

# 2013 LEGISLATIVE PRIORITIES



# Executive Summary

Prior to each session of the Texas Legislature, the Texas Association of Business's (TAB) Board of Directors approves an agenda of specific policies and objectives that will guide the TAB staff in its monitoring and lobbying efforts in support of, or opposition to legislation that will have an impact on TAB members. With the 83rd Texas Legislature convening for session in January of 2013, the TAB Board has considered what business remained to be completed from the previous session and how recent developments in the state's economy and regulatory climate have demonstrated the need for a response by the state's leadership.

As always, our agenda at the state capitol will be guided by our mission to make Texas the best place to do business and to uphold the principles of free and open markets, fair and equitable tax policies and rational regulation of business practices. For the 83rd Session of the Texas Legislature, our legislative priorities are outlined in this book.

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# Economic Development

Economic development generally refers to the sustained, concerted actions of policymakers and communities that promote the standard of living and economic health of a specific area. Such actions can involve the development of human capital, critical infrastructure, regional competitiveness, environmental sustainability, social inclusion, health, safety, literacy, and other initiatives.

The progress Texas has made in the past decade clearly shows the importance of its focus on economic development. That success is obvious in the way that Texas has fared during the recession by maintaining a positive source of job growth and capital investment. Texas' tax structure and rational regulatory policies have enabled us to attract businesses and potential employees from other states. Texas is investing money through the Texas Enterprise Fund (TEF) for the expansion of manufacturing facilities and other capital investments. Texas cities dominate Forbes' list of "Cities Where a Paycheck Stretches the Farthest."

We can be proud of our success, but economic development will always remain a competitive issue and one that no state can lose sight of if it is to remain a leader. The focus of TAB's agenda for economic development is to continue to support those legislative measures that provide businesses in Texas a competitive advantage when making decisions to invest capital or create new job opportunities and oppose those proposals that would create obstacles to economic opportunity. In meeting this goal, the Texas Association of Business supports the following measures:

## ★ Economic development funds

Support state-appropriated economic development funds for rural areas.

## ★ Electric industry deregulation

Support competitive electric markets in all areas of the state to spur fair competition in the best interest of all consumers, energy producers and businesses.

## ★ Electricity costs

As Texas continues to grow and in order to ensure that business can continue to expand and attract new investment, the state must consider the overall, delivered cost of electricity and the establishment of regulatory policies that allow for appropriate capital investment in Texas' electric infrastructure. Electricity cost and a reliable electric grid system are key inputs to the success of Texas businesses.



TAB supports policies that:

- *Promote a balanced approach to cost efficient expansion of the electric grid system by regulated utilities to improve and expand the system in order to maintain reliable service.*
- *Implement new technologies that are market-ready to encourage energy efficiency and to meet the state's growing energy needs.*
- *Allow for appropriate expansion and mitigation of transmission congestion without unduly burdening the existing customer base.*
- *Create incentives for the development of generation capacity in places that minimize the overall cost to produce and deliver the electricity.*
- *Oppose policies that work to increase electricity costs without a corresponding benefit, or that favor one technology or group of customers over others through manipulation of markets.*

### ★ Energy and economic development

- *Support healthy economic growth in Texas by promoting the production of adequate supplies of all forms of energy at competitive prices.*
- *Oppose increased taxes and fees on energy sources with the exception of fees that will be dedicated to regulatory programs that will improve the oversight and approval of energy development projects.*
- *Eliminate tax inequities between energy sources.*
- *Discourage the use of subsidies that distort market economics.*
- *Encourage the conservation of resources.*
- *Balance environmental quality objectives against the actual impacts of energy production and usage and the public benefits of lower energy costs.*

### ★ Sales tax for economic development

- *Support continued use of a locally approved 1/2 cent sales tax collected by cities to fund economic development efforts.*
- *Oppose efforts to reduce local control of these funds or efforts to limit the uses of these funds. Because these funds are local funds, taxpayers should retain the right to manage their use so long as they are used for economic development purposes.*

- *Support the removal of county average wage restrictions that limit a local government's use of these funds for local job training purposes.*
- *Support efforts to clarify that the purpose of the sales tax funds is to serve as economic development tools and to prevent raids on the funds for projects that are not related to economic development.*

### ★ Skills Development Program

Support increased funding for the Skills Development Program administered by the Texas Workforce Commission. Maintain Skills Development Fund grants at the Texas Workforce Commission to improve workforce training.

### ★ Texas Agriculture Finance Authority (TAFE)

Expand the ability of the TAFE to finance economic development activities in rural areas. Streamline TAFE to make it more "user-friendly."

### ★ Tax abatements and other economic development incentives

Continue to support local control and flexibility in the use of tax abatements, tax increment financing, reinvestment zones and other incentives to promote economic development and job creation.

### ★ Tax incentives

Support legislative efforts to provide tax incentives to encourage business participation in education initiatives.

### ★ Telemarketing

Support efforts to develop additional jobs while maintaining the more than 300,000 jobs held by Texans in the telemarketing industry. Support better enforcement of existing fraud and consumer protection laws while opposing efforts to impose additional regulatory burdens on businesses that use telemarketing. Support adequate resources for law enforcement and various state agencies to eliminate fraud and provide protection to Texas consumers and businesses, while not placing undue restraints on legitimate telemarketing businesses.

# Education and Workforce

TAB is the leader and champion of constructing a strong business infrastructure and a friendly business environment. An educated workforce is a necessary component of that infrastructure. TAB is at the forefront of building on the progress made in our public schools and institutions of higher education, while continuing to advocate for the necessary reforms that will expand opportunities for students to meet their potential, entering the real world either career or college ready.

Ensuring that students meet this goal secures the educated workforce needed in Texas. TAB will continue to review the structures and results of our public schools and institutions of higher education to ensure that the state is always at the forefront of the global economy. TAB supports the following education initiatives:

## ★ Academic excellence

Support excellence initiatives aimed at moving students from minimum expectations to maximum achievement. Support rewarding districts for students who complete more rigorous high school courses.

## ★ Accountability

Oppose any measures that weaken the current education accountability system. Oppose any additional monies into education without reform.

## ★ Alternative certification

Support additional alternative certification programs that provide school districts flexibility in hiring qualified people holding bachelors' degrees or higher who pass certification exams and any additional teacher training to be determined by a school district.

## ★ Career and technology

Support career and technology education in conjunction with public schools and community colleges where appropriate to meet the needs of Texas employers.

## ★ Career and technology funding

Support legislation that tightens controls on career and technology money allocation. Support requiring districts that receive funding for career and technology to offer courses that prepare students with on-site or virtual on-site training rather than traditional classroom settings. Encourage increased funding for on-line curriculum and on-line testing.

## ★ Classroom size mandate

Support legislation that creates flexibility for school districts in the requirement that grades K through 4 is comprised of no more than 23 students to one teacher, allowing school districts to use the 23:1 mandate as a district average.

## ★ Communities in Schools

Support the Communities in Schools Program in Texas, a dropout prevention organization that focuses on helping young people to successfully learn, stay in school, and prepare for life.

## ★ Community colleges

Support education at the community college level as an important contributor to training students for jobs in the workforce.

