



Legislative UPDATE

April 23, 2021
Number 15

Bill Limiting City Debt Reported From House Committee with Changes

House Bill 1869 by Representative Dustin Burrows, which we previously reported on [here](#), was recently amended and approved by the House Ways and Means Committee. It is likely to move to a House floor vote next week.

As filed, H.B. 1869 would modify the definition of “debt” for purposes of the debt service property tax rate calculation to only include debt approved at an election. This change would mean that all non-voter approved debt must be financed from a city’s maintenance and operations property tax rate, instead of the debt service tax rate. The end-result of H.B. 1869, as filed, would be the effective elimination of tax-supported debt that is not approved by the voters at an election. The primary focus of the legislation is to restrict the use of certificates of obligation (COs).

City leaders voiced their opposition to H.B. 1869, both during the committee hearing process and subsequently to their state representatives. Constructive feedback from local leaders has played a key role in improving the language in H.B. 1869. On April 12, the House Ways and Means committee approved the bill with some significant changes to the language, including allowing the following types of debt to continue be financed through the city’s debt service tax rate:

- Self-supporting debt;
- Debt evidencing a loan under a state or federal financial assistance program;
- Refunding debt ;

- Debt issued in response to certain emergencies;
- Debt issued for “designated infrastructure,” defined as infrastructure, facilities, or equipment related to:
 - Streets, roads, or highways;
 - Telecommunications
 - Cybersecurity; or
 - Utility systems and drainage projects

While the committee-approved version of H.B. 1869 represents a markedly improved bill, some work remains. Conspicuously absent from the definition of “designated infrastructure” is infrastructure, facilities, or equipment related to police, fire, and emergency medical services. This means that cities could no longer issue tax notes or use tax-supported lease-purchase agreements to finance the purchase of a fire rescue apparatus, ambulance, or police vehicle should H.B. 1869 pass in its current form. Also left out of the improvements are projects such as parks and city halls.

Many cities, especially smaller cities that simply cannot afford to cash fund public safety vehicles, rely heavily on these debt instruments to finance the vehicles and equipment necessary to provide public safety services. Further, due to legislation passed last session, cities are legally prohibited from seeking voter-approval of general obligation bonds for vehicles or equipment if the maturity of the bonds exceeds 120 percent of the useful life of the vehicles or equipment being financed. Without further changes, H.B. 1869 would take away critical tools that cities use to finance public safety services.

City official engagement has already made a huge difference on H.B. 1869. Cities are encouraged to continue working with their state representatives in advance of the House floor vote on H.B. 1869 to make sure they retain the ability to fund critical infrastructure and services in a cost-effective way.

Bills on the Move

Significant Committee Action

[H.B. 5 \(Ashby/Nichols\)](#), relating to broadband. Voted from Senate Transportation.

[H.B. 610 \(Swanson\)](#), relating to state license holders. Voted from House Judiciary and Civil Jurisprudence.

[H.B. 664 \(Landgraf\)](#), relating to local debt elections. TML testified in opposition to the bill. Left pending in House Pensions, Investments, and Financial Services.

[H.B. 782 \(Swanson\)](#), relating to recall elections, ballot proposition, and petitions. Voted from House Elections.

[H.B. 1101 \(Beckley\)](#), relating to sales price disclosure. Left pending in House Business and Industry.

[H.B. 1686 \(Cortez\)](#), relating to residential food production. Voted from House Agriculture and Livestock.

[H.B. 1705 \(Schofield\)](#), relating to property tax limitations on the disabled or elderly. TML provided [written testimony](#). Left pending in House Ways & Means.

[H.B. 2044 \(Leman\)](#), relating to eminent domain. Voted from House Land and Resource Management.

[H.B. 2092 \(Sanford\)](#), relating to partisan elections. Voted from House Elections.

[H.B. 2438 \(Meyer\)](#), relating to law enforcement funding. Voted from House from Ways and Means.

[H.B. 2776 \(Deshotel\)](#), relating to disannexation. Voted from House Land and Resource Management.

[H.B. 3909 \(Harris\)](#), relating to occupational licensing. TML provided [written testimony](#). Left pending in House Licensing and Administrative Procedures.

[H.B. 4005 \(Romero\)](#), relating to zoning change. Voted from House Land and Resource Management.

[H.B. 4447 \(Oliverson\)](#), relating to land development applications. TML provided [written testimony](#). Left pending in House Land and Resource Management.

[H.J.R. 84 \(Schofield\)](#), relating to property tax limitation on the disabled or elderly. TML provided [written testimony](#). Left pending in House Ways & Means.

[S.B. 1879 \(Bettencourt\)](#), relating to community advocacy. Voted from Senate Local Government.

[S.B. 1922 \(Lucio\)](#), relating to regulation in certain areas. Voted from Senate State Affairs.

Significant Floor Action

[H.B. 2683 \(Canales\)](#), relating to open meetings. Passed the House.

[S.B. 22 \(Springer\)](#), relating to disease presumption. Passed the Senate.

[S.B. 726 \(Schwertner\)](#), relating to eminent domain. Passed the Senate.

[S.B. 877 \(Hancock\)](#), relating to building inspections. Passed the Senate.

[S.B. 1438 \(Bettencourt\)](#), relating to tax rate calculation in a disaster area. Passed the Senate.

TCEQ Proposes Rules Requiring Alternative Language for Certain Permits

The Texas Commission on Environmental Quality (TCEQ) is [proposing rules](#) that would require translations for certain proceedings and applications for TCEQ permits. Specifically, the rules would apply to: (1) all air quality permit applications; and (2) water quality or waste permit applications when the closest elementary or middle school nearest to the facility or proposed facility is required by Texas law to provide a bilingual education program. The required translations will result in additional costs for cities seeking these permits.

