



Legislative UPDATE

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Lt. Governor and Speaker Release Interim Charges

House Speaker Joe Straus and Lt. Governor Dan Patrick have released interim charges to the committees of the Texas House and Senate to study prior to the 2019 legislative session. The city-related charges are reprinted below. The League will continue to monitor the charges and report on the progress of the studies.

House Committee on Appropriations

- Examine the use of federal funds by state agencies responding to the effects of Hurricane Harvey and identify opportunities to maximize the use of federal funds to reduce the impact of future natural disasters. Also, identify the need for state resources to respond to Harvey relief and recovery efforts, as well as opportunities for state investment in infrastructure projects that will reduce the impact of future natural disasters. (Issued on September 14, 2017.)
- Study the allocation of the municipal solid waste disposal fee between Waste Management Account 0549 and Solid Waste Disposal Fee Account 5000. Determine whether changes should be made to support future program costs.

House Committee on Business & Industry

- Evaluate the adequacy of the workforce currently available to the industries responsible for rebuilding the state's key infrastructure as well as residential and commercial properties damaged by Hurricane Harvey. Specifically, examine the labor needs within the construction industry and skilled trades and determine if local or state licensing requirements and regulations are an unnecessary barrier to the ongoing success of post-Harvey recovery. (Joint charge with the House Committee on Licensing & Administrative Procedures.)

House Committee on Defense & Veterans' Affairs

- Assess ways the State of Texas can further aid federal military installations and their communities in order to minimize the negative consequences of a Base Realignment and Closure round by the federal government.
- Examine best practices related to use of the Defense Economic Adjustment Assistance Grant program to maximize support for military installations, and how the state can better serve military installations in Texas. Also, evaluate changes that would increase utilization of the Texas Military Revolving Loan Fund.

House Committee on Elections

- Study the potential impact of disaster events on election administration and security. Specifically, examine any effects or vulnerabilities identified during Hurricane Harvey and the subsequent recovery period.
- Study the efficiency and security of the state's existing election protocols and systems, including but not limited to registration and early voting procedures, ballot styles, and the rules regarding time and location of polls. Identify available processes and options which could lead to increased voter participation and election integrity.
- Study the process for establishing onsite early voting for voters who reside at a residential care facility. Specifically, review the provisions signed into law by H.B. 658 (85R) and subsequently repealed with the passage of H.B. 184 (85(1)).

House Committee on Energy Resources

- Study the Gas Reliability Infrastructure Program and its effect on gas utility ratemaking and ratepayers.

House Committee on Environmental Regulation

- Examine the Texas Commission on Environmental Quality's (TCEQ) response and clean-up efforts related to Hurricane Harvey. Study whether current air, water, waste, and wastewater rules and regulations adequately protect the public, natural resources, environment, infrastructure, residential areas, and industrial facilities from damage caused by natural disasters. Evaluate the debris cleanup and removal process and whether current rules and regulations are effective in expediting cleanup efforts. Make recommendations on how natural disaster responses can be improved.
- Examine how emergency alert systems related to hazardous and chemical releases are organized at the local, state, and federal level and explore ways to improve coordination and efficiencies. Develop recommendations to improve notifications to first responders and the public.

- Study the permitting, siting, and regulatory processes for solid waste landfills, including municipal solid waste landfills, and whether current rules, regulations, and notice requirements adequately ensure compliance and maximize participation from the public and stakeholders.
- Review the TCEQ's expedited air permitting program and examine whether the program is achieving the desired results.

House Committee on General Investigating & Ethics

- Maintain oversight of federal, state, local, and charitable funds spent in response to Hurricane Harvey. Investigate instances of waste, fraud, or abuse involving such funds. Ensure that the State of Texas is maximizing federal disaster aid.