## ★ Dropout prevention

Support measures that financially reward campuses for retaining students beyond the ninth grade.

## ★ Effectiveness

Support efforts that would specifically include effectiveness as part of the criteria in the evaluation of teachers.

## ★ Funding higher education

Support legislation that would provide that the funding of Higher Education be based on the completion of courses, not based upon classroom attendance on the 12th day of the semester.

## ★ GO Centers

Support the continuation of funding for GO Centers that serve as primary points of coordination between the College for Texans campaign (to increase college enrollment) and local communities.

## ★ Higher Education System

Support reasonable regulatory and legislative oversight of the higher education system, coupled with clear statements of goals, expectations and accountability of results. Support collaborative approaches among Texas' higher education institutions in research and development funding strategies, technology deployment and distance education in order to avoid duplication and waste.

## ★ Incentives for math and science teachers

Support teacher advancement initiatives like differentiated pay to help alleviate the shortage of math and science teachers in our public schools.

## ★ Local control

Support measures that give school districts the flexibility to meet the needs of their students.

★ **Parental involvement**

Support measures encouraging parents to become active partners with their children's teachers and administrators.

★ **Pay for performance**

Support legislation that allows school districts to financially reward campuses that achieve exemplary student performance.

★ **School choice pilot program**

Support implementation and evaluation of a well-designed school choice pilot program, allowing students in low-performing or unsafe public schools to attend public or qualified private schools of their choice. The pilot program must be of sufficient magnitude to assess the impact a choice program would have on the students and the public school system.

★ **School spending**

Support legislation requiring more financial transparency in school spending so taxpayers will see how their investment is being managed.

★ **Skills Development Program**

Support increased funding for the Skills Development Program administered by the Texas Workforce Commission. Maintain Skills Development Fund grants at the Texas Workforce Commission to improve workforce training.

★ **Taxpayers' Savings Grant Program**

Support efficiency and school choice in public education. Support legislation that would create a grant program that would give parents up to 60% of the cost of tuition to be used at a private school. This program will provide parents with more choices in educating their children, and will also produce significant cost-savings to the state. These savings can be dispersed to other students in the public education system. The grant program will also create competition among the education community.

★ **Tax incentives**

Support legislative tax incentives to encourage business participation in education initiatives.

★ **TEXAS Grants**

Support legislation that would establish merit as being part of the consideration in awarding TEXAS Grant Scholarships.

★ **Texas School Ready!™**

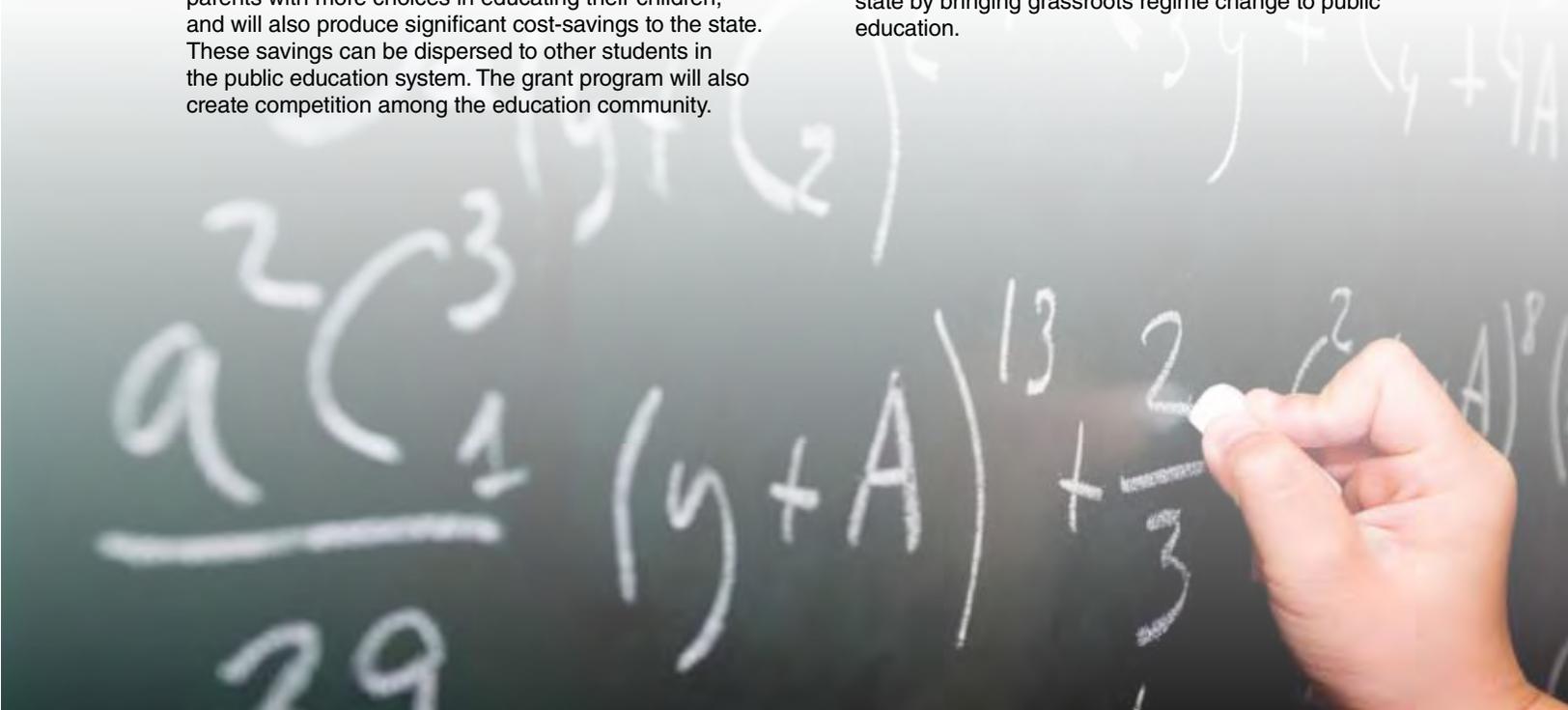
Support high quality pre-k initiatives and legislation that put children on a pathway toward academic achievement. Programs such as the Texas School Ready!™ project deliver on promises of excellence by demonstrating strong accountability; leading to lasting results. TAB believes that these results ensure that children achieve their highest potential and become a successful part of Texas' workforce in the future.

★ **Technology Workforce Development Grant Program**

Support the continuation of funding for the Texas Technology Workforce Development Grant program, which is awarded for computer science and electrical engineering instruction at various institutions of higher education in Texas.

★ **The Parent Trigger**

Support this innovation in education reform that was recently passed into law in California. The Parent Trigger works like this: When half of the parents whose children attend a failing public school sign a petition requesting reform of the school, the school must either shut down, become a charter school, or undergo one of two other types of reform. The Parent Trigger has the potential to turbo-charge the transformation of education in every state by bringing grassroots regime change to public education.



# Employment Relations

Employer input into the adoption of laws and regulations that affect labor policy is critical. Too often, laws passed with good intentions have proven to be confusing and costly to the employer and do little for the employees that the laws were meant to serve. For example, in 2011, TAB opposed and defeated over 50 employment relations bills that would have made it much more difficult and more expensive for employers to operate their businesses.

