Howdy Friends!

Each legislative session in Austin has its own personality and rhythm, and the 81st Texas Legislature was no exception. With new leadership getting in place in the House, I was pleased to retain the Vice-Chairmanship of the House Committee on Agriculture & Livestock. Being a member of the new House Committee on Pensions, Investments, and Financial Services was also a worthy appointment, enabling me to use the experience I gained from previously serving on the Financial Institutions Committee. I also served on the House Rules and Resolutions Committee.

I was honored to be with like-minded legislators as we worked together on statewide issues to reduce the franchise tax for small businesses (a legitimate economic stimulus), lay the groundwork for more Texas universities to gain Tier 1 research status, fund property tax relief for 100% disabled veterans, enact a pay raise for active & retired teachers and retired state employees, enhance eminent domain protections, as well as pass a balanced budget and preserve the Rainy Day Fund. Additionally, there were successes for District 56 and McLennan County (see text of newsletter).

The session was not without its disappointments. Even when there is common ground and consensus on a proposed law, its passage is not a sure thing due to the legislative process. It is with this disappointment, that several matters I identified as priorities at the beginning of the 81st Texas Legislature, based on my conversations with folks in the district, and your survey failed to make final passage in the Legislature. Among these were: immigration policies, constitutional protections against higher franchise taxes, protecting the integrity of our voting system, and legislation designed to get a powerful hallucinogen (salvia divinorum) off the retail shelves in Texas.

Additionally, because of deadlines for considering legislation at the end of session, several important matters were left undone dealing with “sunset” dates for important agencies such as the Texas Department of Transportation and the Texas Department of Insurance. As you may have heard, Governor Perry was required to call the Legislature into Special Session to take care of these matters—our next newsletter edition will keep you updated on this and other developing matters.

The 81st Legislative Session was a highlight for me as I got to visit with so many of you personally. I am grateful for the interest that you take in important policy matters before the Legislature, and that you take the time to contact my office. As always, it is a high honor and privilege for me to serve as your representative in Austin.

Many thanks!

Sincerely,

Doc

DISTRICT PHONE: (254) 754-3892
CAPITOL PHONE: (512) 463-0135
http://www.house.state.tx.us
**PROPERTY TAX EXEMPTION FOR 100% DISABLED VETS**

In 2007, Texas voters approved a constitutional amendment which would allow the Legislature to grant a full property tax exemption for the homestead residences of veterans whose service-related disability rating is 100%. This provision also made some sensible changes to partial exemptions for veterans who had been given other disability ratings.

Those changes have now been put into law to take effect starting with this year’s taxes. Appraisal districts are putting procedures into place which will help veterans figure out how the changes in law apply to them, before this year’s property taxes become due. There will be a new form for you to fill out in order for you to qualify for your total exemption, which should be available soon. Check with the McLennan County Appraisal District (752-9864) for availability.

This was one of the most closely watched issues of the session, judging by the phone calls and mail to our office. Honoring the service of our 100% disabled veterans with this tax exemption was a personal priority of mine.

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**2010-11 BIENNIAL RECOMMENDATIONS**

<table>
<thead>
<tr>
<th>FUND</th>
<th>TOTAL: 102 BILLION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Resource</td>
<td>$34 Billion</td>
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<tr>
<td>Business and Economic Development</td>
<td>$207 Billion</td>
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<tr>
<td>General Provisions</td>
<td>$66.66 Billion</td>
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<tr>
<td>The Legislature</td>
<td>$50.8 Billion</td>
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<tr>
<td>The Judiciary</td>
<td>$95.2 Billion</td>
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<tr>
<td>Public Safety and Criminal Justice</td>
<td>$97.7 Billion</td>
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<tr>
<td>The Judiciary</td>
<td>$95.2 Billion</td>
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<tr>
<td>General Government</td>
<td>$8.1 Billion</td>
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<tr>
<td>American Recovery &amp; Reinvestment Act</td>
<td>$8.6 Billion</td>
</tr>
<tr>
<td>Aggregate of Education</td>
<td>$7.6 Billion</td>
</tr>
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**TOTAL 102 BILLION**

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**Texas Rejected National Trend of Tax Hikes, Deficits**

When the Texas Legislature meets in Regular Session, we have 20 weeks to put together a 24-month budget. This — plus a constitutional ban on deficit spending — calls for careful, accurate, and conservative budgeting to keep Texas out of the same type of financial trouble that 44 other states have found themselves in over the past few years.

This session’s Appropriations Act is able to meet essential services financing, planning for caseload and Medicaid enrollment growth, avoiding tax hikes, and leaving the state’s Economic Stabilization Fund (Rainy Day Fund) intact.

The budget for the two year period starting in September 2009 from all fund sources will be $182.3 billion. This represents a 7.4 percent increase from the current two year period. Health and human services spending is budgeted for an additional $4.5 billion, including $1.22 million for caseload growth in the Children’s Health Insurance Program. K-12 education funding will increase, above and beyond enrollment growth, by $1.9 billion. Corrections officers will be getting some long-overdue salary increases, and teachers and retired state and public school employees will get a one-time extra check.

