

★ PENSIONS, INVESTMENTS & FINANCIAL SERVICES COMMITTEE ★

COMMITTEE SUMMARY:

I had the great privilege of once again chairing the House Committee on Pensions, Investments, & Financial Services during the 82nd Legislature.

One of the most challenging issues our committee had to face this past session dealt with the auto title and payday loan industries. For a number of years, the Texas Legislature battled between balancing consumer protection and industry regulation, yet ended every session without providing any sort of relief or assistance. There were great numbers of cases of consumer abuse by bad actors in these industries reported not only to my office and other elected officials but also to the Attorney General, faith based organizations, non-profits, and the Better Business Bureau. It was my obligation as Chairman to tackle the issue head on and take the lead. I filed a package of three bills in order to create an environment where scrupulous companies could compete to provide services desired and needed by consumers. I organized negotiations between consumer and industry advocates and passed two out of the three bills to establish a licensing and regulatory framework for the short-term, high-risk loans provided by these industries.

I sponsored another important piece of legislation regarding unregulated mortgage service providers. Most mortgage servicing is handled by banks, credit unions, or their subsidiaries and are regulated under federal law. However, there are unregulated third parties acting as mortgage services, but no state agency designated to handle complaints. This bill requires unregulated mortgage services to register with the Texas Department of Savings and Mortgage Lending and allow that agency to respond to complaints.

In the pension world, we struggled with a number of tough decisions. Various bills were filed authoring cost of living increases for retired teachers, none of which were passed out of the committee. We had to put up a strong defense to ensure the viability and sustainability of our pension funds by rejecting proposed benefit increases, especially during this unstable economic rebound. It is our responsibility as lawmakers to protect our public pension funds in order to provide a sound retirement. We were able to assist 842 Texas cities covered under the Texas Municipal Retirement System (TMRS) with holding down contribution rates and improving funding ratios. I carried a bill to consolidate and streamline TMRS operations, thereby reducing the volatility of city contribution rates by lowering contribution requirements of most cities while producing higher funding ratios. The passage of this bill is expected to save Texas taxpayers \$135 million. This was a very important piece of legislation for many of our cities and was unanimously supported by all of the stakeholders. My bill allowed for improved efficiencies and reduced costs without reducing retiree benefits.

Texas is in far better shape than most other states with our pension funds because of the prudent policy decisions made here. I anticipate we will have a very busy interim studying how to continue to improve and reform our major retirement systems for Texas. We will monitor the enormous number of federal regulations and rules brought about by the Dodd-Frank Act, and how our banking and lending institutions are being impacted. Texas fared well after the crisis because of our conservative laws, but we will have to comply with the new national standards and rules that will continue to be adopted.



STATE REPRESENTATIVE
Vicki Truitt
P.O. Box 2910
Austin, Texas 78768-2910

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VICKI TRUITT
STATE REPRESENTATIVE ★ DISTRICT 98

82ND SESSION CAPITOL REPORT
PROPOSED CONSTITUTIONAL AMENDMENTS
OCTOBER 2011

HOUSE OF REPRESENTATIVES



VICKI TRUITT
DISTRICT 98

CAPITOL OFFICE:
P.O. BOX 2910
AUSTIN, TX 78768-2910
(512) 463-0690
FAX: (512) 477-5770
CAPITOL BUILDING, GW.18

DISTRICT OFFICE:
1256 MAIN STREET, SUITE 248
SOUTHLAKE, TX 76092-7624
(817) 488-4098
FAX: (817) 488-4099
SOUTHLAKE TOWN SQUARE

Dear Friends,

With the 82nd Legislative Session behind us, it's great to be home after the 140 days of the Regular Session, and the subsequent 30 days of the First Called Session, commonly referred to as "Special Session."

Before the beginning of the 82nd Session, Texans made it clear that additional taxes would not be tolerated. Our voices were heard, and the Legislature was able to **balance the Texas budget without raising taxes** on citizens — or businesses. The budget we passed not only demands the state to live within its means, but it also provides the means for this state to continue to grow and prosper.