The voice of business was heard at the Capitol last session, which made a significant impact on the Texas economy today. Job growth trends in Texas continue to outpace the United States. The annual growth rate for Texas has been positive for 28 consecutive months, and has been at or above 2.0 percent since December 2011. Texas unemployment rates as of August 2012 are at 7.1 percent which is one percent decrease from the year before. The US unemployment rates for the same time period are at 9.1 percent.

TAB will be asking the Texas Legislature to adopt a drug testing program for UI beneficiaries who misuse benefits. Any UI recipient testing positive for drugs is in essence not available for work and should not be burdening the UI system. While legislation was filed last session to this effect, it did not pass either legislative body. Federal legislation was passed earlier this year that gives Texas the ability to require drug testing in some circumstances. It is TAB's position that Texas should take advantage of the federal government's green light to proceed. The Texas Association of Business also supports the following employment relations measures:

## ★ Arbitration

Oppose any effort to modify the Halliburton Case where the Supreme Court upheld an employer's right to establish a mandatory arbitration program applicable to at-will employees.

## ★ Devolution of federal programs to the states

Support transferring control over federally mandated programs like unemployment insurance to states, thereby reducing employers' tax burdens and increasing local control over workforce-related programs.

## ★ Drug testing

Oppose attempts to restrict the rights of employers to conduct random and/or universal drug testing of employees.

## ★ Drug testing for UI beneficiaries

Support drug testing as a requirement for receipt of unemployment benefits under circumstances allowed in federal law.

## ★ Employer control over work environment

Support efforts to maintain employers' prerogative to control the workplace, thereby creating a safe, satisfying and harmonious working environment.

Employment-at-will

Oppose legislation that would erode employment-at-will as a right for all Texas employers and employees.

## ★ Ergonomics

Oppose legislation and regulations on a federal level that would increase the already-considerable burden on employers regarding Occupational Safety and Health Administration (OSHA) requirements.

## ★ Fair Labor Standards Act reform

Support efforts to reform the wage and hour laws by allowing more flexibility for employers and employees in hours worked during a pay period before mandating overtime pay. Provide more freedom and flexibility to classify workers as exempt from overtime requirements.

## ★ Family and Medical Leave Act (FMLA)

Oppose efforts to modify the FMLA, and oppose any initiatives to require employers to pay for FMLA leave with unemployment insurance taxes.



# Human resource

Human resource  
vital function  
corporate environment  
the name  
for

## ★ Fraud control

Support legislation to allow the Texas Workforce Commission (TWC) to hire outside contractors on a pay-for-performance basis to assist in efforts to detect and remedy unemployment benefits fraud.

## ★ Living-wage ordinances

Oppose piecemeal mandates that vary from city to city requiring employers to pay a wage level higher than the federally required minimum wage.

## ★ Minimum wage

Oppose arbitrary increases in minimum wage that cannot be supported by improvements in productivity and that deprive many entry-level workers of job opportunities. Pay equity. Strongly support the current law on pay equity.

## ★ Payday Law reform

Support reform of the Payday Law to achieve greater consistency with provisions of federal law. Support legislation to eliminate the Payday Law's applicability to non-wage benefits including vacation pay, sick pay, etc. and issues relating to employee classification under wage and hour law. Support capping the amount of wages that may be claimed under the statute. Public collective bargaining rights. Oppose any expansion of collective bargaining rights in the public sector since the current system adequately provides for employee participation without the potential for disruption of services.

## ★ Property rights of business owners

Oppose the expansion of legislation previously passed that allows legally-owned firearms to be stored on company-maintained parking lots.

## ★ Right-to-work

Support efforts to keep Texas a right-to-work state and oppose agency shop legislation. Sexual orientation. Oppose expansion of the current coverage of the Texas Human Rights Act that may cause additional litigation.

## ★ Subsidized training wage

Support legislation to allow employers to apply part of their unemployment insurance taxes toward the cost of training workers for their businesses.

## ★ Unemployment insurance reform

Strengthen overpayment recovery statutes to prohibit waiver of overpayments. Revise the Texas Unemployment Compensation Act's (TUCA) definitions of "able and available" to meet the revised standards in federal law.

## ★ Unemployment savings accounts

Support fundamental changes in the unemployment insurance system that would abolish traditional federally controlled unemployment insurance programs in favor of establishing individual Unemployment Savings Accounts (USAs) for employees. These would be available if needed for unemployment, training, or as a supplement to retirement income.

## ★ Union dues check-off

Oppose efforts to allow public employees, or to require private employers, to subsidize or promote labor unions or similar organizations through payroll collection of dues and contributions.

# Environmental Quality

Consistent with past sessions, TAB's priorities for environmental quality regulation continue to focus on the use of sound scientific evidence in decision-making, reasonable and achievable goals for pollution reduction based on technical merit, protecting competitive opportunities and advantages for Texas businesses and a proper understanding of both the costs and benefits of environmental regulations. For the 83rd Legislature, TAB will be specifically addressing the issues related to the contributions of foreign sources to background pollutant levels in Texas, the role of contested case hearings in creating competitive disadvantages for environmental permit applicants and the increasing use of the Endangered Species Act to negatively affect business expansion and property use in Texas. TAB supports the following measures

## ★ Access to research

Support legislation to require that research relied upon as the basis for proposed regulations by state and federal environmental agencies be made available for review by the regulated community before a regulation can be adopted.

## ★ Ambient environmental standards

Support the development of ambient air quality or other standards which are based on sound scientific evidence that is comprehensively peer reviewed, technically feasible and economically practical. Oppose the imposition of any enforceable ambient standard that is based on conservative screening levels for pollutants, rather than demonstrated health risks.

## ★ Clean air attainment

- *Support efforts to achieve attainment of national ambient air quality standards that help near non-attainment areas stay in attainment, ensure that the responsibility for emission reductions is shared equitably among all emission sources, and provide sources of emissions the maximum flexibility in obtaining permit authorizations in order efficiently achieve reductions.*

- *Support efforts by the Legislature to establish the authority of the TCEQ to acknowledge the contribution of foreign sources of air pollution, incorporate foreign contributions into Texas' air quality implementation plans and petition the EPA for approval of such plans.*

## ★ Contested case hearings

Support the repeal of statutory requirements for contested case hearings in environmental permits and adoption of requirements for notice-and-comment hearings similar to that utilized by most states and the EPA for permit approval. Oppose any legislation that would expand the scope of current standing or opportunity to contest a permit as a designated party.

## ★ Cost of federal and state regulations

Support Texas law that requires state environmental agencies to estimate the cost and net benefits to regulated entities before adopting any major proposed rule, and oppose legislation that places additional

requirements on business and industry without a firm technical basis or appreciable benefit to the environment.

## ★ Cumulative effects

Oppose efforts to condition approval of permits on a review of all cumulative effects of other emissions that precludes the opportunities for economic growth, places the burden of attainment on new facilities and decreases incentives for demonstration of new control technology.

## ★ Emission limits

Oppose arbitrary emission limits established in statute that do not provide flexibility for site-specific conditions and future development of best practices or best control technology standards.

## ★ Environmental audits

Support Texas law that encourages environmental compliance by allowing the use of a self-evaluation privilege that protects a company's voluntary environmental and health and safety audits from being used in legal actions against the company under certain conditions.

