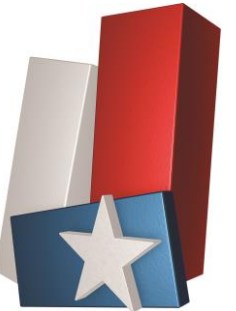


# TML Legislative Update

GFOAT Spring Conference

April 14, 2023



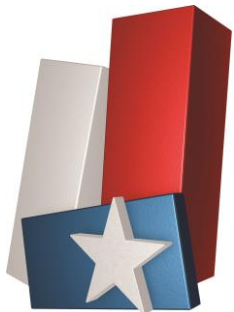
# Lt. Governor Patrick's Priorities

- **S.B. 3:** Increasing homestead exemption from \$40,000 to \$70,000 and tangible business property exemption.
- **S.B. 4:** Additional school property tax relief.
- **S.B. 5:** Increasing business personal property tax. Initially had \$76 million fiscal note to cities.
- **S.B. 22:** Rural law enforcement funding.
- **S.B. 28:** Addressing Texas' future water needs.
- **S.B. 29:** Banning local COVID-19 mandates.



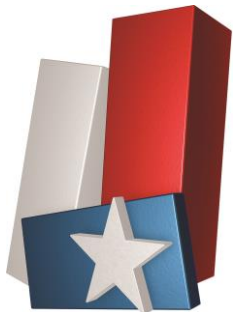
# Speaker Phelan's Priorities

- **H.B. 2** Property Tax Relief Act
- **H.B. 3** School safety
- **H.B. 4** Texas Data Privacy and Security Act
- **H.B. 5** Texas Jobs & Security Act
- **H.B. 6** Criminal penalties for certain controlled substances
- **H.B. 8** Community colleges funding model
- **H.B. 9** Texas Broadband Infrastructure Fund
- **H.B. 10** Texas Water Fund
- **H.B. 11** Teacher recruitment, preparation and retention
- **H.B. 12** Postpartum Medicaid coverage
- **H.B. 13** Active shooter preparedness and funding for school safety
- **H.B. 14** Plat and plan submission process
- **H.B. 15** Mental Health and Brain Research Institute of Texas
- **H.B. 16** Juvenile justice reform
- **H.B. 17** Official misconduct and removal of district and county attorneys
- **H.B. 18** Securing Children Online through Parental Empowerment Act
- **H.B. 19** Establishes the Business Court Judicial District
- **H.B. 100** School funding
- **H.B. 300** Sales tax exemption for essential baby items and feminine hygiene products
- **H.B. 400** Behavioral Health Innovation Grant Program for higher education
- **H.B. 600** Cost of living adjustments for retired Texas teachers
- **H.B. 900** Restricting Explicit & Adult Designated Educational Resources (READER) Act



# Super Preemption

- **H.B. 2127** (Burrows) and **S.B. 814** (Creighton)
  - Preemption of city/county regulations in a field occupied by the following codes: Agriculture, Business and Commerce, Finance, Insurance, Labor, Natural Resources, Property, and Occupations, unless explicitly authorized. Committee Substitute for H.B. 2127 on House Calendar 4/18; S.B. 814 heard in Senate Business and Commerce.
- **S.B. 149** (Springer)
  - No city ordinances that regulates intrastate commercial activity. Heard in Senate Business and Commerce Committee.
- **H.B. 2266** (Leach)
  - State license holder can sue if city regulation would result in adverse economic impact. Voted from House Judiciary.
- **H.B. 2350** (Cody Harris)
  - No city occupational license if state issues an occupational license, with exceptions. Reported from House Licensing.



# Targeted Preemption

- **S.B. 1017** (Birdwell) / **H.B. 2374** (Landgraf)
  - City can't regulate energy source or engine. S.B. 1017 passed Senate; H.B. 2374 on House calendar 4/18.
- **S.B. 130** (Campbell)
  - City can't regulate private wages or benefits. Passed Senate.
- **H.B. 92** (Landgraf).
  - Must allow for growing of fruits and vegetables, and up to six chickens and six rabbits. On House calendar 4/17.
- **S.B. 784** (Birdwell) / **S.B. 1114** (Hancock) / **H.B. 2211** (Landgraf)
  - City can't regulate greenhouse gas emissions. S.B. 1114 passed Senate; S.B. 784 reported from Senate Natural Resources; H.B. 2211 voted from House Environmental Reg.
- **H.J.R. 9** (Landgraf) – Constitutional right to food, water, etc. giving rise to any use of residential land. Reported from House Agriculture.
- **H.B. 1389** (Guillen)
  - Weedy lot ordinances don't apply to agricultural operations. Passed House.



