



STATE REPRESENTATIVE



JOHN FRULLO



DISTRICT 84 ★ FALL 2013

83<sup>RD</sup> LEGISLATIVE SESSION & CONSTITUTIONAL AMENDMENT INFORMATION



JOHN M. FRULLO  
STATE REPRESENTATIVE  
DISTRICT 84

Dear Friends,

It is an honor to serve you in the Texas House of Representatives. The 83rd Legislature deliberated over 5900 pieces of legislation. We worked on everything from funding water infrastructure and revising testing requirements for students, to granting tax relief for small businesses. The work we accomplished will keep Texas on its prosperous track.

After a tough budget cycle in the last biennium, the Legislature returned to Austin to find the state economy revitalized. We passed a balanced budget for 2014-2015 of approximately \$200 billion. While adding an additional \$3.4 billion to public schools across Texas, we cut taxes to small business nearly \$1 billion and addressed pressing issues like pension reform, water, and transportation. This budget strikes a fiscally responsible balance of investing in Texas' future while leaving a considerable amount of money in the Rainy Day Fund.

A critical issue this session was water. We set aside \$2 billion for water infrastructure projects. You will have an opportunity to vote on SJR 1, a constitutional amendment to set up this water fund, on the November ballot.

Linked directly to the state's economic growth is education. Throughout the session, we heard from parents and teachers about the stress the testing system was placing on students. Your voices were heard. Through your suggestions, we passed HB 5 giving schools more flexibility and tools to equip students for higher education and technical training required for the jobs of the future.

This newsletter is an overview of the legislation I passed this session along with more information about the constitutional amendments you will see on the November ballot. It is a privilege to serve you. I enjoy hearing from you and want to thank those of you who have written, called or come by the Capitol office. If we can ever be of service to you, please do not hesitate to contact us.

Respectfully,

John M. Frullo  
State Representative, District 84

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# HIGHLIGHTS OF REPRESENTATIVE



*Rep. Frullo, Rep. Geren, and Rep. Kacal discuss legislation.*

## HUMAN TRAFFICKING AND CRIMES AGAINST CHILDREN

*★ Even in Lubbock we have human trafficking. ★*

After passing Alicia's Law last session, we continued our work to combat human trafficking. We secured \$1.6 million in funding for the Internet Crimes Against Children (ICAC) Task Forces in the State of Texas. These highly trained officers work tirelessly to pursue those committing crimes against children. One of my biggest legislative priorities was HB 2268. This bill streamlines bureaucratic procedures that hinder prosecutors' ability to retrieve evidence for prosecution against perpetrators who are using the internet for crimes; this allows states to honor search warrants across state lines. In this legislation, we also created the strongest privacy laws in the nation protecting all your email content from search and seizure without a search warrant. In addition, SB 742 will help law enforcement to better identify children who are at risk of human trafficking and create a system of reporting for attempted abduction of children. HB 2637 increases penalties for sex offenders who have been found to have used someone else's identity.

## COMMITTEE WORK

*★ This is where the real work gets done in the legislative process! ★*

Much of my time during this session was spent in the committee process. I was one of only a handful of legislators appointed to serve on **four** different **standing committees**. The work of the **House Committee on State Affairs** consisted of major statewide issues, while the **House Committee on Calendars** set the bills for vote on the daily House calendar. Throughout this session, the **House Committee on Pensions** spent considerable hours working on public pension system reform to ensure our system would continue to be able to meet its obligations to state employees and teachers. Finally, the **House Committee on Administration** is charged with adopting the rules governing the House and working closely with the Texas Department of Public Safety to maintain the safety and decorum of the House while making sure the legislative process runs smoothly.

## PUBLIC PENSION REFORM

*★ Retired teachers prior to Aug. 31st, 2004 will receive a cost of living adjustment. ★*

As a member of the Pensions Committee, we worked closely with teacher and state employee groups to create state policy that will ensure that the Teachers Retirement System (TRS) and Employee Retirement System (ERS) are a stable source of retirement for years to come. We also provided a cost of living adjustment in HB 1458 for teachers across the state who have been retired since August 31, 2004. In addition, I joint authored HB 13 that will increase transparency and oversight of our public pension plans. Thank you to all of you from Lubbock who came to Austin to advocate on behalf of teachers. It was great to see you during the legislative session!

