are supporting this measure that will rein in the skyrocketing growth of property taxes.

Presiding Officer: Thank you, Senator. Chair recognizes Senator Flores, for what purpose?

Senator Flores: To speak on the bill.

Presiding Officer: You're recognized.

Senator Flores: Thank you, Mr. President and Members. You know, as I came on this journey that brought me here over the last three years and speaking to people from this big city of San Antonio to the smallest little towns in West Texas and whether they were rich or whether they were poor, whether they were Democrat, whether they were Republican, this was the number one item on their mind, was property tax relief. Number one from everyone because they've had it. They've had it. And the polls reflect that as well, but not that I'm going to listen to the polls as much as I've listened to three years of conversation with people from all walks. But they're asking us to take action and to not kick the can down the road, which has been a practice for years. Do something, they said. Go to Austin. I'm sure, like all of us are commanded by our bosses to come to Austin and do something about it. Do something meaningful. Don't leave there without giving it a good fight. What the Legislature creates, the Legislature has the power to un-create. And now, it's time for us to address this issue in a meaningful manner, in a holistic manner. Because it's not, we're talking about the caps, but we're also dealing about, talking about addressing the appraisal districts in this bill where a uniform method to arrive at, how they arrive at appraisals. And I'm sure there'll be other ones in that holistic approach, but it must be a holistic approach, and that's what this bill begins to provide, it does provide it. And we can always continue to improve that. It's a law and this Legislature can convene every two years and adjust, but not just do something and stay on it for 30 years saying, well, it works, well, I don't want any trouble, let's not do anything about that, let's tweak it but not meet the needs of the people when the overarching need is relief. They want a fair and equitable process, fair and equitable. We all want to pay our fair share and we want it to be a fair fight. Let's give it to them. And who are they we're talking about? We work closely and treasure and work with our fellow public servants in city government and in county government. They are my friends, they are my coworkers. I respect them highly for what they do in public service and what they're doing to try to be able to provide for the counties. But are we talking about a rollback, for example, that is a hard number? It's not. This is not a bill about a hard number like in Massachusetts. This says that if you get to 3.5 percent, ask permission. If you have the need, if you need police and you need fire, I don't think there's a community out there that's not going to support that. You need to raise my taxes, tell me why you're doing it instead of just doing it because you can, until you get to the point of unsustainability, which is where we're at today. People have had it, but when

you need more, ask for it. It's not a hard number. It's just a trigger. So, so, I would ask, why do we fear democracy? Why are we going to fear democracy? Who do we work for? I say, Members, that we work for the people. And while I highly value and respect my local officials, and I do, and the work that they do, I will ultimately vote for the taxpayer, so that they that are our true bosses get to keep their little piece of the Texas sky. They worked hard for it. And let's all work to make this work for them, work for us, to make this the best state in the union with the best services, but do it in a manner that does not bankrupt us and that provides for a fair and equitable process for our true bosses, the people in our counties and our districts, and our cities. So, with that, I support this bill. Thank you, Senator Bettencourt. I would, this is a historic piece, and let us all work together to continue to make Texas the best state in the union. Thank you, Senator Bettencourt.

Presiding Officer: Thank you, Senator. Chair recognizes Senator Creighton. For what purpose?

Senator Creighton: Thank you, Mr. President, to speak for the bill.

Presiding Officer: You are recognized.