# Targeted Preemption

- **H.B. 1750** (Burns) / **H.J.R. 126** and **S.B. 1421** (Perry)
  - Both bills limit city regulation of agricultural operations within the city limits and ETJ. H.B. 1750 passed House; S.B. 1421 passed the Senate.
- **H.B. 2308** (Ashby)
  - Preemption of certain ordinances that regulate agricultural operations. Passed House.
- **H.B. 2239** (Troxclair)
  - City can't prohibit removal of ash juniper tree. Reported from House Land and Resource Management.
- **H.B. 2035** (Slawson) and **S.B. 986** (Creighton)
  - City can't adopt or enforce a regulation that restricts evictions. H.B. 2035 heard in House Business and Industry; S.B. 986 on Senate Intent Calendar.
- **H.B. 2367** (Lozano)
  - Preempts city regulation of “residential amenity rentals”. Heard in House Land and Resource Management.
- **H.B. 1598** (Darby)
  - Limits city ability to regulate siting of municipal solid waste facilities. Voted from House Environmental Regulation.



# Community Censorship

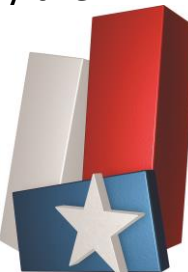
- **S.B. 175** (Middleton) / **H.B. 3538** (Troclair)
  - Community censorship - City can't hire lobbyist or join organization that lobbies. S.B. 175 passed Senate with amendments.





# Land Use

- **H.B. 369** (Campbell)
  - Automatic disannexation by December 2023 for any area not receiving full municipal services. Heard in Senate Local Government.
- **H.B. 3053** (Dean)
  - City must conduct a disannexation election in every area annexed between March 3, 2015 and December 1, 2017. Substitute voted from House Land and Resource Management.
- **H.B. 2561** (Tepper)
  - City must conduct a disannexation election in every area annexed between 2015 and 2019. Heard in House Land and Resource Management.
- **H.B. 1279** (Tepper)
  - Limits the extent of a city's ETJ. Heard in House Land and Resource Management.
- **H.B. 866** (Oliverson)/**S.B. 494** (Hughes)
  - As filed, city can't impose prerequisites or conditions to file a plan or plat. Substitute allows for administrative delegation of plat approval, removes plans from shot clock, and allows for third-party plat reviews under certain circumstances. H.B. 866 passed House; S.B. 494 heard in Senate Local Government.
- **H.B. 1526** (Cody Harris) and **S.B. 558** (Hughes)
  - Limits amount of parkland dedication fees and amount that can be dedicated (over 800,000 pop.). H.B. 1526 approved by the House; S.B. 558 voted from Senate Natural Resources.
- **H.B. 1922** (Dutton)
  - Building permit fees sunset every 10 years. Reported from House Land and Resource Management.



# Land Use

- **H.B. 14** (Cody Harris)
  - Third-party review of plans, plats, and inspections 15 days after shot clock (Speaker priority). Approved by House.
- **H.B. 2970** (Guillen)
  - HUD-Code homes allowed in all residential zones subject to some criteria. Approved by House.
- **S.B. 2037** (Bettencourt)
  - No city subdivision regulations or minimum lot sizes/setbacks in ETJ. Heard in Senate Local Government.
- **S.B. 929** (Parker) / **H.B. 3490** (Rogers)
  - Payment for prohibiting non-conforming uses. Reported from Senate Local Government. S.B. 929 reported from Senate Local Government; H.B. 3490 voted from House Land and Resource Management.
- **H.B. 1707** (Klick)
  - Preempts city regulations over charter schools, must treat like a public school. Voted from House Land and Resource Management.
- **H.B. 149** (Murr)
  - All cities, not just those over one million, can sell small parks (two acres or less) without an election. Passed the House.



# Land Use

- **H.B. 1204** (Martinez) and **H.B. 4275** (Rogers)
  - Allows an ESD to prevent a city from becoming the sole provider of emergency services of an area that is voluntarily annexed by the city. H.B. 1204 heard in House Land and Resource Management. H.B. voted from House Land and Resource Management.
- **H.B. 1381** (Hernandez)
  - Only one zoning hearing required by zoning commission. On House Calendar 4/18.