House Committee on Government Transparency & Operation

- Examine the role of technology in disaster preparedness and the response to Hurricane Harvey and future natural disasters. Review and make recommendations to drive innovation and efficiency and evaluate whether there are any regulatory impediments to collaboration between the public and private sectors.
- Review Texas' open meeting laws and related government decision-making policies. Determine if the formal processes prevented the efficient delivery of assistance during Hurricane Harvey. Make recommendations on maintaining the current standards of accountability without limiting government-provided aid during disaster events.
- Evaluate whether, in light of recent Texas Supreme Court rulings, the provisions of the Public Information Act are adequate to support transparency and accountability in government, particularly as it relates to government contracting and procurement.

House Committee on Homeland Security & Public Safety

- Evaluate the response of the Texas Department of Public Safety's (DPS) response to Hurricane Harvey. Review the actions of the Texas Division of Emergency Management and the state's natural disaster preparedness planning efforts to determine their effectiveness at addressing Harvey-related issues. Study coordination between municipalities, counties, and state agencies and how emergency response activities are organized and coordinated at the city, county, and regional level.

House Committee on Insurance

- Examine the effect of Hurricane Harvey on the insurance market in Texas. Include an evaluation of the status of the Texas Windstorm Insurance Association and Texas FAIR Plan Association, and of the impact of Harvey on the ability of these residual markets to achieve their statutory goals and meet the needs of their policyholders. Examine possible gaps and vulnerabilities in insurance coverage brought to light by Harvey and recommend ways to address these issues.
- Study the use of appraisal processes under property insurance policies in Texas, including the effects of court decisions on the use of these processes and the impact of their use on insurers and policyholders.

House Committee on Land & Resource Management

- Review local and state zoning and land use regulations. Determine if current rules provide an adequate balance of disaster preparedness and deference to private property rights.
- Examine Texas' eminent domain statutes to ensure a balance between necessary infrastructure growth and fair compensation for landowners. Review available public information and data relating to the compensation provided to private property owners. Make recommendations to improve the accountability, as well as successful development, of the entities granted eminent domain authority.
- Monitor the agencies and programs under the Committee's jurisdiction and oversee the implementation of relevant legislation passed by the 85th Legislature. In conducting this oversight, the Committee will also specifically review the municipal practices developed as a result of the passage of S.B. 6 during the 85th First Called Session, as well as the ongoing effects on property owners.

House Committee on Licensing & Administrative Procedures

- Evaluate the adequacy of the workforce currently available to the industries responsible for rebuilding the state's key infrastructure, as well as residential and commercial properties damaged by Hurricane Harvey. Specifically, examine the labor needs within the construction industry and skilled trades and determine if local or state licensing requirements and regulations are an unnecessary barrier to the ongoing success of post-Harvey recovery. (Joint charge with the House Committee on Business & Industry.)
- Review local and state occupational licensing and regulations for redundancies. Determine the most effective balance of promoting the economic growth and development of Texas' businesses and workforce with government interests and public safety.

House Committee on Natural Resources

- Examine the following issues within the Committee's jurisdiction regarding Hurricane Harvey and flooding in general: the role of regional entities in developing projects to control flooding, both through new infrastructure and enhancing existing infrastructure; mitigation efforts that would reduce the impact of future flood events, and strategies to fund those efforts; and the response of public entities that own or operate dams to large-scale rain events, including how such entities make decisions regarding dam and reservoir operations during such events, coordinate with state and local emergency management officials, and communicate with the public. (Issued September 14, 2017.)

House Committee on Pensions

- Evaluate the governance structures, including investment oversight, of the Employee Retirement System (ERS), Teacher Retirement System (TRS), Texas Municipal Retirement System, Texas County and District Retirement System, and Texas Emergency Services Retirement System. Identify best practices and make recommendations to strengthen oversight within the systems.

House Committee on Transportation

- Review the state's response to Hurricane Harvey and natural disaster preparedness with respect to the transportation system and transportation infrastructure. Make recommendations for improving agency operations related to emergency preparedness and response.
- Study the efficacy of existing transportation finance mechanisms from state, regional, and local perspectives. Identify opportunities to improve existing transportation finance mechanisms and investigate the feasibility of developing new ones.