## ★ Environmental justice

Support the granting or renewal of permits on environmental and health-based standards and oppose permit programs that favor any community strictly because of its racial or economic demographics.

## ★ Environmental regulatory structure

Support an environmental regulatory structure that bases state law on the enactment of federal environmental laws and regulations so that consistency is maintained, regulation occurs at the state level and the maximum flexibility is afforded to Texas businesses as long as equivalent environmental protection is achieved. Oppose expanding the environmental authority of local governmental entities, particularly where such authority is duplicative or inconsistent with state regulation.

## ★ Environmental standards

Support reasonable incentives for the development and demonstration of new energy or pollution reduction technologies that do not distort the market place. Oppose

mandates for specific technology or environmental controls that are not cost effective or which can be implemented only if new technology is developed.

### ★ Endangered species conservation plans

Support efforts by business and industrial interests to enter into endangered species conservation plans that will meet the requirements of federal and state agencies and allow continued use and development of private property by businesses.

### ★ Fuels diversity

Oppose legislative efforts that would require the use of specific fuels for industrial sources for the purpose of forcing technology. Support removal of economic and supply barriers that distort fuel competition and free-market influences. Support legislative efforts to increase the supply of energy using a diverse mixture of fuels including oil, natural gas, coal and nuclear, applied in an environmentally safe manner and coupled with encouragement of conservation and the practical use of renewable energy sources.

### ★ Fund balances

Oppose any effort to reduce the budget of a fee-funded regulatory program for the purpose of redirecting the fee revenues to another purpose. Support efforts to reduce unobligated fund balances in regulatory fee funds by reducing fees to match expenditures and eliminate overpayments by affected businesses and industries. Support legislative efforts to more clearly identify the source of funds for regulatory programs and fees that unfairly recover more than the costs of the programs they pay for.

### ★ Recycling or end-use programs

Support industry-initiated programs for the voluntary recovery or take-back of consumer goods. Oppose mandatory programs that impose costs or prohibit the usage of products solely for the purpose of controlling personal behavior. Oppose mandatory recycling programs that impose enforcement liabilities or penalties for the disposal of materials in properly permitted and operated landfills or other waste management facilities designed to safely receive the materials.

### ★ Regulatory fees and taxes

Oppose any new taxes to pay for additional environmental regulatory programs. Oppose the imposition of any new fees to recover the cost of regulatory programs unless the program can be shown to clearly address a critical environmental or public health need. Fees should only be assessed to recover the actual costs imposed on government by the activities of the regulated entities, must reasonably allocate costs between members of a regulated universe and must be adjusted periodically to actually match agency budgets and legislative appropriations.

### ★ Regulatory responsibility

Support legislation that affirms the rights and powers of the state government and limits intrusion by federal agencies in the state's implementation of delegated environmental programs.

### ★ Streamlining the permit process

Support legislation to streamline the permitting process to ensure that businesses can maintain environmental compliance and at the same time minimize roadblocks that result in expensive procedural delays.

# General Business

Typically, thousands of bills are filed during the Legislative Session. While many pieces of legislation seek to change a specific industry or address a specific issue, some bills seek to change the entire business environment as a whole. All too often these bills either have unintended consequences on businesses or are even intentionally designed to negatively affect the operation of one or more types of business enterprises.

While the workload at times is very intense, TAB tracks almost three-fourths of those bills filed in an effort to make sure that the overall business climate is not harmed. TAB fights those pieces of state legislation that would hinder business growth, deny economic development and increase costs for employers.

In an effort to keep Texas' economy growing, and to keep the jobs coming, TAB's general business priorities are:

## ★ Auto choice

Support changes in state law allowing drivers to choose between the current system, in which they can sue for non-economic damages, and a new system under which they would waive the option to recover non-economic damages.

## ★ Bailbonds

Support legislative initiatives to define bailbond taxation and premium reserve regulations consistent with past history and free of arbitrary policy changes by a single state agency. Support efforts to ensure that the commercial bailbonds industry will continue to be readily available to individuals accused of crimes that are likely to be incarcerated indefinitely in county jails and ensure that the constitutional rights of the accused are not suppressed by a change in a public agency's unique interpretation of law that is well-established and has served as legal precedent for many years.

## ★ Contracting

Oppose legislation that restricts the ability of private parties to contract.

## ★ Criminal justice reforms

Support criminal justice reforms from previous legislative sessions and enhance ongoing efforts to improve public safety, reduce the rate of recidivism, and decrease prison costs. Such reforms include, but are not limited to, finding cost-effective alternatives to incarceration through the implementation of enhanced probation programs.

## ★ Industrial facility operation in emergencies

Support clarification of the law relating to plant closures during emergencies. There is current confusion over how individual facilities will interface with government agencies during evacuation orders, including personnel availability for safe shut downs, personnel who stay at the plant during emergencies, and personnel who need to return to work for timely plant start ups.

## ★ Industrial facility security

Oppose industrial facility security legislation at the state level to avoid the piecemeal effect of different requirements in each state, and support reasonable legislation at the federal level.

## ★ Insurance fraud

Support anti-fraud insurance legislation and enforcement that costs Texas businesses and individuals millions of dollars in the insurance marketplace.

## ★ Internet regulation

Oppose any attempt to apply state regulation to Internet services or providers. Government intervention in the broadband marketplace through the imposition of restrictive policies, such as measures to control how providers price, market and manage their products and services, would deter innovation, reduce competition and thwart continued investment in, and enhancement of, broadband networks.

## ★ Mineral rights

Support mineral owners' access as they exercise their mineral rights while ensuring fair treatment for surface land owners.

## ★ No pay, no play

Support reforms that would prevent uninsured motorists from collecting pain and suffering damages if they are in an accident with an insured driver.

## ★ Outsourcing and off-shoring

Oppose legislation that infringes on a company's right to outsource resources. Outsourcing (contracting out a non-core function of a business such as accounting or payroll) is not a new phenomenon. Nor is the fact that some of this work is conducted outside of the U.S. (off-shoring). Off-shoring has been a relatively small fraction of U.S. job loss and accounts for less than one percent of all U.S. jobs. Both outsourcing and off-shoring are tools companies use to remain competitive in a world market and to preserve manufacturing jobs in Texas and the U.S.

## ★ Privacy and information practices

Encourage and support business efforts to develop and disclose comprehensive, market-driven privacy policies. Oppose efforts that would create a "patchwork-quilt" of state laws that would further impede the growth of Internet commerce. Work to ensure an environment that supports increased high-tech business development in Texas and the continued development of electronic business-to-business transactions.

## ★ Professional licensing

Oppose any legislation that would further regulate the activities of a private corporation or other business entity, including the activities of the full-time employees or other personnel under the direct supervision and control of the business entity by requiring the employees to hold professional licenses. Licensing should only be required where deemed appropriate and where it would affect the public at large.

## ★ Property and casualty Insurance

Oppose legislation that would create a prior approval insurance regulatory structure. TAB believes that the marketplace is the best mechanism for determining the right rate for insurance policies. Oppose any additional regulations on companies that could substantially hurt business and job-growth in Texas.