General revenue spending for the state -- without the federal stimulus money -- will actually decrease by almost 2 percent.

Despite the obvious fact that Texas has weathered the recession better than most states, significant challenges are awaiting the next two-year budget cycle when the Legislature meets in 2011. Included in the budget is $12.1 billion in money from the American Recovery and Reinvestment Act (Federal stimulus money). After backing out $6.4 billion, which went to replace General Revenue spending, the net increase to state agencies through ARRA is $5.675 billion.

Budget writers have largely done an excellent job of targeting these increases for one-time expenditures which would not bind future legislatures, nor require increased future spending — $555 million, which would have broadened the reach of unemployment compensation laws to more closely resemble federal policy was rejected. But there can be little doubt that the increase of “federal” (i.e., your) money in the budget is masking a trend in spending which will have to be reconciled due to state constitutional limits on government growth and deficit spending.

Texas simply must adhere to a conservative spending model.
LEGITIMATE ECONOMIC STIMULUS--FRANCHISE TAX REDUCTION

I was pleased to be a co-author of HB 4765, which will reduce franchise taxes for over 40,000 small businesses in Texas. Current tax law exempts the first $300,000 of business revenue from figuring the amount of franchise tax due. HB 4765 increases that exemption to the first $1,000,000 of annual revenue in the next two years, and the first $600,000 of annual revenue after that. This represents an estimated tax cut over the next five years of $231.7 million for Texas small business, which is the engine that drives our economy.

EMINENT DOMAIN REFORM HEADED TO VOTERS

In the wake of the US Supreme Court decision allowing property to be taken by eminent domain for the purposes of economic development (Kelo v. City of New London), myself and other Texas legislators have put a priority on protecting your property rights. Legislation was acted immediately in 2005 after the court decision, but until now, there has not been a constitutional amendment to give your home the protection it needs. I was pleased to be a joint author with Rep. Frank Corte on HJR 14, which will go before voters in a Constitutional Amendment Election this November, to protect your property from improper " takings" by local governments.

OTHER HIGHLIGHTS FROM 2009

★ We were very pleased to pass a resolution honoring former Governor and President George Bush and former First Lady Laura Bush and welcoming them back to Texas.

★ Hurricane relief legislation was passed for Texans affected by Hurricane Ike, as well as legislation shoring up windstorm insurance in case of future devastating storms along the coast.

★ $10 million in funding for safety seat belts on new school buses. This was a continuing effort from the previous session, which was a high priority for me in protecting Texas schoolchildren the same way you would protect children in your own vehicle.

★ I was honored to earn a 100% A+ rating from the Texans For Fiscal Responsibility, which tracked votes on budgetary and other spending measures in the Legislature from the viewpoint of limited government and protecting the taxpayer.

★ It was a great honor to be able to see the enthusiasm of some future leaders of Texas serving as Honorary Pages in the House of Representatives during the 81st Legislature:

Auburn Sears
Chrsy Jones
Cecilia & Rene Perez
Nathan & Michael Fulbright Jr.
Seraphina Gayle
Audrey & Erin Gisler
Elise & Michelle Herbelin
Travis Karl
Zach Bridges
Patrick Freeman
Jennifer Zuia
Kylee Glass
Damani, Miriam, Valeria, Eann, & Janaya Felder
Audrey Smith
Jackson Davis
Amanda Spelman
Kelsey Keyes

Rep. Anderson lays out legislation related to the jurisdiction of courts in McLennan County. This bill was passed and signed into law effective September 1, 2009.
1. Do you think a person showing up at a polling place to vote should be required to show a photo ID?
   93% YES
   (Legislation to enact this requirement, failed passage.)

2. There will likely be some discussion of achieving property tax relief this session through the use of sales taxes. While ours is one of the higher sales taxes in the nation, the number of things it applies to is quite a bit less than some other states. Which scenario best describes your thoughts?
   20% Increase sales taxes to reduce school property taxes
   30% Increase sales taxes, and make the sales tax apply to nearly all consumer purchases, to eliminate school property taxes
   50% Leave sales tax as it is
   (The 81st Legislature did not consider increasing sales taxes for any reason, except on smokeless tobacco, which I opposed. I found the 30% in favor of using the sales tax to eliminate property taxes interesting.)

3. Which method of assessing public school student performance do you prefer?
   26% Standardized tests
   50% End-of-course exams
   12% Teacher appraisal
   09% Other
   (After overreliance on standardized testing, policy is trending back toward end of course exams.)

4. Do you support state tax incentives to increase the production of alternate sources of energy transmission?
   62% YES
   (See commentary on HB 469 elsewhere in this newsletter.)

5. Do you think the state should take a more proactive role in providing security along our border?
   82% YES
   (The 81st Legislature, together with the Office of the Governor, has committed $113 million in border security and passed legislation (HB 2086) to give law enforcement more tools to combat the spread of transnational gangs. We need to continue to enhance the state effort.)