The Texas House of Representatives delivered on many other important priorities for Texans.

For example, the Legislature was able to pass redistricting maps for the Texas House, Texas Senate, State Board of Education, and Congressional during its regular session - for the first time in recent history. We also passed a **Photo Voter ID** bill (in which I am proud to have played an active role), a resolution calling upon Congress to adopt a **balanced federal budget**, a requirement for **proof of citizenship to get a Texas Drivers license**, border security initiatives, **pro-life measures**, **consumer lending protections** (which I authored), **property owner and gun owner protections**, increased **funding for NE Tarrant County highway projects**, and much more — again, all with a **NO tax increase**, **BALANCED** state budget. We **cut \$15 billion** from FY '12/13 budget compared to the previous FY '10/11 biennial budget.

And though we have asked local school districts to tighten their belts like the rest of us and embrace cost-saving efficiencies, we **passed a higher total dollar public education budget** (\$1.6 billion for a 5.6% increase) than was funded during the previous biennium, and restored much local control to school districts. Balancing taxpayer concerns and our commitment to classroom excellence, I am continuing to work with District 98's local school districts to **develop a better funding formula** for our schools — one that will accommodate student growth.

These are only a few of the many important accomplishments of the 82nd Texas Legislature. On any of these, or on other issues, please contact our offices should you have any questions, or need additional information.

Also, this November, you will have the opportunity to vote on a number of **proposals to amend our Texas Constitution**. For your information and convenience, enclosed is a brief summary of each of the proposed amendments, and a **quick reference sheet** that you may print and use when you go to vote. The election is **Tuesday, November 8, 2011**.

As the needs of our local communities evolve, I look forward to working with you on seeking responsiveness and accountability from our state government.

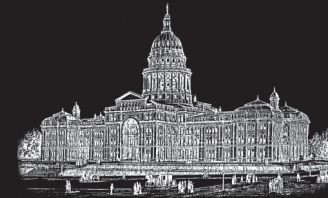
"**Together, we can**" is my commitment to serving you in the Texas Legislature and making our state even greater. **Thank you** for the privilege allowing me to serve you in the Texas House.

Sincerely yours,

VICKI TRUITT

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CAPITOL OFFICE:
P.O. Box 2910
Austin, Texas 78768-2910
(512)463-0690
(512)477-5770 Fax
Capitol Building GW.18
E-Mail: vicki.truitt@house.state.tx.us



DISTRICT OFFICE:
1256 Main Street, Ste. 248
Southlake, Texas 76092-7624
(817) 488-4098
(817) 488-4099 Fax
Southlake Town Square
House Website: www.house.state.tx.us


CHAIR, HOUSE COMMITTEE ON PENSIONS, INVESTMENTS & FINANCIAL SERVICES
MEMBER, HOUSE COMMITTEE ON CALENDARS
MEMBER, HOUSE COMMITTEE ON PUBLIC HEALTH

Constitutional Amendments Election Day Aid
Election Day, November 8, 2011 Early Voting October 24 to November 4

Please carefully study the pros and cons of each proposed Amendment before you vote. State law allows you to take this information into the polls. Please feel free to cut out this practice ballot and take it with you to vote.