## ★ Real estate transactions

Oppose mandatory price disclosure on commercial real estate transactions.

## ★ Record votes

Support the recording of legislative votes during and after floor debate in the Texas Legislature.

## ★ Relocation of facilities in municipal and state rights-of-way

Support a return to the long-standing state law whereby utilities that have placed facilities in public rights-of-way to serve the state's citizens are not forced to pay for relocations required by governmental entities for improvements and projects beyond normal roadway widening and straightening.

## ★ Sarbanes-Oxley

Oppose efforts to enact a "Sarbanes-Oxley" law on the state level. The federal Sarbanes-Oxley Act of 2002 and subsequent regulations establish very stringent corporate reporting requirements and stiff penalties for corporate accounting fraud. Thus, it is completely unnecessary, and would be duplicative, to enact state laws as well.

## ★ Staff counsel

Oppose legislation to limit the use of staff counsel by insurance companies to defend policyholders.

## ★ Support TexasOne<sup>SM</sup>

Support the mission of TexasOne<sup>SM</sup> which is to create a public/private partnership to market Texas in a dynamic and competitive manner. TexasOne<sup>SM</sup> is funded through private contributions by businesses, organizations and individuals interested in the promotion of the business climate, economic development, and job creation the state of Texas.

## ★ Texas Universal Fund reimbursement in rural areas

Oppose unfunded mandates and diversion of dedicated revenue sources that threaten the ability to invest and receive positive returns on investments in rural Texas telecommunications markets.

# Health Care

TAB seeks to promote strategies and solutions that will help businesses control their health care costs. In past Legislative Sessions, TAB has taken the lead in advocating for the highest quality of, and the greatest access to, health care at the best cost available, both for the employers that provide health care insurance to their employees, and for the state taxpayers who support Medicaid.

TAB's legislative priorities for health care reach across the spectrum, covering issues such as transparency, access, quality of service and fraud prevention. TAB's central goals are to continue to work with the Legislature to improve health care delivery models, to help consumers understand their role in their own health care, to rein in Medicaid fraud and abuse, and to be the leader in supporting initiatives for workplace wellness and disease management programs that are non burdensome for employers. TAB's health care priorities are as follows:

## ★ Access

Increase access and choice of health care programs by supporting market-driven health care policies that maximize consumer and public benefit and allow for the continuation of employer-sponsored voluntary health care coverage. Encourage the establishment of programs that would allow employers selection of the highest quality benefits and the lowest, most competitive prices.

## ★ Administration

Support legislation to improve the administration of health care services through the education of physician office staff, streamlining the process to enhance outcomes and lower administrative burdens, such as encouraging providers to submit claims electronically. To the extent that they do not do so already, also encourage insurance carriers and administrators to accept claims electronically.

## ★ Advanced nurse practitioners and physicians assistants

Support legislation that would expand the ability of advanced nurse practitioners and physicians assistants to provide primary care and would also reduce oversight requirements and other restrictions on their practice.

## ★ Affordability

Oppose any measure that increases costs for Texas employers and their employees and families. The high cost of health care services and health insurance is a primary contributor to the number of uninsured and to the rising percentage of budgets that households, businesses and government spend on health care. Support measures that would increase the efficiency and cost-effectiveness of health care services and health insurance.

## ★ Balance billing

Support legislation that prohibits health care providers and physicians from balance billing patients. Support placing limits on what out-of-network health care providers can charge and support other legislation that will help eliminate the conditions in which balance billing occurs.

## ★ Consumer-directed health care

Support legislation to promote consumer-directed health care models. Encourage employees to be more involved in their health, and encourage education of employers and employees on actual health care costs and fees. Promote

understanding of the maxim that a healthy employee and a healthy family create a productive workforce.

## ★ Consumer information

Empower employees and consumers with information regarding the cost and quality of health care services to allow consumers to make informed purchasing decisions. Support legislation requiring physicians and providers (hospitals, ambulatory surgical centers and other facilities) to provide the state with data regarding pricing of services and report medical outcomes data. Support giving state agencies adequate funds to analyze and publish data in ways that stimulate improvements in quality of care and consumer comparisons.

## ★ Contracting

Oppose legislation that restricts the ability of health insurers to negotiate contracts with physicians and providers.

## ★ Corporate practice of medicine

Support legislation to completely eliminate state prohibitions on the direct employment of physicians by hospitals and also other providers of health care services.

## ★ Employee Retirement Income Security Act (ERISA)

Preserve employer, employee and health care system benefits of ERISA by opposing any attempt to erode the federal preemption of state law relating to health benefit plans. Support legislation to vigorously protect the ability of ERISA employers to operate uniformly across state lines.

## ★ Fraud and abuse

Eliminate waste, fraud and abuse in Medicaid, the commercial employer-sponsored health care market and in the private sector health programs. Support legislation to ensure that prompt payment statutes do not result in the reimbursement of fraudulent claims. Support legislation to require health care providers to submit information to the state on financial relationships and utilization of services that will deter and detect improper activities.

## ★ Free Standing Emergency Rooms

Support legislation that would prohibit a Free Standing Emergency Room from charging a facility fee unless it can show that the treatment rendered was beyond a doctor's office visit.

## ★ Health care professionals

Support legislation and appropriations to expand the educational pipeline for physicians, nurses, physician assistants and other health care professionals by public colleges and universities. TAB endorses policies that would:

- *Support funding Texas Higher Education Coordinating Board studies to increase productivity and to reduce the cost of training health care.*
- *Support legislation that is not discriminatory against nursing programs based on clinical hours.*
- *Support six year BS/MD programs to accelerate the production of physicians at a lower cost to the state.*
- *Support standardized, pre-licensure training for RNs.*
- *Support state-funding of additional residencies instead of increasing the number of state medical schools.*
- *In regards to the allocation of appropriations, TAB supports giving priority to providing state funding for medical residencies over additional state funding for medical schools.*

## ★ Health care professional licensing agencies

Support appropriations that allow the professional licensing agencies to keep a larger percentage of the licensing fees they collect to improve processing of applications by providers and to conduct data collection, analysis, public information and oversight activities to improve the quality of health care for Texans.

## ★ High risk pool

Support legislation to address the rising cost of providing health insurance through the Texas Health Insurance Risk Pool.

## ★ Interstate insurance

Support legislation to allow Texans to purchase insurance policies, which have been approved by the insurance boards of any state and contain adequate consumer disclosure, across state lines therefore increasing options for Texas citizens in purchasing health care policies.

## ★ Liability

Prevent needless increases in cost and litigation through the expansion of any kind of medical liability. Support legislation to curb existing abuses and the filing of frivolous lawsuits.

## ★ Mandated benefits

Oppose any additional mandates on employers providing health care. Support legislation that seeks to repeal current, health benefit mandates in order to provide more equity among the small group market.

## ★ Medicaid

Continue to support Medicaid managed care as a service delivery model for those areas with populations that are not currently being served by managed care. Support legislative policies that seek to create significant savings to the state, such as allowing Managed care organizations to use their own formularies and their own prior authorization for prescription drug coverage.

