

## **The 88th Legislative Session Update**

### **Gambling**

“The number one reason we are opposed to gambling in Texas is because it takes advantage of the most vulnerable among us,” said Craig Christina, associate executive director for Texas Baptists. “God wants us to care for each other. It’s not just about me, it’s about how these issues affect society as a whole.”

According to Rob Kohler, a lobbyist the Christian Life Commission (CLC) has partnered with on anti-gambling initiatives, the conversation around gambling in this session centers on two fronts: Whether the state will permit the operation of resort-style casinos and the way it handles online gambling and sports betting.

In the former case, resort-casino developers need the state to loosen regulations that prevent the proliferation of casinos statewide. This is tied to an advantage native tribes hold with federal rules giving those groups a unique priority to run casinos on tribal lands.

Ironically, in states where similar moves have been made, Kohler said, tribally owned casinos have traditionally routed those developments from happening.

In the case of online gambling and sports betting, Texas Baptists Public Policy Director John Litzler said there is a key bill that needs to make it out of the house.

“SB1820 would prevent the State Lottery Commission from selling of gambling tickets online,” Litzler said. “We were able to help work on that process because people know the CLC has historically been opposed to expansion of gambling in Texas.”

This legislation walks back what the Lottery Commission had previously pushed through in 2020.

“They went through rule-making during COVID and changed their rules covertly,” Kohler said. “So the legislature is coming back and saying if you want to do that, you need to get a bill passed.”

Online gambling is different from other forms. Litzler and Christina shared a concern that it is more accessible and therefore easier to use.

“When it's online, it's more addictive and impacts communities more,” Litzler said. “We are really championing this bill. If we could get it through and get it into law that would be a big win.”

### **Payday lending**

Ann Baddour, director of the Fair Financial Services Project at Texas Appleseed, said the average personal loan amount borrowed from payday and auto title loan establishments in Texas in 2019 was \$1,044 and five months later would be \$2,000 to pay off.

“We’re seeing uncapped APRs averaging 200-500%. We work every session to change that,” Baddour said. “Vulnerable people in our communities are reliant on these [loans], and it means once someone is poor, they will always be poor, unable to get out of debt.”

Dr. Chad Chaddick, pastor at First Baptist Church San Marcos, has been vocal on predatory lending in Texas.

“The target of these loans are not the poorest of the poor,” he said. “The other demographic I hear about are people on SSI. It runs the gamut. It’s single moms, people working to make ends meet.”

Historically, Texas has been slow to adapt sweeping changes to the way businesses that practice predatory lending are handled – refusing to cap lending rates and fee structures.

“Texas is singled out as a cash cow for this industry,” Baddour said. “Why? Because they can.”

In that climate, barriers to preventive protection for vulnerable Texans have been local ordinances. That is when cities and municipalities have stepped up to make rules about how or whether these businesses operate in their communities.

According to Litzler, lawmakers are deciding to what end cities can make certain decisions without the state.

“SB814 would preempt a lot of local ordinances – including payday lending ordinances,” he said. “Some groups worked an exception to protect existing ordinances, but they didn’t let them amend the ordinance or let other cities adopt them.”

The ability to amend ordinances is important. Baddour noted products change all the time and it is vital for the rules to be able to keep up with industry changes.

“We have an opportunity to work with that committee,” Litzler said. “There’s still time to change it.”

### **Pro-life legislation**

In the vein of pro-life legislation, SB2390 – colloquially known as *The Buckner Bill* – would bolster support for qualified nonprofit organizations that help pregnant moms and families.

“Probably one of the biggest bills that we have a real chance on is the Tax Credit Bill, ” Litzler said. “If a business gives money to one of these qualified organizations, you’ll get a dollar-for-dollar-match on your franchise tax, up to \$2 million.”

Jennifer Allmon, executive director at the Texas Council of Catholic Bishops, said this session was different than in previous years.

“After the Dobbs ruling, I had calls from everyone. They wanted to know. Now that abortion is behind us, what can we do to support families?” she said. “The Texas legislature isn't having a fight about abortion this session.”

### **Public school funding**

School finance may have more bipartisan appeal as a means of reducing property taxes, Litzler said.

Under HB100, the state would not only increase its allotment, adjusted with inflation for public school funding, but it would also pick up a larger portion of the tab. Until the 90s, the State of Texas was the largest funder of Texas public schools – carrying just over half the allotment, leaving the difference to local property tax revenue.

These days, the state accounts for 32% and local taxes make up for 68%.

While property tax reform is not something the CLC intends to weigh into, Litzler said it is a means of safeguarding education so those other things can happen.

“What we want is more state funding for public schools so our property taxes can come down because people can't afford to stay in their homes,” Litzler said.

The education allotment means tangible benefits for teachers too.

“Right now each session determines the basic amount per number of students,” Holleman said. “When you don't update the basic allotment, you fall behind. We haven't updated the basic allotment since 2018. In that time, we've fallen behind \$1,000 per student.”

Falling behind in that sense, he said, means Texas teachers make on average \$7,500 less per year than the national average.

Finally, HB100 also means changes for how funding is calculated for schools.

“One of the big things we support is enrollment-based funding instead of attendance-based funding,” Litzler said. “Attendance is always going to be lower than enrollment. If you've got a class of 20 kids, that one day they come to take attendance you may have 19 or 17 kids. It's always going to be lower than the number of kids you have in your class – it can't possibly be higher. When you do enrollment based funding, it raises funding for all schools because everyone's enrollment is higher than their attendance.”