<input type="checkbox"/> For	<input type="checkbox"/> Against	#1 Authorizing the legislature to provide for an exemption from ad valorem taxation of all or part of the market value of the residence homestead of the surviving spouse of a 100 percent or totally disabled veteran.
<input type="checkbox"/> For	<input type="checkbox"/> Against	#2 Providing for the issuance of additional general obligation bonds by the Texas Water Development Board in an amount not to exceed \$6 billion at any time outstanding.
<input type="checkbox"/> For	<input type="checkbox"/> Against	#3 Providing for the issuance of general obligation bonds of the State of Texas to finance educational loans to students.
<input type="checkbox"/> For	<input type="checkbox"/> Against	#4 Authorizing the legislature to permit a county to issue bonds or notes to finance the development or redevelopment of an unproductive, underdeveloped, or blighted area and to pledge for repayment of the bonds or notes increases in ad valorem taxes imposed by the county on property in the area. The amendment does not provide authority for increasing ad valorem tax rates.
<input type="checkbox"/> For	<input type="checkbox"/> Against	#5 Authorizing the legislature to allow cities or counties to enter into interlocal contracts with other cities or counties without the imposition of a tax or the provision of a sinking fund.
<input type="checkbox"/> For	<input type="checkbox"/> Against	#6 Clarifying references to the permanent school fund, allowing the General Land Office to distribute revenue from permanent school fund land or other properties to the available school fund to provide additional funding for public education, and providing for an increase in the market value of the permanent school fund for the purpose of allowing increased distributions from the available school fund.
<input type="checkbox"/> For	<input type="checkbox"/> Against	#7 Authorizing the legislature to permit conservation and reclamation districts in El Paso County to issue bonds supported by ad valorem taxes to fund the development and maintenance of parks and recreational facilities.
<input type="checkbox"/> For	<input type="checkbox"/> Against	#8 Providing for the appraisal for ad valorem tax purposes of open-space land devoted to water-stewardship purposes on the basis of its productive capacity.
<input type="checkbox"/> For	<input type="checkbox"/> Against	#9 Authorizing the governor to grant a pardon to a person who successfully completes a term of deferred adjudication community supervision.
<input type="checkbox"/> For	<input type="checkbox"/> Against	#10 To change the length of the unexpired term that causes the automatic resignation of certain elected county or district officeholders if they become candidates for another office.

Clip and take with you



in this issue
Constitutional Amendment Voter's Guide
cut out and take with you to the polls

Early Voting:
Monday, October 24 through Friday, November 4

Election Day: Tuesday, November 8TH

The Texas House of Representatives is an Equal Opportunity Employer and does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or the provision of services. This newsletter is available in alternate formats upon request. Please call 1-800-241-1163

Proposed Constitutional Amendments

Proposition

Ballot Language

No. 1 Allowing surviving spouse of disabled veteran to receive homestead tax exemption.	SJR 14 “The constitutional amendment authorizing the legislature to provide for an exemption from ad valorem taxation of all or part of the market value of the residence homestead of the surviving spouse of a 100 percent or totally disabled veteran.”
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No. 7 Authorizing El Paso County districts to issue bonds for parks and recreational facilities.	SJR 28 “The constitutional amendment authorizing the legislature to permit conservation and reclamation districts in El Paso County to issue bonds supported by ad valorem taxes to fund the development and maintenance of parks and recreational facilities.”
No. 8 Appraising open-space land for water stewardship.	SJR 16 “The constitutional amendment providing for the appraisal for ad valorem tax purposes of open-space land devoted to water-stewardship purposes on the basis of its productive capacity.”
No. 9 Allowing pardon by the governor after successful deferred adjudication.	SJR 9 “The constitutional amendment authorizing the governor to grant a pardon to a person who successfully completes a term of deferred adjudication community supervision.”
No. 10 Lengthening period before county officials must resign to run for other office.	SJR37 “The constitutional amendment to change the length of the unexpired term that causes the automatic resignation of certain elected county or district officeholders if they become candidates for another office.”

More detailed arguments for and against the constitutional amendments on the November 8, 2011 ballot are available online at www.hro.house.state.tx.us, view the report entitled, Constitutional Amendments Proposed for 2011 Ballot.