## ★ Patient safety

Support legislation to ensure patient safety and control costs by reducing the number of medical errors. Promote affordable, quality and safe health care. Encourage better monitoring and reporting of health professions by supporting legislation that provides for the release of information regarding medical errors while balancing the need for health provider liability protections. Support legislation to provide immunity to providers for sharing information regarding physician performance.

## ★ Personal responsibility for health

Support legislation and other state actions to encourage and equip each Texan to accept personal responsibility for his or her health throughout their lifetime.

## ★ Physician self-referral

Support legislation and other state actions to collect data to disclose physician self-referral for all health care services, to enforce disclosure of self-referral to patients and health plans and to prohibit self-referral for those services where it has been shown that self-referral unnecessarily increases health care costs.

## ★ Quality

Preserve quality in our health care system. Support legislation to provide a safe harbor for state-sponsored and private health plans to deny payment to health care providers for events for which the Medicare program denies payment to hospitals.

## ★ Telemedicine

Support the expansion of telemedicine and oppose any increased restrictions on current, telemedicine laws. Support legislation that allows the commercial market the same, or greater, freedoms in this area that are found in the Medicaid program.

## ★ Transparency

Support efforts to rely on market forces to correct the major cost and quality deficiencies in the health care system. To allow the market to work, TAB favors requiring health care providers to publish on the Internet their prices, in order to permit consumers to compare prices in advance of receiving scheduled services. "Price" is the amount the provider accepts as payment in full for services. TAB also favors legislation that increases the ability of health benefit administrators to assist consumers in using health benefits in a cost-effective manner.

## ★ Uninsured

Support legislation that will reduce the number of uninsured Texans by increasing the affordability of health insurance and will allow the most efficient use of public, group and individual insurance arrangements within state budget constraints.

## ★ Waiver of co-payments

Support legislation to stop the waiving or discounting of co-payments, in whole or in part, for insured patients, and encourage enforcement of existing laws.

# Taxes & Spending

TAB's policy priorities for tax, revenue and spending legislation are those that support fairness and equity in the assessment of costs to businesses and transparency in the collection, management and spending of state revenues. Businesses in Texas have every reason to expect that their tax burden will not only be equitable, but will not impose hidden or unnecessary costs or reduce their ability to compete with businesses in other states.

During the next legislative session, TAB will be particularly focused this upcoming session on essential budget reforms in the collection of revenues in dedicated accounts that are not spent, but instead used to certify the state budget spending levels. TAB supports the following initiatives:

## ★ Casino gambling

Support casino gambling in order to reduce the margin tax.

## ★ Equity

Support legislative measures to equitably distribute the burden of business sector taxes among all businesses, including service and manufacturing. Also, support legislation ensuring that homeowners and businesses share support for public education.

## ★ Fairness

Support the following Council on State Taxation taxpayer fairness proposals:

- Provide taxpayers equal interest rates on overpayments and underpayments;
- Provide for a 90-day protest period for taxpayers;
- Allow taxpayers an automatic filing extension with a federal extension; and
- Eliminate pay-to-play that requires Texas taxpayers to prepay tax or post a bond to obtain access to the trial court level.

## ★ Federal funding

Support state policies and programs that maximize the receipt and use of federal matching and other funds for state purposes.

## ★ Financial soundness for state disaster preparedness

Support improvements to the State General Fund to protect the state from significant losses in the event of a major hurricane to provide a well-protected coastal business environment, planning for quicker financial recovery, and avoiding increased business taxes in the event of a loss to the state's general fund.

## ★ Franchise (margin) tax

- Support maintaining the current equal assessment rate for the franchise (margin) tax for both retail and wholesale entities and a graduated approach to the tax for businesses that have sales less than \$1 million.
- Support authorizing a business's losses on the franchise (margin) tax to be carried forward for up to 10 years.
- Support an exemption from the franchise tax of all flow-through funds that are mandated by contract to be distributed to other entities.
- Support rebating to taxpayers any excess revenue collected from the franchise (margin) tax.

- Support reinstating the research and development tax credit.

- Support allowing businesses that elect to subtract compensation in computing their taxable margin to include wages and cash compensation paid to independent contractors if the total revenue of that business is below \$2 million.

## ★ Fund balances

Oppose any effort to reduce the budget of a fee-funded regulatory program for the purpose of redirecting the fee revenues to another purpose. Support efforts to reduce unobligated fund balances in regulatory fee funds by reducing fees to match expenditures and to eliminate overpayments by affected businesses and industries. Support legislative efforts to more clearly identify the source of funds for regulatory programs and fees that unfairly recover more than the costs of the programs that they pay for.

## ★ Gross receipts tax/user fees

Oppose the imposition of a gross receipts tax in Texas. Oppose any attempt to retroactively or prospectively impose a percentage of gross receipts use fee or street crossing surtaxes on the transmission of natural gas, crude oil petroleum products, petrochemicals and other goods, through pipelines.

## ★ Incentives

Support government tax policies and incentive programs that are effective in increasing investment to create new jobs and greatly expanding economic activity. Support specific exemptions, like those for manufacturing use, construction and electricity use, as well as reasonable abatements, enterprise funds, the moving images incentive program, and reinvestment zones.

## ★ Inventory tax

Support elimination or reduction of local inventory taxes. Texas is one of only six states that permit the levy of a property tax on inventories. This places the state at a severe economic disadvantage.

## ★ Local Option sales tax

Oppose any additional local option sales tax increases above the current two percent cap.

### ★ Location of payor

Oppose any component of a business or franchise tax that penalizes those located in Texas (location of payor).

### ★ Mandates

Oppose unfunded government mandates that shift the cost of financing programs to either the private sector or other levels of government.

### ★ Privatization

Encourage privatization efforts in government for increased efficiency and to reduce government spending.

### ★ Regulatory fees and taxes

Oppose any new taxes to pay for additional regulatory programs. Oppose the imposition of any new fees to recover the cost of regulatory programs unless the program can be shown to clearly address a critical public need. Fees should only be assessed to recover the actual costs imposed on government by the activities of the regulated entities. The fees must reasonably allocate the costs between members of a regulated universe, and they must be adjusted periodically to actually match agency budgets and legislative appropriations.

### ★ Regulatory policy

Support legislative efforts to maintain a regulatory climate that does not impose hidden taxes on employers through excessive fees and fines, but rather reduces excessive regulations to promote, rather than impede, economic growth and job creation.

### ★ Relocation of facilities in the right of way (ROW)

Support a return to previous law where a governmental entity mandating a company to move facilities located within the ROW paid for that relocation.

### ★ Research and development tax incentive

Support the continued expansion of tax incentives designed to aid our state's research and development industries. Expansion of the Research and Development Tax Credit program would be one way to do this.

### ★ Right-of-way (ROW) fees

Support legislation to promote consistency among municipalities in right-of-way fees and right-of-way crossing fees assessed telecommunications providers, electric utilities, and pipeline companies with facilities in city rights of way. Also, support limiting such fees to city cost of administration and maintenance of the rights of way, and requiring that such fees be assessed in a competitively neutral manner.

### ★ Sales tax--exemption for research & development

Support a sales tax exemption for the cost of material and equipment purchased for the purpose of research and development.

### ★ Split roll

Oppose any plan that splits the property tax rolls either by rate or by making one a state-wide tax. Oppose any tax plan or component that allows the state to treat businesses differently from homeowners.

