LEGISLATIVE REPORT

TDNA Board of Directors Meeting July 28, 2005

Without a doubt, the 79th Texas Legislature was the most successful session for the Texas newspaper industry in recent memory.

The most important issues we faced in January dealt with public notice and taxes. We were successful on both fronts, with high-profile votes on amendments to strip bad public notices provisions from the school finance bill and eliminate a proposed sales tax on circulation from the tax bill.

We were mostly successful on open government issues, with only two bills that we fought against hard passing and several we supported winning final approval. We were able to raise awareness about the shield law and recorded vote issues, setting the stage for a big push to have bills approved next session.

Overall, the TDNA/TPA Legislative Advisory Committee identified 155 bills that would affect the newspaper industry in one way or another. We testified or filed cards on 33 bills, mostly evenly divided between for and against. There were at least 10 bills that we worked with the author on to allay our concerns and we ended up not having to take any action.

One big reason we were successful is our partnership with the Texas Press Association on legislative issues. For the first time, TPA agreed to have Ed Sterling register as a lobbyist and he was invaluable in our efforts. Ed coordinated the TPA grassroots efforts on legislation and also gave TPA a presence at the Capitol for the first time.

A lot of work went into both the tax and public notice issues, both by staff and publishers. We had to find a sponsor for each amendment, rally the troops to make phone calls to their legislators and find timely editorial support from the major dailies. We were successful in all of these efforts and the result was satisfying: a motion to table the amendment on public notices failed and it was then adopted while the circulation tax amendment was approved without objection from the author

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The tax issue came up early in the session when the House included a circulation tax in its version of HB 3. We began to work immediately with TPA to get calls made to House members detailing our opposition to the provision and began to see some results. We also had editorial support from the major dailies.

Wes Turner came through in a big way, getting Representative Charlie Geren of Fort Worth to agree to carry an amendment to remove the circulation tax language. The problem then became meeting a deadline for amendments to be filed before the bill was debated but, working with Rep. Geren's office, the amendment was filed on time.

Having Speaker Tom Craddick as a breakfast speaker at our convention the day the vote on HB 3 was scheduled certainly didn't hurt our cause. The Speaker indicated he would accept the amendment and that happened later in the day with no floor debate. The rest of the session, along with the special session, was devoted to talking to members and making sure the issue did not arise again.

We were able to avoid a big fight on public notice during the regular session and no hearings were held on bad public notice bills unlike in past sessions. While the House did add a bad public notice amendment to its school finance bill, it was removed in the Senate, and the issue did not come up again before the session ended. But there was more to come.

When the special session began in June, we became aware that the bad public notice language had been an item that was agreed upon by House and Senate negotiators before the regular session ended. It was included in both bills filed in the respective chambers.

As with the tax issue, finding a sponsor for an amendment to remove the language was crucial. With help from the Dallas Morning News and another public notice lobbyist, we persuaded Representative Fred Hill of Dallas to carry our amendment on the House floor.

After about a 15-minute debate, tilted more toward the anti-public notice side, the motion to table Rep. Hill's amendment failed by a 53-91 vote and it was then adopted. We then received a call from Senator Florence Shapiro, the Senate sponsor, who assured us she would not include the language in their version of the bill. We had another big victory.

With the focus on taxes and school finance almost from the beginning, many bills did not get hearings this session. While that has been good for us in that we haven't had to testify before committees as much usual, it also means the bills we wanted passed have been caught in a logjam. Both bills – which would require more disclosure when school districts and universities choose their chief officers -- will be pursued again next session.

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Another <u>bill that</u> did <u>not make it through the process is the shield law bill.</u>

<u>SB 604. The bill made it to the Senate floor but was pulled when we could not amend it to its original purpose. We will be back to work on that and the recorded vote issue next session.</u>

We will continue to meet with House members and Senators, along with their publishers, during the interim. We will also continue to watch for tax and public notice language bad for our industry if the governor calls more special sessions.