HIGHLIGHTS OF THE 82ND LEGISLATIVE SESSION



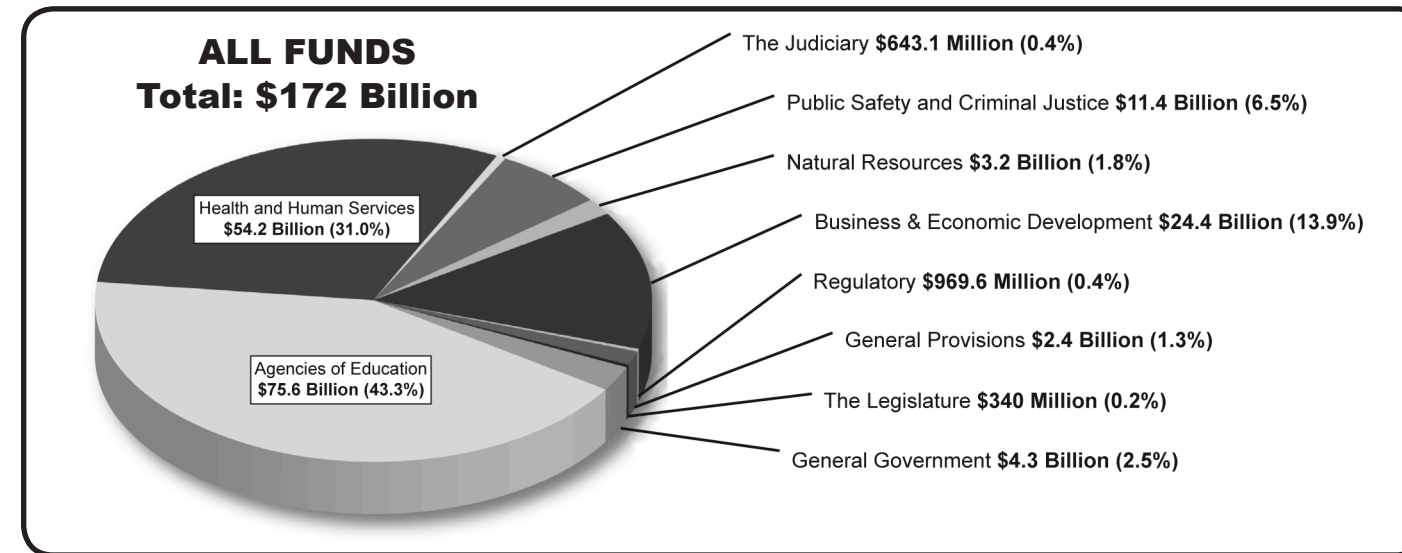
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In accordance to the Texas Constitution, the only legislative item that the Texas Legislature must accomplish when it convenes is to pass a balanced budget for the upcoming biennium. And chief among the legislative challenges this session was our state’s 2012-2013 biennial budget. Before heading into this legislative session, we learned that, due to the downturn in the economy, Texas faced a historic budget shortfall estimated to be as much as \$25 billion for the upcoming biennium, and nearly a \$ 4 billion deficit for the current biennium.

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SCHOOL FUNDING

I remain disappointed and frustrated in the Legislature’s inability to establish a public school funding formula that works fairly and effectively for all of our schools. The funding of our education system is on the forefront of the Legislature’s agenda every time it convenes, and this session was no exception. While facing one of the worst recessions in decades, the Legislature was still able to increase education spending by \$1.6 billion, or approximately 5.6%. Funding formulas would have driven an additional \$4 billion into public education had the revenues been there to support this increase. Unfortunately, the revenues simply were not there to support that level of funding.

VOTER PHOTO ID

After several sessions of attempting and failing, finally, this session the Legislature was able to pass a strong Voter Photo ID law that will protect the public’s confidence in elections by deterring and detecting voter fraud. This bill further ensures the integrity of the election process by requiring voters to produce a form of photo identification, or other accepted identification, when voting. As a sponsor of the bill, I can proudly say that it was an honor to have played an active role in passing this landmark legislation by managing the many floor amendments in preparing the author to argue for or against the amendments, as needed.

STATE SOVEREIGNTY

The encroachment of the federal government was a topic of tremendous concern and discussion this session. One of the key pieces of legislation that was filed and ultimately passed during the First Called “Special” Session was the Health Care Compact Bill. The Health Care Compact bill was filed in response to the Patient Protection and Affordable Care Act passed by our federal government in 2009. At the time, it was said that this federal legislation would make health care more affordable for our citizens. Instead, it is now clear that this is an enormous unfunded mandate passed down to the states. The Compact allows for a waiver for Texas from the Patient Protection and Affordable Care Act.

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Rep. Pruitt advises bill author Rep. Patricia Harless about amendments as Reps. Jim Keffer, Chuck Hopson, and Allan Ritter stand by.