### ★ Small business tax relief

Maintain franchise (margin) tax relief for small business.

### ★ State budget

Continue to support fiscal restraint in state spending and transparency in budgeting so that taxpayers know exactly what dollars are collected and where they are spent. TAB will continue to seek savings by focusing on increased efficiency in the use of state resources while simultaneously urging a reduction in the state's tax receipts.

### ★ State tax system

Support a balanced state tax system that encourages the savings and investment necessary for the creation of jobs and that does not place a disproportionate share of the tax burden on business. Any revision in the business tax structure should reduce the percentage of state and local taxes paid by business or be revenue neutral and also reduce the administrative burden.

### ★ Tax equity

Support legislation that promotes equity in the taxing of insurers, recognizing that premium taxes result in higher costs for consumers.

### ★ Tax exemption for pollution control equipment

Oppose attempts to repeal or weaken the property tax exemption for pollution control equipment.

### ★ Truth in budgeting

Support efforts to amend the constitutional and statutory authority under which the Comptroller determines what revenues are available for the state budget in order to preclude the use of unobligated balances in dedicated accounts for budget certification. TAB also supports a reasonable plan to address the significant balances that are currently being used only for budget certification through some combination of expenditure of the funds for the purposes authorized by statute and reductions in tax or fee rates to prevent large balances from accruing in the future.

### ★ Video lottery terminals (VLTs)

Support legislation to allow the voters to decide whether to permit the installation of interactive video lottery machines with the funding to be dedicated to schools.

### ★ Windfall profits tax

Oppose efforts to impose "windfall profits taxes" or to penalize companies for substantial and sudden profits.

### ★ Votes

Support legislation that would require a 2/3rds vote of the Texas Legislature in order to raise state taxes.

# Tort Reform

Through the passage of ground-breaking tort reform legislation that addressed medical malpractice, venue shopping, asbestos lawsuit abuse, and other legal inequities, TAB helped bring balance to the Texas civil justice system. As a result, the Texas economy is healthy and moving forward. The substantial efforts taken to create our state's business and jobs-friendly climate have made Texas one of the nation's top job creators, generating more than 550,000 new jobs between July 2009 and July 2012.

Although Texas has been called a shining example of what other states can do to reform their civil justice systems, we still have an uphill battle in maintaining our hard fought reforms and correcting additional burdens on the system. The 82nd Legislative Session was no exception to demonstrate how trial attorneys are attempting to dilute the gains made in previous legislative sessions. TAB will remain diligent to protecting the hard-fought reforms, and continue to fight for the following policies:

## ★ Alternative dispute resolution

Support legislation that creates mechanisms and incentives for the use of alternative dispute resolution.

## ★ Asbestos litigation

Protect litigation reform for asbestos and other industrial particulates that was passed in previous legislative sessions. Support legislation that allows for the dismissal of inactive cases and requires bankruptcy trust disclosure.

## ★ Civil Justice Reforms

Protect the comprehensive tort reform measures passed by the Texas Legislature that have gone a long way to building a fair, balanced civil justice system in Texas.

## ★ Court Reorganization

Support reorganizing Texas' court system to allow for more uniform jurisdiction for Texas Courts.

## ★ Extension of exclusive remedy

Support legislation that closes the loophole in Texas law that allows an injured worker to collect more for the same injury by suing both the employer and a parent or sister corporation of the employer.

## ★ Insurance litigation

Support revisions in the Texas Insurance Code that would:

- *Limit the amount of the fees that an attorney can charge when compared to the total amount of the property damage;*
- *Limit statutory damages to property losses set forth in the Insurance Code; and*

- *Remove the provision requiring insurance companies to pay an 18% interest rate on total property losses if the damages awarded to the homeowner are higher than the amount deemed reasonable by the insurance company as a result of mediation or court litigation. This provision could be replaced with a lower and reasonable interest rate that is tied to some mechanism such as the t-bill or government bond rate.*

## ★ Judicial selection

Support legislation that creates a mechanism for the merit selection and non-partisan retention election of qualified jurists.

## ★ Jury service

Support legislation to reform jury service requirements to streamline the process and encourage jury service. Legal ethics reform. Support legislation to ensure that the process for disciplining lawyers is effective to prevent abuse.

## ★ Medical malpractice

Protect legislative reforms enacted to address rising medical malpractice insurance costs.

## ★ Special courts

Support legislation to allow the Texas Supreme Court to create special courts and/or assign cases to specific courts in matters requiring medical or technical expertise.

## ★ Statutes of limitation

Oppose attempts to amend current law to extend statutes of limitations or timetables for filing a lawsuit.

# Transportation

An adequate transportation system is absolutely essential to the movement of people, goods and services and the preservation of economic opportunity in Texas. It is TAB's position that all transportation policy decisions must be focused on increasing the efficient and cost-effective movement of commerce between our neighboring states and countries. We must identify the transportation system that Texas needs and then determine all reasonable means to pay for it.

All modes of transportation that support our economy and jobs deserve support, as well as maintenance and modernization of our existing infrastructure. All methods of finance, including toll roads, alternative methods of funding and state revenues will be essential to providing all levels of government – state, regional and local – the tools to plan, design and implement transportation projects that serve the needs of this state. TAB's transportation policy priorities are:

## ★ Improved transportation systems

Support improved highways, ports of entry and other infrastructure that facilitates trade, increases the effective flow of goods and services, promotes tourism and increases public safety wherever these improvements can improve economic opportunity and state productivity.

## ★ Toll roads

Support the construction of toll roads where they are appropriate, have local support and do not reduce transportation options available to users. New capacity toll roads will provide motorists choices in safe reliable travel and user fees will support development, operations, financing and long term maintenance of facilities that otherwise may not be feasible to traditional state and local resources. Vigorously support public-private partnerships that bring innovative methods to design, build, finance, maintain and operate growing transportation system needs for the citizens of Texas, while protecting taxpayer interests and property rights.

## ★ Waterway, port, and ship channel improvements

Support any opportunities available to the Texas Legislature or Texas State Agencies to facilitate ongoing efforts to improve the maintenance and modernization of commercial waterways and ports through support for local communities seeking funding through the US Army Corps of Engineers or other sources, and state agency review and coordination of federal or state permits or authorizations.

## ★ Bonds

Support the issuance of bonds as funding mechanisms for highway construction where the long-term financing of infrastructure makes financial sense, generates positive economic returns and where adequate revenues exist to retire the obligations.

## ★ Local participation

Expand the use of local pass-thru financing and other alternatives that enhance the ability of local communities to participate in the transportation planning and development process and address local needs.

## ★ Motor fuel tax limitations

Except for the constitutionally-required allocation of motor fuel taxes to the educational system, support strict limitations on the use of motor fuel taxes for other than transportation programs and the elimination of diversions of transportation funds to other uses.

## ★ Public/private partnerships

Expand the use of Comprehensive Development Agreements (CDA) and enhance mechanisms that allow project sponsors to access private capital to supplement state or local funds to build infrastructure.

## ★ Vehicle registration fees

Support an increase in vehicle registration fees, dedicated to transportation infrastructure, that will complement other sources of funding to ensure that Texas has a transportation system capable of maintaining and growing our state economy.