## TAX CUTS

*★ Small businesses will receive tax relief. ★*

This session, legislators worked hard to enhance growth in the state economy by cutting taxes. House Bill 500 makes a variety of changes to the state franchise tax. We cut the margin tax by 2.5% in 2014, and 5% in 2015 as funds are available. The \$1 million business exemption was restructured and businesses can now deduct up to the first \$1 million in gross receipts. In the past, if a business had gross receipts just over the \$1 million threshold, they were not allowed any of the \$1 million exemption. Targeted cuts were also directed to businesses treated differently than their competitors under current franchise tax law. All these steps were specifically taken to decrease the cost of doing business in the State of Texas.

## GOVERNMENT EFFICIENCY

*★ Government can always become more efficient! ★*

Continuing to work on government efficiency and streamlining governmental functions, I co-sponsored SB 512, SB 809 and SB 1457. These bills were all designed to decrease paperwork, streamline governmental programs, and reduce bureaucracy in state government.

## PUBLIC EDUCATION

*★ Increases flexibility and opportunities for students. ★*

This session, the Legislature heard from many parents, teachers and school administrators, particularly related to testing and accountability. As a result, we passed HB 5 which includes significant reform. The bill creates more flexibility in the core curriculum, decreases the end of course exams from fifteen to five, and creates a new state rating system for schools. In addition, the bill encourages more technical training at the high school level. This legislation represents a concerted effort to bring needed flexibility while maintaining high standards for our students.

## TEXAS WATER PLAN

*★ Without water, the State of Texas cannot thrive! ★*

Water, it is absolutely critical to our state! This session, we were able to come together and strengthen the framework to provide water for Texans for the foreseeable future. Texas has a State Water Plan for the next 50 years that was created by local communities in collaboration with the state. This plan must be funded, so the Legislature got to work and passed HB 4 and SJR 1 to set up a revolving loan program for local communities to fund their water projects. Voters will have the opportunity to vote on SJR 1, a constitutional amendment, on the November ballot. This will allow \$2 billion to be used from the Economic Stabilization Fund to support the development of water projects across the state. The focus on water is occurring at a great time considering the extensive drought conditions we have been experiencing.



*The Texas Tech delegation with legislators from West Texas.*



*The House Committee on State Affairs*

## KEY CONSERVATIVE INITIATIVES: GUN RIGHTS, RELIGIOUS FREEDOM AND PRO-LIFE LEGISLATION

★ *We must continue to promote the restraint of government and the freedom of our citizens.* ★

The Legislature passed several bills that were key to protecting gun rights, religious freedom, and the sanctity of life. In response to the threat of local and federal regulations for gun owners, legislators passed SB 987. This bill will give the Attorney General the ability to obtain a temporary or permanent injunction against a city or county that attempts to enforce unlawful restrictions on gun owners. In addition, we passed SB 1907 to allow concealed handgun license holders to transport and store firearms and ammunition in private vehicles on college campuses. We also passed several bills to decrease the bureaucracy in obtaining a concealed handgun license. To address the onslaught of lawsuits related to religious freedom, the Legislature passed HB 308. The bill allows Texas public schools the freedom to educate students on the history of traditional winter celebrations, including Christmas and Hanukkah and allow students and teachers to say “Merry Christmas” or “Happy Hanukkah” without the threat of restriction of religious freedom. Schools will also have the freedom to display scenes or symbols associated with Christmas or Hanukkah. It’s too bad we had to pass this type of

legislation, but it was necessary to ensure our religious freedom. During the 2nd called Special Session, the Legislature passed HB 2 to increase safety and protection for women seeking an abortion and stopped the practice of abortion after five months.

## SUPPORT FOR OUR VETERANS

★ *We owe so much to our veterans; thank you to those who served!* ★

This session we worked hard to look for ways to support our veterans across Texas. I authored HB 1678 to ensure we give surviving spouses of disabled veterans the ability to obtain a license plate in honor of their spouse for the same cost to the veteran. We passed HB 2254 to assist veterans in returning to work and will allow veterans to use military experience as credit for various occupational licenses. HB 97 creates a limited residence homestead exemption for partially disabled veterans and their spouses on homes donated to veterans by a charitable organization. To honor our service men and women, we passed HB 150 requiring flags to be flown half-staff at the Capitol to honor service members from Texas who are killed in action. SB 1476 establishes a Veterans Entrepreneurial Program.