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Leading into the 82nd Texas Legislature, I heard from many of you asking for tougher immigration reform. For this reason, I signed onto House Bill 12 as a co-author of this legislation that addressed the enforcement of state and federal laws governing immigration by certain governmental entities. During the regular session, the House was able to pass a strong sanctuary cities bill. However, that bill later died in the Senate.

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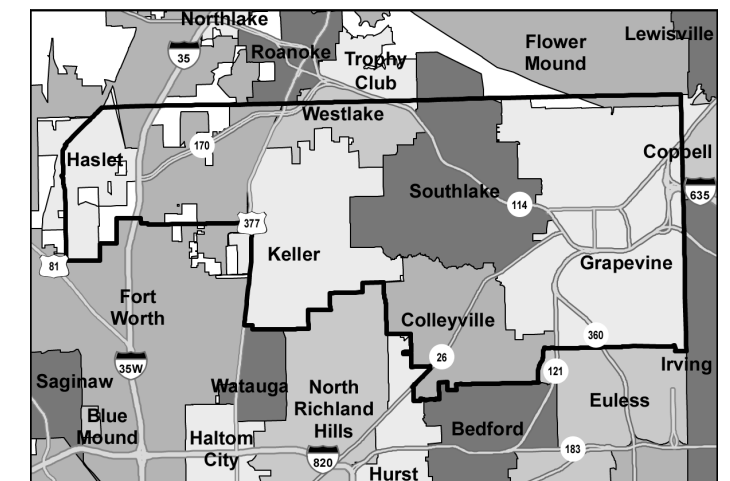
The Legislature took another step towards fighting frivolous lawsuits this session. Excessive lawsuits burden courts, stifle business and productivity. In effort to prevent abusive lawsuits, the Legislature passed what is referred to as “loser pays” legislation. All too often, individuals initiate these types of lawsuits because oftentimes defendants will opt to settle out of court rather than endure the expenses of a trial. This legislation is an attempt to discourage cases without merit or legal basis from even going to court, and it forces litigants to pay for the defendants’ legal fees if they lose their case. This legislation relieves employers and many Texans of the unnecessary costs and burdens created by frivolous and drawn-out lawsuits.

REDISTRICTING

The Texas Legislature is responsible for producing four of the state’s required redistricting plans (U.S. Congressional districts, Texas State Board of Education, Texas Senate and Texas House). The Legislature was successful in passing the Texas State Board of Education plan (House Bill 600), the Texas Senate plan (Senate Bill 31) and the Texas House of Representatives plan (House Bill 150). A Congressional redistricting plan was not passed during the regular session. However, one was passed during the First Called “Special” Session (Senate Bill 4).

I voted “no” on the State Senate map bill, as well as on the SBOE map bill, and the Congressional bill because of the way each of these maps split the communities of common interests in Northeast Tarrant County. In my opinion, these maps diluted the voting strength of the people I represent.

To view the new House District 98 map, visit the Texas Redistricting Website at: www.tlc.state.tx.us/redist/redist.htm.



House District 98, Enacted by the 82nd Texas Legislature, 2011



Rep. Pruitt beckoned House Appropriations Chairman Jim Pitts from the House Floor to visit with District 98 constituents from Carroll and Grapevine-Colleyville ISDs about school funding.