6. Do you think that local law enforcement officials should be required to determine the citizenship status of criminal offenders?
   99% YES
   (Legislation to implement policies such as this did not make it out of committee in the House.)

7. Do you think that state and local assistance agencies should be required to determine the citizenship status of people applying for public assistance?
   99% YES
   (Legislation to implement policies such as this did not make it out of committee in the House.)

8. Do you think that state and local law enforcement officials should utilize roadblocks for DUI enforcement?
   97% YES
   (Legislation to implement policies such as this did not make it out of committee in the House.)

9. Do you support reforms to the state's margins tax (franchise tax) on business, including a constitutional cap on the tax rate?
   98% YES
   (Be sure to read this newsletter to find out more about small-business relief. Constitutionally capping the rate did not make it out of committee.)

10. Do you support a sales tax holiday for the purchase of energy efficient appliances?
    98% YES
    Many thanks for responding to our questionnaire!

McLennan County constituents Peggy Mallick, Helen Quiram, and Mary Lloyd joined Rep. Anderson at an Open House Reception at the Capitol in Austin.

Rep. Anderson was honored to have Pastor Steve Johnson from the Family OfFaith Church of the Nazarene in Robinson serve as the Pastor of the Day and lead the House in its opening prayer.

God Bless Texas!
CLEAN ENERGY INCENTIVES

In the previous session, I authored HCR 43, a resolution calling for a moratorium on the fast-track issuance of permits for pulverized coal electric generating facilities. We were able to prevent the permitting of 8 pulverized coal plants within 50 miles of Waco. It was a critical time to prevent a true “haste makes waste” scenario when it came to the air and water quality of millions in the Heart of Texas and surrounding regions. However, it is important for Texas policymakers to find ways to support the increase of energy capacity. House Bill 469, which I co-authored, would encourage the development of IGCC (integrated gasification combined cycle), clean coal technology plants in our state. Texas can lead the nation in clean coal and carbon capture/storage just like it currently does in wind energy.

RESULTS FOR MCLENNAN COUNTY

Through the cooperative efforts of all three Waco-area legislators -- Senator Kip Averitt, Rep. Jim Dunnam, and myself -- the following serves to show that Waco priorities are state priorities. Here are some of the things accomplished:

- $10 million for much needed upgrades at TSTC;
- $1.5 million for park renovation in Waco (Oscar duConge Pool and Waco Skate Park);
- Legislation to allow McLennan County courts to try certain offenses where both a misdemeanor and felony occur in the same incident in ONE court, rather than have the county court at law try the misdemeanor and the district court try the felony.

PHOTO ID FOR VOTING

The importance of this issue is highlighted by your 93% response in our latest district survey in favor of showing a photo ID when voting. As a matter of fact, many people already do this because they forget to bring their voter registration card to the polls when voting. I authored HB 373 to implement this policy, parts of which were merged into Senate Bill 362. Unfortunately, due to delays in the legislative process, "photo ID" did not pass the House. I will continue to make this a priority, given the statewide mandate to protect the integrity of our voting system--democracy’s most sacred right.

1-35 STRIKE FORCE

After the immediate Waco area did not get selected for the first round of transportation funds through the American Recovery and Reinvestment Act in March, my office -- together with other local officials -- decided that a more constructive, more mutually engaged relationship between ourselves and the Texas Transportation Commission would be helpful to press our case and get meaningful commitments from TxDOT for transportation needs in the Heart of Texas/1-35 corridor.

Toward that end, I have convened a series of meetings with local officials, together with officials from TxDOT, which are designed to keep McLennan County/Waco on the front burner with the members of the Texas Transportation Commission.
District 56 was well served by two distinguished students from Baylor University who interned in our district office. Ruben DeLeon (left) and Logan Adcock (right) provided invaluable service to the residents of McLennan County.

VISITS FROM CONSTITUENTS...
A REAL TREAT

One of the many highlights this session was having multiple local high schools make a trip to the Capitol in honor of their athletic achievements. Visits from the Robinson and Midway High School girls’ basketball state champions and the Reicher Catholic football state champions included early morning Capitol tours, followed by public recognition and presenting the athletes and coaches with Congratulatory Resolutions passed by the Texas House of Representatives. I’m very proud to represent such young, dedicated students who truly set a positive example for their peers.

It was also a joy to host Waco Day with city and Chamber of Commerce officials, the first official Hewitt Day at the Capitol, and our biannual tradition of West Day. The citizens of West, together with the Chamber of Commerce, delivered delicious and fresh kolaches to each Capitol office, with a hearty dose of Czech heritage and hospitality. In addition, the Junior Historians performed traditional Czech dances in the Capitol Rotunda keeping the audience intrigued and entertained by their beautiful traditional dress.

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BACK TO SCHOOL NEWS--SALES TAX HOLIDAY AUGUST 21 - 23

In addition to backpacks and most clothes and shoes under $100, a bill passed this session adds over two dozen different types of school supplies to the list of items exempt from sales tax for one weekend in August. This includes pencils, pens, paper, notebooks, folders, and other back-to-school essentials.