Senator Creighton: Senator Bettencourt, I just want to tell you how much I appreciate your hard work on this historic piece of legislation. We've worked hard on the property tax committee, the members that served on the committee with you as Chair and traveled the state. And one thing that was consistent that we heard from so many families of all ages, all incomes, all diversities, all backgrounds, were two words, help us. We heard that time and time again as families came from work, from their day in the life of raising a family, taking care of their job, doing everything that they do on a daily basis while the leaders that they put in place in elected office served to craft and create the policy that's best for them. They still took the time to come into those hearings, and some drove a long way to get there to ask us for help, and this has been years and years in the making. Last session, you put so much time in on this effort, and we see now where we are, which is we have a restraint on government spending in a manner that where policy is limited the tax levy will be restrained and local government will not be able to take in any more than 3.5 percent for cities and counties and special districts and 2.5 percent for schools. In Montgomery County, as an example, the tax levy just a couple of years ago was about \$50 million. At 3.5 percent, that would be growing that tax levy by \$1.7 million and some change. At the 16, 17, 18 percent rate that they have been growing their tax levy, that's an \$8 to \$9 million number in that same year. So, the difference is about seven to eight million. If you take that 17, 18 percent of growing that tax levy that they, at the pace that they've been on, and you take it to where the policy is in this legislation, it would be about a million seven in additional tax levy, seven to eight million plus or minus difference in what local government will take in. Who will keep that if this legislation doesn't work? Who will keep that, that savings on the tax levy if this policy doesn't bring true property tax reform? I'll tell you who will keep it, it's the taxpayer. The taxpayer will keep the difference in the tax levy because there's restraint, and if local government needs additional revenue, there's provisions in the bill where they can go to those very taxpayers and ask for additional monies, and the taxpayer can say, yes. The local government wins and the property taxpayer wins. And we heard time and time again

in these hearings exactly what the taxpayers expected, but time and time again, we've fallen short. And I've worked around this building as a staffer a long time ago when Lieutenant Governor Hobby was in office and then Bullock after him. And I've watched the building and the process and the House and the Senate, as both as a little bit of a policy nerd, and also, over the past 12 years as a Member. And I can tell you, historically, we don't make bold moves usually, unless there's litigation that forces us to like school finance, or if the public just outright demands it with torches and pitchforks on the Capitol steps. And we're at that stage on property tax. But I want to commend you for leading on the issue and pushing it through to the goal line because there's been a lot of special interest working on all of us, try to make this policy anything other than it is. And this policy makes sense as it fits together in a comprehensive approach where this session we are looking at, probably only the third time in 84 years, an overhaul of school finance reform, property tax reform, true reform of the system, which we have in Senate Bill 2. And as we will continue to work, Senator Paxton, on appraisal reform, where we have bills and the property tax committee that will look at the ARB and will look at appraisals and will look at the entire system in a comprehensive way as we keep working forward through the process. And there are best practices for the appraisal process in this legislation, which is excellent and will immediately work on behalf of the taxpayer as we advance this policy and, and work forward. But restraint on government spending to the benefit of the property taxpayer and the system that we have, which is preventing us from having a state income tax, which we do not need and will not stand for as Texans, as long as, I know from Senate District 4, as long as I'm in office. We rely on a property tax system and many of us have talked about a consumption tax, and we support that in the sense of, if we were to replace the property tax system itself and look at the merits of a consumption tax, but we have to know and taxpayers have to know that all the doors and windows and escape hatches are closed and that it won't just be an additional tax hike with the current property tax system that we have. So, we're going to continue to explore that in committee, as I know, Mr. Chairman, that we've talked about, as we consider and have all ideas on the table that are pro-property taxpayer and that's our job. That's what we're obligated to do, and that's what we've signed up for. These are tough days and a long haul through the legislative session. It's a marathon and a sprint. But those that are at home, whether they're watching on simulcast or they're here in the gallery or they're able to make the trip, they know that we are working on their behalf, no matter if their home is valued at \$70,000 or if it's valued a half of million dollars. Because what we know under the system, without SB 2, is that your home, no matter what valuation it's at, is on a, is on a compounded growth rate as government continues to grow and our liberties are put in check and held back and restrained. Without this policy, we're truly going to be taxed out of our homes under this system, and this legislation is historic. I just want to commend you for the hard work, Senator Bettencourt, Members of the committee, and all Members on this floor that have worked hard for the taxpayer today. Thank you, Mr. President.

Presiding Officer: Senator. Chair recognizes Chairman Whitmire. For what purpose?

Senator Whitmire: I would like to speak on the bill.

Presiding Officer: You are recognized.