VICKI TRUITT

STATE REPRESENTATIVE ★ DISTRICT 98

82ND SESSION CAPITOL REPORT PROPOSED CONSTITUTIONAL AMENDMENTS OCTOBER 2011

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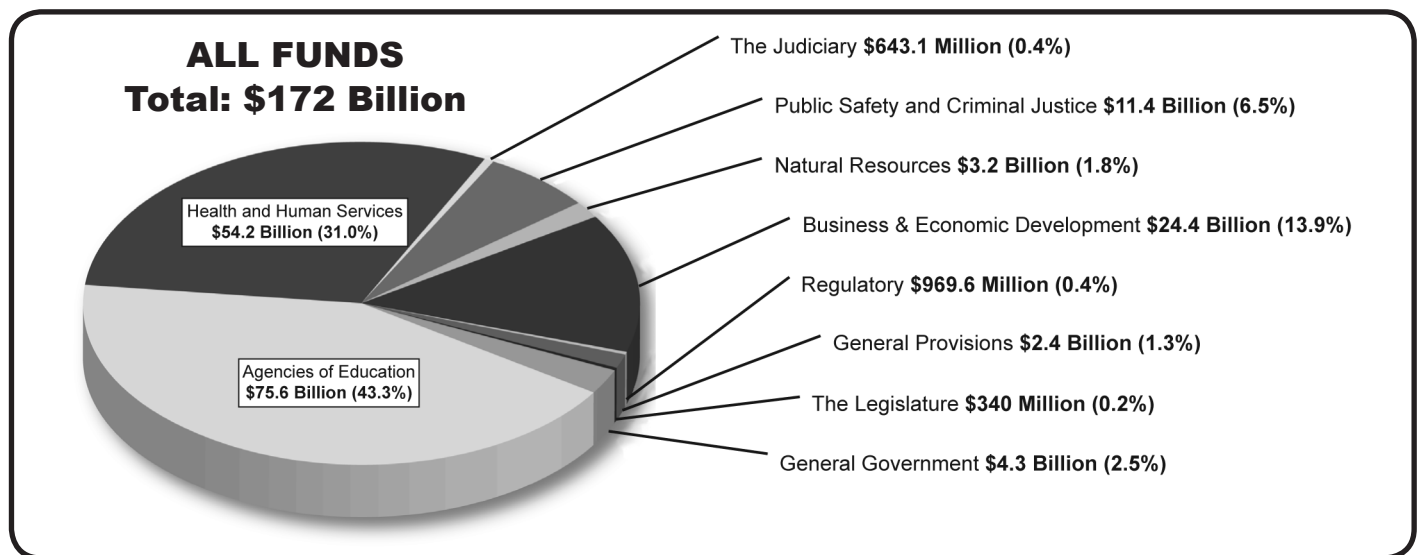
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TORT REFORM

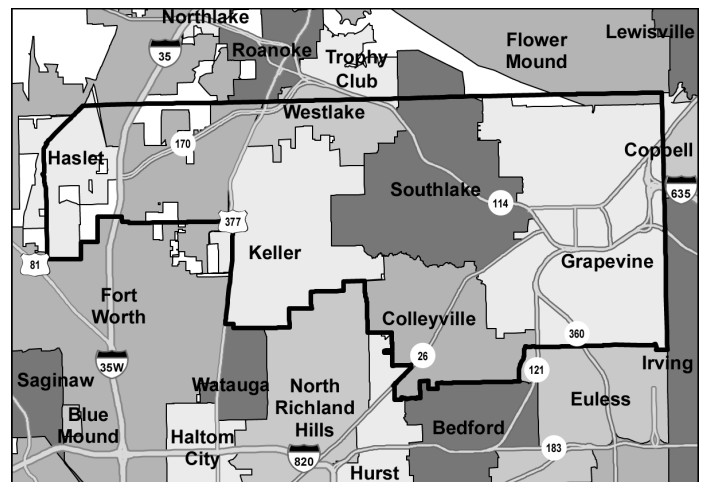
The Legislature took another step towards fighting frivolous lawsuits this session. Excessive lawsuits burden courts, stifle business and productivity. In effort to prevent abusive lawsuits, the Legislature passed what is referred to as “loser pays” legislation. All too often, individuals initiate these types of lawsuits because oftentimes defendants will opt to settle out of court rather than endure the expenses of a trial. This legislation is an attempt to discourage cases without merit or legal basis from even going to court, and it forces litigants to pay for the defendants’ legal fees if they lose their case. This legislation relieves employers and many Texans of the unnecessary costs and burdens created by frivolous and drawn-out lawsuits.