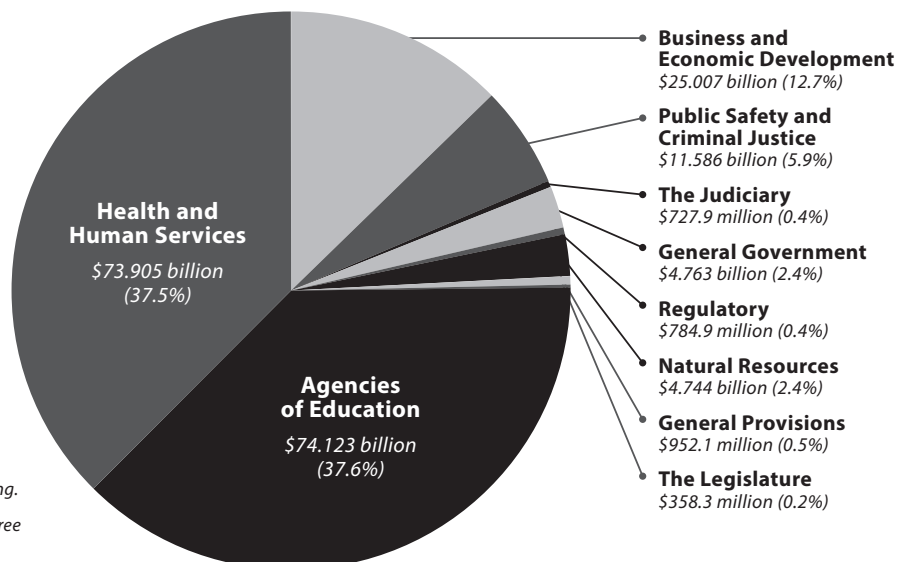
*U.S. Congressman Sam Johnson, former WWII Air Force fighter pilot and American war hero, with Rep. Frullo. Congressman Johnson spent seven years as a POW in Vietnam.*



# BALANCED BUDGET



**TOTAL:**  
**\$196.951 billion**



**Notes:**

1. Excludes Interagency Contracts
2. Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

Figures provided by Legislative Budget Board prior to three called special sessions.

LBB will produce updated numbers as they become available.



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*Rep. Frullo speaks with a future San Antonio Legislator.*