Senator Whitmire: Members, I was not going to speak because of hours late, and I don't really anticipate changing any votes, but after listening to half a dozen or more speakers, I felt compelled to stand up and give my perspective. First of all, I'd like to look around this room and see who are the true conservatives. I'm serious as I can be. When I got here in 1983, the fundamental principle of the conservatives, before I got here and until very recently, were those who advocated local control, not much different than our attitude toward Washington. Really don't understand why Washington mandates so much to us as states. So, the parallel is, we're here and now we're reaching down into our communities, our local governments, and telling them how to run their business. It's amazing to me that all the sudden, in the last couple of sessions, that we almost sound like the enemy of our mayors, county judges, and even our sheriffs. These are the people that I see you stand by regularly during a time of crisis. After Harvey, the partnership between the State of Texas and our local government was one to be proud of. But now all of a sudden, it's almost like them and us. Like, it's almost a visiting team and us. I can't imagine. If you just could listen to yourself badger the people that share our constituents, I really regret it. And these are the people, I would suggest to you, having spent my adult life in elected office, these are the people that truly are closer to their communities than we are. So many of the county officials came before, all last session, we were there till 11:00, Gonzales, Goliad, small communities, asking us to please don't take their ability away to go to their communities, our voters, and ask them for additional revenue. People, in my judgment, are not against government, they want government to work. And we're really stripping their responsibility away from them, like we know better than the mayor of any small town in the State of Texas. I'm really lost how we talked so terribly, and you know what, seriously, Senator Bettencourt, they're not losing their elections. It's crazy. If anybody operated the way you describe them, the proponents of this measure, they couldn't stand for re-election. They'd get replaced. They're there every day. We're here every other year for 140 days, and we're smarter than the mayors of Alvarado, Whitney, Texas, where I grew up or our major metropolitan areas. Let me tell you something, I hate to be the Republican's political consultant, but I'll do it for a moment because I think it's important to this state. The proof's going to be in about two to three years. You better hope that it doesn't affect your community like a cap does in the City of Houston. In a very small turnout in '05, we put a 2.5 cap on revenue. Houston is booming. We can't hire police officers. The firefighters got parity, equal pay with police on the ballot, it passed last November, because everyone loves their firefighter. We don't know how to pay it. Our streets are falling apart. We've done no real aftermath of the hurricane last fall, and our hands are tied. And, in fact, we're in the desperate situation because of that cap. Well, I'm going to suggest to you the really good political position would be elect, allow the local officials to run their cities and run the state. I am terribly disappointed that it's gotten to the point where it's local officials against state legislators and let me close, I was in Washington County this weekend. I have a place there, went there yesterday. County Judge spotted me in a huge crowd of people visiting his county, terribly upset, scared, concerned. I told him I understood. I go home yesterday, the Mayor of Baytown called me. Folks, you are covering this state with a message to local government, city, county, and the

sheriffs, every one of those stand beside the sheriffs. You bring them down to my committee to talk about the need to change some criminal statutes. You're proud to stand with your sheriff, but where are you standing with him or her today? The sheriffs, and the bottom line is, I don't claim to be an expert on anything that we deal with. You know how I have a successful voting record, if I have one? I listen to the stakeholders. The sheriffs, the police chiefs tell me what they need from the state to set parameters and to give them the criminal justice laws to make our community safe, and then they deal with the local taxpayers to fund it. So, all I can say is, it's going to be interesting. I can't imagine, Paul, because the House set their bill for Wednesday, I think it'd be an interesting observation, which we will observe. The communication and the context is going to come between local governments, the stakeholders, and the Texas House. See, I grew up down here, married to a county judge's daughter from West Texas. I went to the county judges' conferences for the first 30 years of my career. Those are the best people on Earth, the salt of the earth, county officials. Most of them do not come and go. Mayors, council, pretty significant turnover. Judge Dalby, bless his soul, was a longstanding, 20-year-plus tenured County Judge of Garza County, just outside of Lubbock, but he's just one of many. So, I could not sit here and listen to the badgering. And you may not, you may deny what you've been sounding like, but they know it, they're hearing it. And I promise you at the courthouse coffee shop tomorrow, and, Pete, I worry about you. I can't imagine how you would ever cover and campaign in a district the size of yours, if you cannot come into the courthouse square and find your local officials and sit down and say, how's it going? How was the session for you? What can I do to help you? Partner, I think you're going to get a real shock, what you're going to hear from the local officials. Thank you for allowing me to speak.

