

Status Report: Unfunded Mandates of the 80th

August 2007

STATUS REPORT: UNFUNDED MANDATES
POTENTIAL REVENUE COSTS FOR COUNTY GOVERNMENT
Executive Summary of the 80th Legislative Session

October begins the fiscal calendar for a majority of counties in Texas. Meanwhile, county officials are spending countless hours deliberating over budget items including the most recent unfunded mandates enacted during the 80th Legislative Session. Now that the session has concluded, TAC has identified seven unfunded mandates which have been signed by the Governor. This figure seems relatively small compared to the number of unfunded mandate bills initially introduced. From the 6,362 bills filed this session, it is possible that a few more unfunded mandates may surface. For example, HB 3732, an apparently innocuous bill may have a dramatic fiscal impact on certain counties. Due to the proposed tax exemptions for certain pollution control equipment, some local governments may witness a significant reduction in the size of their tax base depending on the Texas Commission on Environmental Quality's adoption of applicable rules relating to issues such as equipment qualifying for full or partial tax exemptions. The Jefferson County Appraisal District estimates that locally as much as \$8 billion in property value could be affected. Because of the fiscal impact HB 3732 may have on other counties, it is imperative that a concerted effort is made to identify other bills that may cause unintended consequences for county governments. This report will be used as a starting point for identifying and reporting on unfunded mandates as they become known. In order to make this information readily available, this report will be posted on TAC's website at the conclusion of our 2007 Annual Conference in August.

Included is a synopsis of each bill explaining the fiscal impact it may have on local county governments. The fiscal impact is only a projection based on information collected by the Legislative Budget Board. Most of these bills become effective on September 1st.

SIGNED BY THE GOVERNOR:

HB 2667 by Latham - Relating to certain insurance-related matters involving rural volunteer firefighters, volunteer police force members, or emergency services districts. The bill adds Subchapter H to Chapter 614 Government Code: "Insurance Coverage Required for Volunteer Police Force Members". In addition to the definition of volunteer police force member as found in Local Government Code 341.011 and 341.012, a volunteer police force member is also defined as any other person assigned by a state agency or political subdivision to perform, without compensation, any duties typically performed by a peace officer. Each volunteer police force member must be insured or covered by the applicable state agency or political subdivision against any injury incurred while performing duties at the request of, or under contract with, the state agency or political subdivision. State agencies or political subdivisions may satisfy the requirements of this bill by providing insurance coverage to its volunteer police force members or by entering into an interlocal agreement with another political subdivision providing for self-insurance to those volunteer members performing assigned duties on or after January 1, 2008. The bill also amends Health and Safety Code 775.084(i) providing that the purchase of insurance coverage and repairs funded by a payment made under an insurance claim are added to the list of expenditures greater than \$25,000 that are exempt from the competitive bid process. In addition, the Texas Forest Service may adopt rules necessary to assist rural fire departments in the payment of audit costs for a workers' compensation claim in any year in which there is an abnormally high number of wildfires. Effective 9-01-07.

HB 2884 by Dutton - Relating to juvenile delinquency; providing penalties. This bill amends several codes to reflect recent changes in statutes. Topics included in the bill are the transfer of determinate sentence probation, transfer of supervision between juvenile probation departments, sharing of juvenile information, infant care and parenting programs for youth in the Texas Youth Commission (TYC), a statewide juvenile information and case management system, juvenile restitution payments, and a variety of other issues. The bill requires a juvenile justice information system to include prosecutors and court clerks as those eligible to access the system. Court orders and other documents filed with the court would be added to the juvenile justice information system. It requires a juvenile court judge in a county of 600,000 or more to post a report containing certain non-identifying information on youth committed to TYC on a county website, with updates required each quarter. The bill establishes a juvenile board in Jim Hogg County. Effective 9-01-07.

HB 2967 by Hartnett - Relating to a performance bond required of a statutory probate court judge. The bill requires a statutory probate court judge, prior to taking office, to execute a \$500,000 bond conditioned on the faithful performance of the duties of the office and removes conflicting statutory provisions. It allows a county to obtain insurance in lieu of the bond and requires a county to pay the premium for the bond or insurance out of general funds. Effective 10-01-07.

HB 3613 by Latham - Relating to identification cards issued to peace officers, reserve law enforcement officers, and honorably retired peace officers by a law enforcement agency or other governmental entity. Due to the increased instances of persons impersonating a peace officer, and in the interest of homeland security, HB 3613 develops a statewide standard for information contained on peace officer identification cards. Each law enforcement agency will be required to follow the new identification card standard and issue the new cards to their full and part time peace officers, reserve deputies and honorably retired peace officers by January 1, 2008. An agency which employs at least 1,000 officers eligible to receive the new cards must issue the cards within their agency no later than January 1, 2010. Effective 9-01-07.

SB 103 by Hinojosa - Relating to the Texas Youth Commission and the prosecution of certain offenses and delinquent conduct in the Texas Youth Commission and certain other criminal justice agencies; providing penalties. The bill addresses health, safety and justice issues within the Texas Youth Commission (TYC) and seeks to improve operations by overhauling the internal structure, standardizing operating policies and procedures, appointing an ombudsman, mandating increased training for employees, creating support programs and communications with families, lowering the number of inmates to guards ratio, separating offenders by age, and more. In an effort to reduce the number of juveniles eligible for commitment to TYC, the state agency overhaul will impact local juvenile probation departments and courts' sentencing options by prohibiting the commitment of certain offenders, especially in counties of at least 335,000 population, into TYC for rehabilitative services. Effective 6-08-07.

SB 1434 by Estes - Relating to the selection of election officers for early voting for the general election for state and county officers. SB 1434 mandates county clerks hire equal numbers of Democrats and Republicans as deputies in each early voting polling location. Effective 9-01-07.

SB 1562 by Hinojosa - Relating to treatment of certain animals and training for animal control officers; creating an offense. Animal control officers will be required to complete a 12 hour basic training course within one year of employment – or by June 30, 2008 – and 30 hours continuing education every three years. Department of State Health Services or course sponsors are permitted to charge reasonable fees to cover the costs associated with arranging and teaching the course. Political subdivisions may require that an individual pay a fee for a course or certificate of completion. Effective 9-01-07.