Under the proposed rules, applicants required to publish an alternative language notice of their permitting action would also be required to: (1) translate notice of any public meeting; (2) provide professional interpretation services at any public meeting; and (3) translate certain information related to a contested case hearing.

The comment period closes on **April 26, 2021**. Written comments may be submitted to Gwen Ricco, MC 205, Office of Legal Services, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087, or faxed to fax4808@tceq.texas.gov. Electronic comments may be submitted at: <https://www6.tceq.texas.gov/rules/ecomments/>. All comments should reference **Rule Project Number 2020-018-039-LS**.

EPA Announces Public Listening Sessions and Roundtables on the Lead and Copper Rule Revisions

The U.S. Environmental Protection Agency (EPA) announced upcoming public listening sessions and roundtables to ensure that communities and stakeholders have the opportunity to provide their perspectives to the agency on protections from lead in drinking water. Virtual public listening sessions will be held on **April 28, 2021**, and **May 5, 2021**. EPA will then host community-focused virtual roundtables, starting in May of 2021. Additional details are available at www.epa.gov/safewater. Those unable to attend any of the events will be able to submit comments via the docket at: <http://www.regulations.gov>, Docket ID: EPA-HQ-OW-2021-0255 until June 30, 2021.

Stay Engaged During the Legislative Session: Grassroots Involvement Program

During this legislative session, Texas cities are facing many challenges and opportunities. TML will need to continue mobilizing our membership at key points in the remaining weeks. The Grassroots Involvement Program (GRIP) is one way to do so. Our GRIP survey focuses on a variety of items, including your areas of expertise and involvement with other professional organizations. Most importantly, the GRIP survey asks how well you know various state legislators and if you are willing to communicate with those legislators during the session.

If you have a relationship with your legislator(s) or want to be more involved during session, please take the time to complete the [GRIP survey](#). Past efforts have proven that participation is a highly effective tool.

We ask that you complete the survey as soon as possible.

City Officials Testify

When the legislature is in session, nothing compares to the effectiveness of city officials testifying at the Capitol. City officials who take the time to attend legislative committee meetings – whether virtually or by traveling to Austin – to speak out on important city issues should be applauded by us all. The League extends its thanks to all those who are vigilantly representing cities during this session. If we missed your testimony, let us know by an email to ford@tml.org, and we will recognize you in next week's edition.

The following officials testified in committee hearings held April 12 through April 16:

- Joel Patterson, Councilmember, City of Fulshear
- Sally Bakko, Director of Policy and Government Relations, City of Galveston
- Diana Grey, Homeless Strategy Officer, City of Austin
- Bill Kelly, Director of Government Relations, City of Houston
- Jeffrey Kennedy, Assistant Fire Chief, City of Austin
- Jonathan Kringen, Chief Data Officer, City of Austin Police Department
- Jeff Coyle, Assistant City Manager, City of San Antonio
- Marco Vega, General Manager, McAllen Public Utility
- Cecelia Gonzalez-Dippel, Mayor, City of Floresville
- Richard Beverlin, City Manager, City of Leander
- Micah Grau, Deputy City Manager, City of Buda
- Jennifer Thomas Gomez, Planning Manager, City of Missouri City
- Barry Beard, City Commissioner, City of Richmond
- Nick Woolery, Assistant City Manager, City of Baytown
- Heather Hurlbert, Director of Finance and Business Analysis, City of Corpus Christi
- Ray Craig, Arena/Event Center Manager, City of Llano
- Gail Lang, Mayor, City of Llano
- Carly Nicole Foster, Lieutenant, City of Grapeland Police Department
- Juan Ayala, Director – Office of Military & Veteran Affairs, City of San Antonio
- Clayton Perry, Councilmember, City of San Antonio
- Chris Herrington, Environmental Officer, City of Austin
- Stephen Costello, Chief Recovery Officer, City of Houston
- David Martin, Mayor Pro Tem, City of Houston
- Bruno Lozano, Mayor, City of Del Rio
- Cynthia Garza Reyes, Director of External Relations, City of Pharr

- Tyler Hjorth, Electric Utility Assistant Director, City of San Marcos
- Blaire Parker, San Antonio Water System
- Jerry Hendrix, Chief of Staff, City of Kyle
- George Craig, City of Houston Police Department
- Brian Redburn, Assistant Chief, City of Irving Police Department
- Ed Van Eenoo, Chief Financial Officer, City of Austin

Coronavirus (COVID-19) Updates

The Texas Municipal League is open for business. The building is closed to all but essential personnel and most staff is working remotely, but the League remains open for business and is fully ready to serve. Cities are encouraged to call or email for legal assistance, help with ordinances, or for general advice or assistance. Let us know how we can assist you and your city.

Call TML staff at 512-231-7400, or email the legal department for legal assistance at legalinfo@tml.org; Rachael Pitts for membership support at RPitts@tml.org; and the training team for questions about conferences and workshops at training@tml.org.

The League has prepared a coronavirus clearinghouse [web page](#) to keep cities updated. In addition, everyone who receives the *Legislative Update* should receive an email update each Tuesday with information on new developments. The email updates are our primary means of communication during the pandemic. Those emails are archived [chronologically](#) as well as by [subject matter](#).

TML member cities may use the material herein for any purpose. No other person or entity may reproduce, duplicate, or distribute any part of this document without the written authorization of the Texas Municipal League.