Presiding Officer: Thank you, Dean. Senator Fallon, you are recognized for what purpose?

Senator Fallon: Um, Mr. President, I move to have the comments of Senator Bettencourt, Hancock, Creighton, and Flores reduced to writing and to the Journal.

Presiding Officer: We have a few more that want to speak, so can we wait and motion so we can catch everybody. Thank you, Sir. Chair recognized Senator Birdwell. Same motion, okay. Alright. Chair recognized Senator Bettencourt for a motion.

Senator Bettencourt: Thank you, Mr. President. There comes a time that, for good men to do nothing, bad things happen. Bad things have happened for taxpayers. I just want to read from *The Dallas Morning News*. It's their opening line. The tax bill for an average Dallas County homeowner jumped 55 percent from 2013 to 2018. Think of it. Your tax bill went up 55 percent in five years. Well, I wear a Texas number one lapel label because I don't want Texas to be number one on tax rates. Fortunately, we've chase nearly run Illinois to ground for second place and are still behind New Jersey. And that was calculated by a news organization. As the tax increased of \$1,900, the average home was \$191,000. Wow. But that's how property taxes work, so a home that's worth \$191,000 now, is paying \$1,900 more, and I submit very strongly that that \$1,900 is two to three times faster than their paychecks have gone up. It's real health care money. It's real education money. It's real entertainment

money. It's money that family could have done anything else with except pay the government because this isn't mystery, it's fact. Now, this doesn't have to be a partisan issue because this is an everybody pays issue. Everybody pays property taxes. I don't care where you work, what you look like, who you sleep with. The only other thing that's investable, is death, except taxes. So, when we have a bill like this, wherever increases are too strong, as values increase, tax rates will go down. That's a good thing, because I don't want people to pay 55 percent more money in five years. It's unsustainable. Now, there were so many good comments made, but I have to concentrate on my newest friend because he made the comment that I think is perfect. We want Texans to keep a piece of the Texas sky. Gosh, does that summarize this debate? Because that's what SB 2 does. It lowers property tax rates as values go up. And it puts hundreds of dollars back into people's pockets. Thousands, if they own their home long enough, and more importantly, it gives hope to those millennials I talked about when I opened this debate up this morning, because it's those millennials that have to pay for a \$448,000 house, when I was there with my wife and pay for and sold a \$148,000 house. There are times when good men and women have to take a stand for the taxpayers, and I submit, after documented evidence, that we have major urban areas where taxpayers are paying 55 percent more money in five years, that it's time. It's well past time. We've had this rollback rate at eight percent for 38 years and because of that, we've put home and business ownership at risk. Now, I'm going to close with a story. There was a little known tax assessor 16 years ago that had went with three freshmen representatives and two busloads of people from a radio station. They were in, down in the, down in the annex and in our, the arena, in the large conference room, and they came in and told by a chairman that they would have to either seats at 8:00 in the morning. So, that intrepid band of 300 Spartans got on a bus and at 5:30 in the morning they left. And they came to the Capitol expected to be welcomed by committee chairman because their testimony was valid. Their testimony was Houstonians who came to the Capitol seeking tax relief because Harris County and Houston was at the epicenter. It's the first county in. Dallas is number one, but Harris County was number one then. They went to that hearing, they were told to be in their seats, and then another bill was called, and then a session occurred, and then lobbyists were taken one by one, and not a single taxpayer was heard. Well, that little known tax assessor leaned over to three state reps and said, 257, I leaned over and said, I'm expendable. I'm going to object. I will be tossed out. You guys can't because you've got to vote. And I remember after saying that and waiting, a clear trumpeted voice came over the back of the hall and said, Mr. Chairman, I object. And that was your Lieutenant Governor Dan Patrick, and the rest, I would say, is history. But it was my newest of shift mate, who summed it up best to the press and then she told me later, that she was happy to be here on the third shift to see property tax relief passed because we've been working this problem an awfully long time. So, I give a clarion call to my Members of the other party, join us. Join us. Help the taxpayers. They can't afford 55 percent more in the next five years on their tax bills. Join us because this is real property tax relief. In a hypothetical city that lost \$117 million, there's no more than a million residents. Do the math? That's \$117 per resident, four residents per home. That's nearly \$500 per home. This is real tax relief. How do I know it's real tax relief, because 2.5 percent on schools is already a 2.5 budget item in our budget.