*Rep. Frullo and other members honoring a WW II veteran.*



# CONSTITUTIONAL AMENDMENT VOTER'S GUIDE



ELECTION DAY: NOVEMBER 5, 2013

EARLY VOTING: OCTOBER 21, 2013–NOVEMBER 1, 2013

★ PROPOSITIONS ★	★ IF APPROVED ★
<p><b>AMENDMENT NO.1 (H.J.R. 62)</b> <i>Supports Veterans</i></p> <p>Authorizes 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 member of the armed services of the United States who is killed in action.</p>	<p>Authorizes the legislature to grant the surviving spouse of a member of the U.S. armed services who is killed in action a property tax exemption for all or part of the market value of the surviving spouse's residence homestead if the surviving spouse has not remarried since the service member's death. Also authorizes the legislature to provide that if a spouse receives such an exemption and subsequently qualifies a different property as a residence homestead, the spouse is entitled to a property tax exemption on the new homestead in an amount equal to the exemption amount received for the first homestead in the last year when the surviving spouse received the exemption for that homestead as long as the surviving spouse has not remarried since the service member's death. This applies only to a tax year beginning on or after January 1, 2014.</p>
<p><b>AMENDMENT NO.2 (H.J.R. 79)</b> <i>Makes Government More Efficient</i></p> <p>Eliminates an obsolete requirement for a State Medical Education Board and a State Medical Education Fund, neither of which is operational.</p>	<p>Repeals a now obsolete constitutional provision added in 1952 that required the legislature to create a State Medical Education Board, establish a fund, and make appropriations to that fund to be used by that board to provide grants, loans, or scholarships directly to medical students who agree to practice medicine in rural areas of this state. The board was not created until 1973 and, once created, was largely ineffective in serving its purpose of attracting physicians to serve in medically underserved communities. Due to its ineffectiveness, the board has not received state appropriations or issued new loans for more than 20 years, and the legislature has since enacted more effective methods of attracting physicians to serve in rural Texas.</p>
<p><b>AMENDMENT NO.3 (H.J.R. 133)</b> <i>Tax Exemption for Aircraft Parts</i></p> <p>Authorizes a political subdivision of this state to extend the number of days that aircraft parts that are exempt from ad valorem taxation due to their location in this state for a temporary period may be located in this state for purposes of qualifying for the tax exemption.</p>	<p>Authorizes a municipality, county, or school district to extend the date by which aircraft parts held by a business in Texas that are exempt from property taxation as "freeport goods" must be transported outside the state in order to retain tax-exempt status. A governing body could extend the date the aircraft parts must be exported to not later than the 730th day (the second year) after the date the taxpayer acquired or imported the aircraft parts in this state instead of the 175th day as is currently required by law. This would apply only to a tax year beginning on or after January 1, 2014. The current 175-day limit on how long certain tangible personal property may be held in a Texas business' inventory to qualify for a Freeport tax exemption disqualifies aircraft parts, which generally are held in inventory for longer periods of time. This amendment will now allow for the exemption for aircraft parts.</p>
<p><b>AMENDMENT NO.4 (H.J.R. 24)</b> <i>Supports Veterans</i></p> <p>Authorizes the legislature to provide for an exemption from ad valorem taxation of part of the market value of the residence homestead of a partially disabled veteran or the surviving spouse of a partially disabled veteran if the residence homestead was donated to the disabled veteran by a charitable organization.</p>	<p>Authorizes a new exemption from property (or "ad valorem") taxation of a percentage of the market value of a partially disabled veteran's residence homestead equal to the percentage of the veteran's disability if the residence homestead was donated at no cost to the veteran by a charitable organization. Grants the surviving spouse of a partially disabled veteran, if the veteran died after qualifying for the new exemption, a property tax exemption for the same portion of the market value of the same property to which the disabled veteran's exemption applied if the surviving spouse has not remarried, the property was the residence homestead of the surviving spouse when the veteran died, and the property remains the residence homestead of the surviving spouse.</p>
<p><b>AMENDMENT NO.5 (S.J.R. 18)</b> <i>Creates More Flexibility for Homeowners</i></p> <p>Authorizes the making of a reverse mortgage loan for the purchase of homestead property and to amend lender disclosures and other requirements in connection with a reverse mortgage loan.</p>	<p>Authorizes advances under a reverse mortgage for a homestead property purchase that the borrower will occupy as a principal residence. Expands the conditions under which a lender may require repayment of this type of reverse mortgage to include the borrower's failure to timely occupy the homestead property within the period specified in the loan agreement. Prohibits making a reverse mortgage unless both the prospective borrower and the prospective borrower's spouse receive counseling regarding the advisability and availability of reverse mortgages and other financial alternatives that is completed within a prescribed period before the closing date of the loan.</p>
<p><b>AMENDMENT NO.6 (S.J.R. 1)</b> <i>Funds Water</i></p> <p>Provides for the creation of the State Water Implementation Fund for Texas and the State Water Implementation Revenue Fund for Texas to assist in the financing of priority projects in the state water plan to ensure the availability of adequate water resources.</p>	<p>Creates the State Water Implementation Fund for Texas (SWIFT) and the State Water Implementation Revenue Fund for Texas (SWIRFT) as special funds in the state treasury outside the general revenue fund to be administered, without further appropriation, by the Texas Water Development Board and used for the purpose of implementing the state water plan adopted by the board. Authorizes the transfer or deposit of state revenue into each fund, but does not itself make a transfer or deposit of money into either fund. Authorizes the Texas Water Development Board (TWDB) to enter into bond enhancement agreements payable from SWIFT to provide additional security for bonds used to finance state water plan projects. Authorizes the TWDB to use SWIFT to finance water projects by direct loan.</p>
<p><b>AMENDMENT NO.7 (H.J.R. 87)</b> <i>Helps Local Government Fill Vacancies</i></p> <p>Authorizes a home rule municipality to provide in its charter the procedure to fill a vacancy on its governing body for which the unexpired term is 12 months or less.</p>	<p>Currently, if the term of office for a member of the governing body of a municipality is more than two years and not more than four years, current Section 11(b), Article XI, Texas Constitution, prohibits the appointment of a person to fill a vacancy on the governing body and requires the vacancy to be filled by a majority vote of the qualified voters of the municipality at a special election called for that purpose within 120 days after the date the vacancy occurs, regardless of the number of months remaining in the member's vacated term. The proposed amendment creates an exception to current Section 11(b) that authorizes a home rule municipality to provide by its charter or a charter amendment the procedure to fill a vacancy on the governing body for which the unexpired term is 12 months or less.</p>
<p><b>AMENDMENT NO.8 (H.J.R.147 &amp; S.J.R.54)</b> <i>Creates Hospital District</i></p> <p>Repeals Section 7, Article IX, Texas Constitution, which relates to the creation of a hospital district in Hidalgo County.</p>	<p>Allows the creation of a hospital district in Hidalgo County, and limits the authorized property tax rate that the hospital district may impose to 10 cents per \$100 valuation on taxable property within the hospital district in Hidalgo County. The repeal of this provision does not prevent Hidalgo County, or a defined area in Hidalgo County, from creating a hospital district under other constitutional or statutory authority applicable to the county or area in the county.</p>
<p><b>AMENDMENT NO.9 (S.J.R.42)</b> <i>Allows Full Range of Sanctions Related to Judicial Conduct</i></p> <p>Relates to expanding the types of sanctions that may be assessed against a judge or justice following a formal proceeding instituted by the State Commission on Judicial Conduct.</p>	<p>Authorizes the State Commission on Judicial Conduct, following an investigation but without formal proceedings, to issue certain types of private or public sanctions against a judge or justice of a court established by the constitution or created by the legislature. Authorizes the commission to institute formal proceedings and, following those proceedings, to issue an order of public censure against or recommend the removal or retirement of the judge or justice, sanctions that are primarily punitive in nature. Expands the sanctions available for assessment by the commission following a formal proceeding by authorizing the commission to issue an order of public admonition, warning, reprimand, or requirement that the judge or justice obtain additional training or education, in addition to the currently authorized punitive sanctions. Applies only to a formal proceeding instituted by the commission on or after January 1, 2014.</p>



