

Legislative Update
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GFOAT
Galveston

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Speaker Race / State Elections Update

- Republican Caucus still plans to “pick” speaker in closed caucus, but...
- Vote isn’t binding on House floor
- Will moderate Straus lieutenants peel off of caucus and cut deal with Democrats?
- If so only takes 21 at present, maybe fewer after election
- School vouchers are most important behind-the-scenes issue
- Moderate R’s did well in primaries

Governor Took on City Authority in 2017, Will He Do So Again?

- “As opposed to the state having to take multiple rifle-shot approaches at overriding local regulations, I think a broad-based law by the state of Texas that says across the board, the state is going to pre-empt local regulations, is a superior approach,” Abbott said.
- Such an approach, Abbott added, “makes it more simple, more elegant, but more importantly, provides greater advance notice to businesses and to individuals that you’re going to have the certainty to run your lives.”

Preemption Bills Expected

- Short term rentals
- Plastic bags
 - Tx Supreme Court ruled against cities last week
 - What's path forward?
- Payday lending
- Tree ordinances
- Chickens! (Must allow up to 6 in back yard – SB 1620 by Taylor)

Revenue Caps

- Lowers rollback rate from 8% to some lower number and requires automatic election to exceed
- Senate passed 4% cap in 2017, House passed 6%, bills died
- Governor proposed 2.5% cap during interim

City/County Caps are a Smokescreen

- Real issue with property taxes is school funding
- Current budget states school taxes “shall” increase by 7% each year
- Doing so allowed state to reduce state funding to schools by \$800 million this biennium
- Meanwhile, budget rider drove up school property taxes \$6.9 billion
- There is a property tax crisis—it’s caused by state and we’re the collateral damage

Economic Development / Caps Link

- Ch. 312 tax abatement authority expires in 2019 unless legislature re-enacts
- Key driver to state's economic development could disappear
- Cities will partner with industry to preserve Ch. 312, but...
- ...We won't engage in tax incentives if the legislature artificially caps those taxes
- And if industrial groups—the biggest beneficiaries of abatements—support caps, how hard should we push to preserve 312?

Debt Restrictions

- Complex finance information on bond ballot proposition
- November election only for bonds
- Mandatory election for COs
- Minimum voter threshold to pass bonds (SB 702 (Huffines) – 33 percent of registered voters must vote in election)

Lobbying Restrictions

- Citizen vote required before city can attempt to influence outcome of legislation (SB 445 by Sen. Burton – passed Senate but died in House)
- Complete preemption of city lobbying
- Can't join association that lobbies “with taxpayer dollars”
- Increase reporting of lobbying activities

Eminent Domain/Land Use

- Eminent domain bills to require attorney fees if initial offers not close enough and/or delayed repurchase rights
- Possible attacks on building fees as supposed major cost drivers to new construction
- Continued attacks on vested rights statute, including vesting triggered at land purchase instead of permit

Partisan Races

- Bill last session, and bills pending in other states, would require or allow mayors and council to run as Republican or Democrat (HB 2919 by Sanford)

Bathroom Bill / Civil Rights Ordinances

- Bathrooms specifically
 - Preempts city bathroom ordinances
 - Passed Senate last session
 - Likely to be a targeted amendment next session
- Civil Rights Ordinances Preempted (SB 92 by Hall)
 - Many more cities have these
 - Key to many economic development deals

Workers Comp Issues

- Firefighter cancers
 - Attempt to expand presumption from 3 to 21
- PTSD
 - Can be link, but how to distinguish from other factors?

Interim Committee Activity

- Small cell (SB 1004) hearing
 - Cities' lawsuit is obstructionist
 - TML is the puppet master!
- Senate Property Tax Select Committee
 - Similar arguments as before about growth in levy
 - Statement from one senator that “We don't raise property taxes, the locals do.”
- Cybersecurity
 - TML should keep centralized database...
 - ...except centralized databases are a security risk!

Online Sales Taxes

- US Supreme Court ruled in our favor recently
- Big question is whether Texas law is ready to go or whether enabling legislation is needed
- Need to watch sourcing changes in new legislation

Rising Use of Charter Initiative

- Citizens in some cities copying council action by other cities on workplace rules ordinances.
- Unions in San Antonio trying to put favorable employment rules directly into charter
- Land use decisions in Plano and Austin
- Revenue caps and civil rights ordinance in Houston
- What should League position be on such initiatives?
- What would League position be on legislation that would curtail initiative procedures?
- Special committee has been appointed by President Gray-Moore

TML Messaging

- Theme is “Our Home, Our Decisions”
- Target audience is chambers, civic groups who care about health of Texas cities and economy
- <https://www.tml.org/ourhomeourdecisions>
- Follow us on Twitter @TML_Texas