Billions, not \$1.65 a day or a month or a minute. It's real money. Join us. Because that's what tax relief demands now. They don't care what party you are. They don't care how you got elected, they just want to stay in their homes, and they just want to have a business. And if they have a burger stand or a taco truck, they dream of having a brick and mortar facility that they can do business out of, because it's about keeping that piece of Texas sky. So, just the school portion alone is \$2.5 billion in the first biennium, \$4.5 billion in the second biennium, 6.5 billion in the third. Now, like all things, history will record what is done today, but more importantly, the taxpayers, I hope, have hope, and I think that the passage of Senate Bill 2, if it says anything, is that they hope to keep their piece of the Texas sky. And with that, Mr. President, I move final passage of Senate Bill 2.

(Senator Perry in Chair)

CSSB 9

Presiding Officer: Chair recognizes Senator Watson, for what purpose?

Senator Watson: I'd like to speak on the bill.

Presiding Officer: Recognized.

Senator Watson: Thank you, Mr. President. Thank you, Members. Members, election integrity is important to every person on this floor, because we all believe in the power of democracy. It's truly a bipartisan issue. Unfortunately, this is also an issue on which the State of Texas has lost credibility. In the last 10 years, this state has been sued dozens of times and repeatedly courts have ruled that Texas has violated our own citizens' constitutional right to vote. Some of SB 9's provisions likely would improve election integrity, but, sadly, other provisions of Senate Bill 9 would continue this state's sad history of voter intimidation and disenfranchisement. Members, contrary to the rhetoric that we often hear, improving election integrity and increasing access to the polls are not mutually exclusive concepts. We can and absolutely should do both. An amendment I offered today was a great example of this. Electronic voter registration would make our elections more secure by improving the accuracy of our voter rolls and would also make it easier for people to register and ultimately a vote, ultimately vote. And I agree with Senator Hughes' suggestion that this is an issue who, that should be discussed. Unfortunately, my amendment was voted down on a party-line vote. For these reasons I will continue to support election security and integrity, but I cannot support Senate Bill 9. Thank you, Mr. President.

Presiding Officer: Thank you, Senator Watson. Chair recognizes Senator Menéndez, for what purpose?

Senator Menéndez: Thank you, Mr. President. I rise to speak against the Committee Substitute to Senate Bill 9.

Presiding Officer: You are recognized.

Senator Menéndez: Thank you, Mr. President. Members, we heard earlier from Senator Hughes advocating to protect voter integrity, and the one part of the Senate Bill 9 that I do like is the audit paper trail. I want to commend him for including this in the bill. My concern is, though, that we don't have enough funds in the bill to help provide for those counties purchase these machines that we're going to be requiring,

thus simply creating another unfunded mandate. Unfortunately, the rest of the bill increases, in my opinion, voter suppression by making voting substantially harder for Texans. I believe that voter integrity is a bipartisan issue. I believe that we all want to have a clean election system, one that eliminates bad actors and one that we can all have trust and confidence in. I also believe, though, that we need to have a system that works for all of us. We presented an amendment that I believe would have increased voter participation where we need it most, with our young people. I understand that it is a topic that requires and should have a greater debate. That's why I filed the bill. I think eventually, though, Senate Bill 9, on its own, does not protect voters. I think it has the potential to harm voters, those who require rides to the polling places because they don't have their own means of transportation. It potentially harms those who make an honest mistake on their ballot by criminalizing them. It potentially harms those who may be told by a well-meaning election worker, here, use, use one of these provisional ballots. You know, I find it ironic that we're working on this bill when in a year or so many of us are going to be out there asking people to show up to the polls. We're going to be doing everything we can. Say, please, come out and vote. It's important. Elections matter. Elections have consequences. And it strikes me as odd that this bill, in the name of voter integrity, does things to suppress voter participation, and this is why I rise and ask those, for you to join me in voting against the Committee Substitute to Senate Bill 9. Thank you, Mr. President. Thank you, Members.