REDISTRICTING

The Texas Legislature is responsible for producing four of the state’s required redistricting plans (U.S. Congressional districts, Texas State Board of Education, Texas Senate and Texas House). The Legislature was successful in passing the Texas State Board of Education plan (House Bill 600), the Texas Senate plan (Senate Bill 31) and the Texas House of Representatives plan (House Bill 150). A Congressional redistricting plan was not passed during the regular session. However, one was passed during the First Called “Special” Session (Senate Bill 4).

I voted “no” on the State Senate map bill, as well as on the SBOE map bill, and the Congressional bill because of the way each of these maps split the communities of common interests in Northeast Tarrant County. In my opinion, these maps diluted the voting strength of the people I represent.

To view the new House District 98 map, visit the Texas Redistricting Website at: www.tlc.state.tx.us/redist/redist.htm.



House District 98, Enacted by the 82nd Texas Legislature, 2011



Rep. Truitt beckoned House Appropriations Chairman Jim Pitts from the House Floor to visit with District 98 constituents from Carroll and Grapevine-Colleyville ISDs about school funding.



COMMITTEE SUMMARY:

I had the great privilege of once again chairing the House Committee on Pensions, Investments, & Financial Services during the 82nd Legislature.

One of the most challenging issues our committee had to face this past session dealt with the auto title and payday loan industries. For a number of years, the Texas Legislature battled between balancing consumer protection and industry regulation, yet ended every session without providing any sort of relief or assistance. There were great numbers of cases of consumer abuse by bad actors in these industries reported not only to my office and other elected officials but also to the Attorney General, faith based organizations, non-profits, and the Better Business Bureau. It was my obligation as Chairman to tackle the issue head on and take the lead. I filed a package of three bills in order to create an environment where scrupulous companies could compete to provide services desired and needed by consumers. I organized negotiations between consumer and industry advocates and passed two out of the three bills to establish a licensing and regulatory framework for the short-term, high-risk loans provided by these industries.

I sponsored another important piece of legislation regarding unregulated mortgage service providers. Most mortgage servicing is handled by banks, credit unions, or their subsidiaries and are regulated under federal law. However, there are unregulated third parties acting as mortgage services, but no state agency designated to handle complaints. This bill requires unregulated mortgage services to register with the Texas Department of Savings and Mortgage Lending and allow that agency to respond to complaints.

In the pension world, we struggled with a number of tough decisions. Various bills were filed authoring cost of living increases for retired teachers, none of which were passed out of the committee. We had to put up a strong defense to ensure the viability and sustainability of our pension funds by rejecting proposed benefit increases, especially during this unstable economic rebound. It is our responsibility as lawmakers to protect our public pension funds in order to provide a sound retirement. We were able to assist 842 Texas cities covered under the Texas Municipal Retirement System (TMRS) with holding down contribution rates and improving funding ratios. I carried a bill to consolidate and streamline TMRS operations, thereby reducing the volatility of city contribution rates by lowering contribution requirements of most cities while producing higher funding ratios. The passage of this bill is expected to save Texas taxpayers \$135 million. This was a very important piece of legislation for many of our cities and was unanimously supported by all of the stakeholders. My bill allowed for improved efficiencies and reduced costs without reducing retiree benefits.

Texas is in far better shape than most other states with our pension funds because of the prudent policy decisions made here. I anticipate we will have a very busy interim studying how to continue to improve and reform our major retirement systems for Texas. We will monitor the enormous number of federal regulations and rules brought about by the Dodd-Frank Act, and how our banking and lending institutions are being impacted. Texas fared well after the crisis because of our conservative laws, but we will have to comply with the new national standards and rules that will continue to be adopted.

Constitutional Amendments Election Day Aid
Election Day, November 8, 2011 Early Voting October 24 to November 4

Please carefully study the pros and cons of each proposed Amendment before you vote. State law allows you to take this information into the polls. Please feel free to cut out this practice ballot and take it with you to vote.