# FRULLO'S BILLS OF THE 83<sup>RD</sup> SESSION



## ★ LEGISLATION AUTHORED OR JOINT AUTHORED BY REPRESENTATIVE FRULLO ★

<b>HB 13</b>	Creates increased efficiency and transparency within state retirement systems
<b>HB 677</b>	Ensures an appropriate balance of regulations and safety measures for dams across the state
<b>HB 1678</b>	Allows surviving spouses of disabled veterans to obtain a specialty license plate for the same cost as the disabled veteran plate
<b>HB 2127</b>	Expands state benefits coverage to certain employees of public institutions of higher education
<b>HB 2268</b>	Allows law enforcement and prosecutors to obtain evidence across state lines and creates strong privacy laws for protection of your emails
<b>HB 2636</b>	Allows the transfer of money from one tax increment fund to another providing increased flexibility for local entities
<b>HB 2637</b>	Increases the penalty for sex offenders who have been found in court to have or attempted to have used someone else's identity
<b>HB 2725</b>	Encourages shelters for victims of human trafficking by providing minimum standards for these facilities and creates important confidentiality provisions for victims

## ★ LEGISLATION SPONSORED OR CO-SPONSORED BY REPRESENTATIVE FRULLO IN THE HOUSE ★

<b>SB 299</b>	Clarifies that failure to conceal a handgun is only illegal when gun is displayed in plain view of another person in a public place
<b>SB 512</b>	Clarifies functions of the Specialized Telecommunications Assistance Program; increases efficiency
<b>SB 696</b>	Clarifies rules governing the Lubbock Reese Redevelopment Authority
<b>SB 742</b>	Improves reporting requirements for the attempted abduction of children and missing children who often fall victim to human trafficking
<b>SB 809</b>	Repeals unnecessary rules and laws at the Public Utilities Commission; increases efficiency
<b>SB 1457</b>	Ensures proper maintenance related to health and safety issues are addressed at the Texas School for the Blind and Visually Impaired and the Texas School for the Deaf and streamlines maintenance functions

## ★ LEGISLATION CO-AUTHORED BY REPRESENTATIVE FRULLO ★

<b>HB 2</b>	2nd-called session increased safety regulations for abortion facilities and stopped abortions after 5 months
<b>HB 4</b>	Funding for the State Water Plan
<b>HB 78</b>	Exempts all precious metal coins and bullion from sales-and-use-taxes
<b>HB 97</b>	Grants a partially disabled veteran a tax exemption on part of the appraised value of his home if the home was donated by a charitable organization
<b>HB 150</b>	Requires flags to be flown at half-staff at the Capitol building to honor service members from Texas who are killed in action
<b>HB 220</b>	Adds convictions or plea agreements for continuous non-sexual physical abuse to the list of offenses for which sentences can be served consecutively
<b>HB 500</b>	Makes a variety of changes to the state franchise tax; cuts taxes
<b>HB 773</b>	Requires open-enrollment charter schools to have students recite pledges of allegiance to the U.S. and Texas flags each day, followed by a moment of silence
<b>HB 912</b>	Requires the Dept. of Public Safety to create rules limiting the use of photography by drones
<b>HB 1009</b>	Allows school districts in Texas to classify and certify certain faculty members as School Marshals
<b>HB 1228</b>	Reduces the burden of proof needed to terminate the parental rights of an offender whose sexual assault of another resulted in a pregnancy
<b>HB1272</b>	Continues the Human Trafficking Task Force
<b>HB 3520</b>	Designates a portion of Highway 75 in Dallas as the George W. Bush Expressway
<b>HB 3677</b>	Creates a specialty license plate for the Foundation School Fund. Deposits proceeds from plate into fund.



*Rep. Frullo and other members conference with Speaker Straus.*



*Rep. Frullo with LISD student artists, Eric Ortiz and Aurora Hadzic, whose work was chosen to hang in the State Capitol.*