## ★ Outsourcing state work

Support opening government monopolies to competition by comparing the cost of projects. If a business in the private sector can do the job better and at a lower cost than the state, then it should be outsourced. However, care should be taken to protect Texas businesses from competing with below-market priced materials/services from suppliers for whom subsidies provide an unfair pricing advantage over Texas suppliers.

## ★ State engineering work

Support outsourcing the state's engineering work to the maximum extent feasible to reduce costs and save taxpayer money.

# Water

Perhaps no other issue is as critical for all businesses in Texas as our water supply. The latest update to the Texas State Water Plan confirms that in drought conditions, Texas businesses do not have the water that is needed to sustain economic opportunity. The report projects that by 2060 water supplies will decrease by 10%, while our population will grow by 82%, from 25.4 million to over 46 million. The need for additional water in Texas during drought conditions will reach 8.3 million acre-feet.

Future water availability will depend on significant financial investment in water projects and infrastructure measured in the tens of billions of dollars. The failure to meet this water demand by 2060 will mean the loss of \$116 billion in lost corporate and personal income annually, and over 1 million jobs in Texas. Addressing the issue of water supply will help control costs which will become exorbitant for all users when demand far exceeds supply.

Clearly, conservation of existing water resources, development of additional cost-effective supplies and sound scientifically-based and economically rational standards for protecting water quality will be key to our ability to continue to attract business opportunity to Texas. These are also TAB's priorities for water management policy for the 83rd Legislature.

## ★ Emergency allocations of water

Support efforts to ensure that the allocation of water during drought or other emergency conditions to meet critical public health and welfare needs is conditioned on recipients of water implementing the most stringent water conservation measures and allows for compensation to those water rights holders who surrender water to meet public emergencies.

## ★ State Water Plan

Funding the State Water Plan through whatever means will produce sufficient revenues to ensure a viable future for economic development in Texas and distribute the costs fairly and equitably among all users and beneficiaries in the state.

## ★ State Water rights

Oppose efforts to alter the existing structure of water rights laws in Texas in any manner that would weaken the legal and property interest of existing holders of water rights.

## ★ Water conservation

Support efforts to ensure that water users are required to develop and enforce stringent water conservation measures as a condition of receiving any state financial or technical assistance for water resource planning and development.

# Workers' Compensation

Prior to 2005, the status of the Texas Workers' Compensation System was grim. Employers were faced with eye-popping premiums, providers were fleeing and injured workers were caught in a failing system. In 2004, only 23 percent of doctors were willing to accept new workers' compensation patients. After a massive revamp of the Texas Workers' Compensation System during the 79th legislative session, the outlook has dramatically improved. In fact, the Texas Department of Insurance reports premiums for workers' compensation policies have seen a 41% decline in rates since House Bill 7 was passed. More good news comes from a new study entitled "Premium Rate Ranking Summary" published by the Oregon Department of Consumer and Business Services. The study listed Texas as the state with the most improvement in premium costs since 2010. Texas' workers compensation premiums fell from a nationwide high ranking of 12 down to 38.

The Workers' Compensation System is continuously improving, but TAB and the business community must stay vigilant to protect the reforms already in place and streamline any identified processes. TAB's workers' compensation/nonsubscription priorities are:

## ★ Exemplary damage caps

Oppose legislation to remove caps on exemplary damages in workers' compensation claims.

## ★ Fraud: Monitoring, detection and prosecution

Support legislation that increases the Texas Department of Insurance's ability to identify and prosecute fraud and abuse within the workers' compensation system.

## ★ Health and safety

Support cost-effective health and safety measures.

## ★ Illegal drug use

Support legislation encouraging zero tolerance for the presence of alcohol or illegal drugs on the job. Support efforts to make the intoxication defense stronger.

### ★ Impairment ratings

Support legislation to maintain the objectivity of the workers' compensation system by ensuring that adopted medical impairment guidelines do not raise impairment benefit amounts. Oppose efforts to lower the impairment rating threshold for an injured worker to receive supplemental income benefits. Also, support continued monitoring of the income benefits system.

### ★ Indemnity benefits

Ensure that indemnity benefit changes are based on reliable data vetted by the employer and insurance community, and that changes do not negatively impact return-to-work initiatives.

### ★ Mandatory workers' compensation

Oppose legislative efforts to mandate workers' compensation coverage.

### ★ Mental health

Oppose legislation designed to expand mental health treatment guidelines, or the inclusion of psychologists, as authorized treating physicians.

### ★ Nonsubscription

Oppose any legislation that would directly or indirectly hurt nonsubscription plans. For many employers, nonsubscription has been a choice that kept their operations in Texas and aided them in providing better care to their employees. Over 40 percent of Texas businesses are nonsubscribers, which historically have had significantly greater satisfaction ratings and reduced expenses when compared to the workers' compensation system. TAB believes that this critical workplace tool must be preserved. Many bills have been filed during previous sessions that would hurt nonsubscription plans and TAB has successfully ensured that these bills did not become law. TAB believes that the upcoming legislative session will be no different. TAB is prepared to protect this critical option.

### ★ Opinion of chosen doctor

Support legislation to clarify that claimants may not appeal the opinions of their treating doctor in the areas of medical treatment, impairment and dispute process.

### ★ Over-burdensome laws

Oppose legislation that imposes new laws or regulations on employers that are non-subscribers to workers' compensation.

### ★ Physician dispensing

Oppose efforts to allow physician dispensing of prescription drugs.

### ★ Physician training

Support measures to increase training of medical providers in the use of narcotics.

### ★ Reduction of unnecessary laws

Support legislation to reduce unnecessary administrative and legal burdens on all employers.

### ★ Regulatory efficiency

Support measures to increase efficiency in the operation and administration of the Texas Department of Insurance and within the DWC.

### ★ Retaliatory discharge

Support legislation to limit damages and restrict the scope of action filed by a terminated employee for workers' compensation retaliatory discharge.

### ★ Return-to-Work (RTW) Guidelines

Support legislation to allow treating physicians and employers to use the same guidelines for RTW and treatment.

### ★ Settlements

Oppose legislation that attempts to reintroduce lump sum settlements, including medical lifetime benefits, into the Texas workers' compensation system.

### ★ Statutory employer

Support and preserve the current regulatory structure that prevents lawsuits against employers and property owners who provide workers' compensation insurance.

### ★ Subrogation rights

Support legislation to maintain subrogation rights of employers and insurers in recouping money paid to claimants for third party actions.

### ★ Subsequent Injury Fund

Support legislation to secure the solvency of the Subsequent Injury Fund that does not require an increase in the maintenance tax.

### ★ Treating physicians

Support legislation that strengthens the role of treating physicians to ensure quality medical care and effective management of care for injured workers. Also, support clarifying current law regarding the authorization for a treating doctor.

### ★ Utilization review

Support legislation to promote utilization review as a method of cost containment and quality improvement.

### ★ Waiver

Support legislation to specify that the defense of "No compensable injury" cannot be waived regardless of any time constraints.



**State Headquarters  
1209 Nueces Street  
Austin, TX 78701  
512.477.6721**

**[www.txbiz.org](http://www.txbiz.org)**

Texas Association of Business  
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Austin, Texas 78701

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