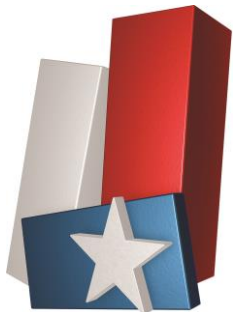
# Land Use - Density Related Bills

- **H.B. 3921** (Goldman) / **S.B. 1787** (Bettencourt)
  - Cities in counties over 300,000 pop cannot require lot sizes larger than 1,400 square feet or 20' x 60', or fewer than 31.1 homes per acre, with specifics about setbacks. H.B. 3921 heard in House Land and Resource Management. S.B. 1787 heard in Senate Local Government.
- **H.B. 2789** (Holland) / **S.B. 1412** (Hughes)
  - Accessory Dwelling Units by right in single family zoning or un-zoned areas. H.B. 2789 heard in House Land and Resource; S.B. 1412 heard in Senate Local Government.



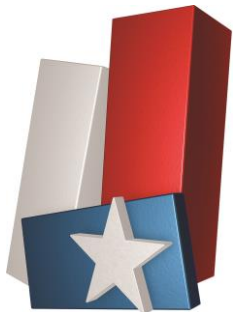
# Property Tax

- **H.B. 2** (Meyer)
  - 5% appraisal cap all property. Passed House.
- **S.B. 5** (Parker)
  - Increases business personal property tax exemption. Passed Senate.
- **H.B. 159** (Landgraf)
  - Yearly tax rates must be published in a newspaper. Voted from House Ways and Means.
- **S.B. 1999** (Bettencourt)
  - Adjusts unused increment rate calculation by converting the rate to a dollar amount that carries forward. Heard in Senate Local Government.



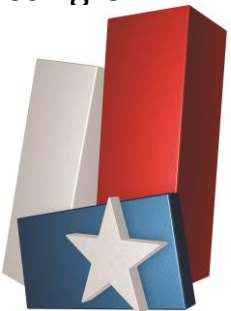
# Sales Tax

- **H.B. 300** (Howard)
  - Sales tax exemption for family care items – baby wipes, diapers, maternity clothing, feminine hygiene products, etc. Passed House. Large fiscal note (\$91 million state / \$17 million cities) but bipartisan momentum and Speaker priority bill.
- **S.B. 621** (Johnson)
  - Street maintenance sales tax somewhat extended between elections. Passed Senate.



# City Finance and Debt

- **H.B. 1489** (Tepper)
  - Certificates of obligation can only be issued in a public emergency, in response to a court order, or to comply with state or federal regulation. Heard in House Pension/Investments.
- **H.B. 4082** (Goldman)
  - Confirms most typical uses of COs and anticipation notes, but prohibits use for stadiums, arenas, civic centers, and hotels. Voted from House Pensions.
- **H.B. 187** (Landgraf) and **S.B. 946** (Sparks)
  - All debt elections must be held in November. H.B. 187 heard in House Pensions/Investments; S.B. 946 reported from Senate State Affairs.
- **S.B. 767** (Parker)
  - Notice of new and increased fees in every city budget, as well as email notification system alerting residents of new and increased fees. On Senate Intent Calendar.
- **S.B. 1110** (Schwertner)
  - City can't transfer revenue from an electric utility to general fund if transfer would result in rate increase or financial deficit for utility. Heard in Senate Business and Commerce.
- **H.B. 3492** (Stucky)
  - City cannot impose fees related to engineering, construction, subdivisions if the fee is based on the cost of constructing or improving public infrastructure. Heard in House Land and Resource Management.



# City Finance and Debt

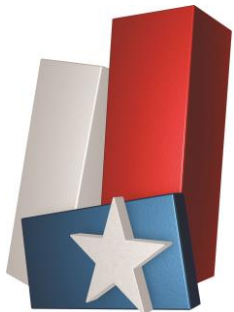
- **S.B. 561** (Sparks)
  - Political subdivision may not issue debt for equipment/vehicles if expected useful life ends before debt matures. Heard in Senate Local Government.
- **S.B. 1810** (Sparks)
  - Limits anticipation notes in various ways, also extends CO blackout period after a bond election from three to five years. Heard in Senate Local Government.
- **S.B. 1814** (Bettencourt)
  - Limits a taxing unit's ability to retire debt earlier than required by bond covenants. Heard in Senate Local Government.
- **S.B. 2035** (Bettencourt)
  - Prevents issuance of an anticipation note or CO within five years of a failed bond election for same project. Heard in Senate Local Government.
- **S.B. 2371** (Campbell)
  - For any bond that increases taxes, require a statement on the proposition stating "THIS IS A TAX INCREASE."





