



My five cents...

A monthly column from Sen. Robert Nichols
by Sen. Robert Nichols, Senate District 3

For Immediate Release
November 29, 2018
word count: 750

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As we head into the holiday season and you gather with friends and family, I want to wish you a very Merry Christmas from my family to yours.

Here are five things happening around your state this month:

1. Visiting the Permian Basin

One of the things that Texas is most known for, other than cowboys and everything being bigger, is oil booms. One that has been in the news recently is the Permian Basin in West Texas. This boom is so big that companies are producing twice as much oil as they were four years ago. Recently, I traveled to West Texas to see the effects this boom has brought to this area of Texas. As Senate Transportation Committee Chair, my primary purpose was to study the damages caused to the infrastructure by the heavy traffic a boom like this one brings with it.

Many times, the only things talked about from a boom, like this one, are the negatives such as a 30 percent increase over last year in housing costs, and strains on basic services. However, oil booms benefit not only the local regions, but the state and the nation as we work towards becoming energy independent. As we move forward the state needs to continue to monitor how oils booms like the Permian basin can affect local infrastructures and economies, and how we can work with others to provide needed solutions to make it safer.

2. Legislation Filed

Legislators began filing bills in the middle of November, and at the writing of this column a little over 600 bills have been filed. Some of the bills include legalizing lemonade stands. While we may see them in our neighborhoods, they are illegal based upon Texas Food Establishment Rules, which do not allow the sale of homemade drinks because of health concerns. Other bills include decriminalizing texting while driving, and instead making it punishable by fine, exempting Texas from daylight savings time, and creating a sales tax holiday for college textbooks.

3. Spending Cap for Budget

One of the only constitutionally required tasks for the Legislature this coming session will be to pass a balanced budget. To do this, there are four spending limits in the Texas constitution that the Legislature must abide by when setting the budget. One of the most important is the constitutional spending cap. The Texas Constitution states that non-dedicated spending can't grow by more than the growth in the state's economy.

To ensure the state abides by this, the Legislative Budget Board (LBB) relies on estimates of growth in Texans' personal income to serve as a way to measure and set the cap. The cap is the amount of spending over the current budget that lawmakers can commit in the upcoming session in non-dedicated revenue. These are items in the budget which are not required by law to go to specific programs, but are funded by taxes. In the upcoming weeks, the LBB will set that cap as a guideline for the Legislature to work towards as we start the budget process.

4. Annual Tax Collection

Texas Comptroller Glenn Hegar has issued his annual estimate of the value of taxes that Texans do not pay because of various tax breaks. These tax breaks include most groceries, medicine and homestead exemptions. In fiscal year 2019, approximately \$59.8 billion will go uncollected due to tax breaks. There are many transactions that are not subject to sales tax. According to one of the Comptroller's reports, Texas businesses had gross sales of about \$2.15 trillion in 2017, but only 23 percent of that, \$483 billion, were subject to sales tax. While this may seem like a lot of money that is not collected, I believe that tax exemptions are often put into place for a good reason. We must be mindful of this as we move into the upcoming session.

5. Capitol Christmas Ornament

Since 1996, each Christmas a unique ornament is created to reflect a part of the Capitol's history. The proceeds of this annual tradition support ongoing Capitol conservation, and educating the public about the history of the Capitol and its grounds. The 2018 ornament celebrates the 130th anniversary of the completion and dedication of the Texas Capitol, which took over six years to build. It displays the capitol building, surrounded by a wreath of Holly leaves and topped with the Texas Lone Star. If you would like to buy your own ornament and have a little piece of Capitol history, you can visit www.texascapitolgiftshop.com.

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