<input type="checkbox"/> For	<input type="checkbox"/> Against	#1 Authorizing the legislature to provide for an exemption from ad valorem taxation of all or part of the market value of the residence homestead of the surviving spouse of a 100 percent or totally disabled veteran.
<input type="checkbox"/> For	<input type="checkbox"/> Against	#2 Providing for the issuance of additional general obligation bonds by the Texas Water Development Board in an amount not to exceed \$6 billion at any time outstanding.
<input type="checkbox"/> For	<input type="checkbox"/> Against	#3 Providing for the issuance of general obligation bonds of the State of Texas to finance educational loans to students.
<input type="checkbox"/> For	<input type="checkbox"/> Against	#4 Authorizing the legislature to permit a county to issue bonds or notes to finance the development or redevelopment of an unproductive, underdeveloped, or blighted area and to pledge for repayment of the bonds or notes increases in ad valorem taxes imposed by the county on property in the area. The amendment does not provide authority for increasing ad valorem tax rates.
<input type="checkbox"/> For	<input type="checkbox"/> Against	#5 Authorizing the legislature to allow cities or counties to enter into interlocal contracts with other cities or counties without the imposition of a tax or the provision of a sinking fund.
<input type="checkbox"/> For	<input type="checkbox"/> Against	#6 Clarifying references to the permanent school fund, allowing the General Land Office to distribute revenue from permanent school fund land or other properties to the available school fund to provide additional funding for public education, and providing for an increase in the market value of the permanent school fund for the purpose of allowing increased distributions from the available school fund.
<input type="checkbox"/> For	<input type="checkbox"/> Against	#7 Authorizing the legislature to permit conservation and reclamation districts in El Paso County to issue bonds supported by ad valorem taxes to fund the development and maintenance of parks and recreational facilities.
<input type="checkbox"/> For	<input type="checkbox"/> Against	#8 Providing for the appraisal for ad valorem tax purposes of open-space land devoted to water-stewardship purposes on the basis of its productive capacity.
<input type="checkbox"/> For	<input type="checkbox"/> Against	#9 Authorizing the governor to grant a pardon to a person who successfully completes a term of deferred adjudication community supervision.
<input type="checkbox"/> For	<input type="checkbox"/> Against	#10 To change the length of the unexpired term that causes the automatic resignation of certain elected county or district officeholders if they become candidates for another office.



Clip and take with you



STATE REPRESENTATIVE

Vicki Truitt

P.O. Box 2910
Austin, Texas 78768-2910

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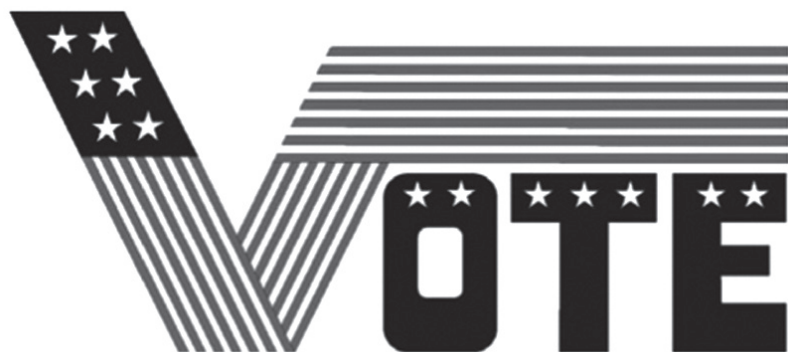
P.O. Box 2910
Austin, Texas 78768-2910
(512)463-0690
(512)477-5770 Fax
Capitol Building GW.18
E-Mail: vicki.truitt@house.state.tx.us



DISTRICT OFFICE:

1256 Main Street, Ste. 248
Southlake, Texas 76092-7624
(817) 488-4098
(817) 488-4099 Fax
Southlake Town Square
House Website: www.house.state.tx.us

CHAIR, HOUSE COMMITTEE ON PENSIONS, INVESTMENTS & FINANCIAL SERVICES
MEMBER, HOUSE COMMITTEE ON CALENDARS
MEMBER, HOUSE COMMITTEE ON PUBLIC HEALTH



Election Day: Tuesday, November 8TH

in this issue

**Constitutional
Amendment
Voter's Guide**

cut out and take with you to the polls

**Early Voting:
Monday, October 24
through
Friday, November 4**

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