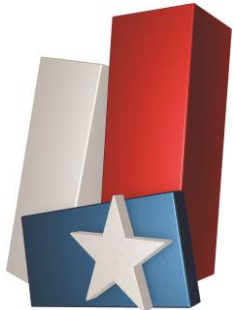
# Community and Economic Development

- **H.B. 1439** (Hernandez)
  - Repeals requirement that city offer to clean up graffiti free of charge before requiring property owner to remove. Heard in House County Affairs.
- **H.B. 1492** (Ordaz) and **S.B. 543** (Blanco)
  - Clarifies that city can transfer real property under a 380 agreement. H.B. 1492 heard in House Urban Affairs; S.B. 543 heard in Senate Natural Resources and Economic Development.
- **H.B. 5** (Hunter)
  - Replaces Chapter 313 with a new state law. Heard in House Ways and Means.
- **S.B. 1340** (Zaffirini)
  - 380 database expanded to include Chapter 312 property tax abatement agreements. Heard in Senate Natural Resources and Economic Development.
- **S.B. 1419** (Birdwell)
  - Ch. 380 grants can't come from property taxes plus more transparency. Heard in Senate Natural Resources and Economic Development.



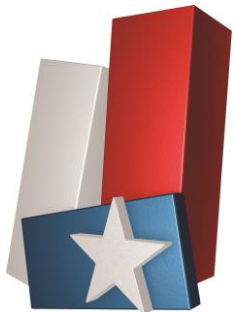
# Public Safety and Personnel

- **H.B. 471** (Patterson)
  - Paid sick and leave for first responders up to a year, plus disease presumption expansion. Passed House.
- **H.B. 2925** (Martinez)
  - Automatic civil service in cities over 25,000 pop without an election. Heard in House County Affairs.
- **S.B. 224** (Alvarado)
  - Increases penalties for catalytic converter theft. Passed Senate.
- **H.B. 1819** (Cook)
  - Repeals city juvenile curfew ordinance authority. Voted from House Select on Youth Health.
- **H.B. 2455** (King)
  - Fire department must offer an annual occupational medical evaluation to each fire fighter employed by the fire department at no cost to the fire fighter. Voted from House Urban Affairs.
- **H.B. 410** (Thompson)
  - No arrests allowed for Class C misdemeanors. Voted from House Homeland Security.
- **S.B. 1413** (Johnson)
  - Fire department can remove items from right-of-ways. Passed Senate.



# Utilities and Environment

- **S.B. 1238** (Nichols) and **H.B. 9** (Ashby)
  - Broadband development and funding. S.B. 1238 passed Senate; H.B. 9 voted from House State Affairs.
- **S.B. 1117** (Hancock)
  - Video services do not include streaming for franchise fee purposes. Voted from Senate Business and Commerce.
- **S.B. 1015** (King)
  - City can't participate in electric periodic rate adjustment. Passed Senate.



# Open Government

- **H.B. 2493** (Capriglione)
  - Electronic information, including databases, must be produced under Public Information Act. Voted from the House State Affairs Committee.
- **H.B. 3033** (Landgraff)
  - 15 day deadline to produce documents after attorney general decision under PIA. Voted from House State Affairs Committee.

# Other

- **S.B. 221** (Bettencourt)
  - SOS ballot language review for city propositions, private cause of action against city. Passed Senate.
- **H.B. 2806** (Canales)
  - Billboards entitled to relocate in certain areas if use discontinued due to highway widening or public improvement project. Voted from House Transportation.
- **H.B. 2224** (Hernandez) / **S.B. 1663** (Alvarado)
  - City can lower a residential speed limit to 25 (20 under Senate version) mph without a traffic study. HB 2224 Reported from House Transportation. SB 1663 on Senate Intent Calendar.
- **S.B. 829** (Kolkhorst)
  - Further limits city authority over cottage food operations. On Senate Intent Calendar.





Questions?