Presiding Officer: Thank you, Senator. Senator Zaffirini, for what purpose?

Senator Zaffirini: To speak on the bill.

Presiding Officer: You're recognized.

Senator Zaffirini: Thank you, Mr. President. Mr. President and Members, I rise in opposition to Senate Bill 9. Although the bill has some positive provisions, taken as a whole it will have a negative impact on voter turnout. It creates overly restrictive barriers to accessing the polls, especially for elderly persons and for persons with disabilities. While it is imperative that we maintain the integrity of our electoral process, we must not do so at the expense of eligible voters. Voters with disabilities, in particular, should not be subject to more restrictive requirements than anyone else. What's more, the increased penalty provisions included in the bill will do more to discourage participation by eligible voters who are afraid of prosecution than it will to prevent criminal acts. Texas has among the lowest voter participation rates of any state in the country. Accordingly, we should consider legislation to encourage persons to exercise their constitutional voting rights rather than further restricting them. For these reasons and more, I will vote no on Senate Bill 9. Thank you, Mr. President and Members.

Presiding Officer: Anybody else wish to speak on Committee Sub- Committee Substitute to Senate Bill 9. Chair hears, sees none. Oops. Senator Rodríguez, for what purpose?

Senator Rodríguez: Mr. President, I'd, I'm not speaking on it, I'm just simply making a motion to reduce the comments on Senate Bill 9, the, the closing statements, the debate, to writing and placed in the Journal.

Presiding Officer: We'll get that soon as the bill's final passage.

Senator Rodríguez: Alright, thank you.

Presiding Officer: No one else to speak? Chair recognizes Senator Hughes for a motion.

Senator Hughes: Thank you, Mr. President. Members, Senate Bill 9 has been devated, debated, fully vetted, I think we understand the issues. The heart of the bill, of course, is that paper ballot, that paper backup. While there are some concerns, I think we have broad agreement that's important. Again, to go to the bipartisan nature of this bill, there's a lot of Republican opposition to paper backups. The various parts of the state, this is not a partisan issue even on the paper ballots. We do think that is where we need to end up and that is, that does reflect of the unanimous consent of the Committee on Election Integrity. On the paper ballot we were united in that, based on the testimony we heard. Now, what about the election security provisions? I have respect and love for each Member of this body and for how we operate. The opposition to this bill, to be frank, has generated much heat and not much light. Voter suppression, discouraging people from voting, what in this bill discourages people from voting? It's just not there. Here, here's how bad it's gotten. Now this, this is on Twitter. This was a national political figure over the weekend, and, and her tweet says, in Texas the State Senate is considering Senate Bill 9, a bill that would make it harder for Texans to register to vote and would make fewer Texans' votes count. Okay. How does this bill make it harder to register to vote? The only provision in this bill about registering to vote says, if you're going to have a voter registration card, and that's going to be prepopulated, you have to check the box that says I'm eligible, check the box I'm a citizen, and I'm 18 or over. If that makes it harder for people to register to vote, we submit it encourages people who are entitled to vote to register to vote. If that's a barrier to voting, then I don't really understand that argument. Does it affect the votes being counted? Of course not. Nothing in this bill, nothing in this bill says that after a vote has been cast or, or anything about the current process, that a vote would not be counted. What does the bill do? It says, if you're going to bring someone to the polls and then help them with their ballot, look at their ballot, look over their shoulder, participate in that process, invade that secret ballot, yes, we want to know your name and why you're doing that. It doesn't say their vote doesn't count, the vote is still counted. The only thing this bill does is open up the process for transparency and for accountability. And, again, the reforms we describe here are based on testimony heard in this Chamber, sworn testimony from Democrat and Republican witnesses about how folks are cheating in the Valley, in East Texas, in the urban areas, all across Texas. Everyone's not doing it, most people aren't, but I think we realize that if that vote is to be the sacred blood-bought right that it is, it's got to be protected. That's what Senate Bill 9 does, and I move final passage, Senate Bill 9.