House Committee on Urban Affairs

- Monitor housing needs in areas impacted by Hurricane Harvey and related flooding, including:
 - The local, state, and federal governments' responses to short-term and long-term housing needs for those displaced by the storm; and
 - Changes in affordable and low-income housing needs in affected areas.
- Monitor and evaluate the need for affordable housing in urban and rural areas across the State of Texas. Examine whether existing housing programs are adequately addressing the needs for affordable housing. Identify prospective and innovative ideas and solutions to address affordable housing needs in Texas.
- Examine local government oversight of abandoned and substandard buildings, including buildings of historical significance. Identify ways to best address these issues in an efficient and effective manner.

House Committee on Ways & Means

- Review the impact of Hurricane Harvey on state and local taxes. Examine the need for and the feasibility of requiring reappraisal of all property affected by large-scale disasters such as Harvey. Identify improvements to the tax-rate-setting process following such disasters.
- Review the property tax system and identify improvements relating to:
 - Transparency and communications with taxpayers;
 - The tax-rate-setting process;
 - The training and expertise required of appraisal review board members;
 - Appraisal review board composition, structure, and process; and
 - Appeals of appraisal review board orders.

Senate Finance

- Property Tax on Business Personal Property: Evaluate the property tax as it applies to business personal property and the current \$500 exemption. Quantify the economic effect of taxing business personal property and determine whether the tax places Texas at a competitive disadvantage relative to other states. Evaluate the burden on taxpayers and local governments of administering the property tax on business personal property and determine whether the current \$500 exemption should be increased.
- Interest Rate Disparity: Evaluate the rate of interest charged on delinquent property taxes and delinquent state taxes, compared to the rate of interest paid on property tax refunds and state tax refunds.

- Evaluate the effect of interest rate disparity on the assessment decisions of governments and the payment decisions of taxpayers.
- Quantify the amount by which state and local governments profit from interest rate disparity.
- Identify best practices among other states regarding interest rates charged and paid.
- Recommend a plan and timeline to reduce interest rate disparity.

Senate Select Committee on Property Tax Reform

- **Voter Engagement:** Study and recommend ways to enhance voter engagement in local government decisions around budgets and property tax rates through digital media and social media. Determine how budget and tax rate information should be formatted for effective communication through digital and social media. Identify the ways in which digital and social media present new opportunities for voters to give feedback to local governments. Identify best practices among local governments in Texas and in other states.
- **Tax Rate and Appraisal Reform:** Evaluate the effective tax rate and rollback tax rate calculations and identify modifications that would yield a rollback process that is meaningful for local governments and for citizens. Evaluate whether the current rollback election trigger serves modern objectives.
- **Evaluate the operations of appraisal review boards (ARBs),** specifically the training and expertise of members concerning appraisal standards and law, ethics, and meeting procedures. Determine whether ARB operations are sufficiently independent of central appraisal districts and taxing units and whether ARBs and/or chief appraisers should be elected.
- **Property Tax Data:** Evaluate whether existing libraries of property tax data and collection methods are adequate for studying local property tax outcomes and identifying drivers of growing property tax levies. Determine the scope of existing data, where it is stored, and how it is made available to the public. Determine whether existing, available data is adequate for the needs of the legislature and the public. Review existing procedures for the collection and verification of data. Receive recommendations from the comptroller regarding the collection, verification, and publication of property tax data.
- **Lowering Property Tax Burden:** Study the feasibility of replacing the property tax with sales tax or other consumption tax revenue, with emphasis on school maintenance and operations tax. Evaluate whether some local property taxes lend themselves to a swap more than others. Quantify the short-term and long-term economic effects of a tax swap. Identify a target property tax rate and evaluate how to reach that target with a consumption tax swap.

Senate Natural Resources and Economic Development Committee

- **Hotel Occupancy Taxes:** Study and make recommendations regarding the collection and use of hotel occupancy taxes to increase transparency in the imposition, rate, and use of such taxes.
- **Waste Disposal Regulation:** Study the permitting and compliance processes for waste disposal and processing, including evaluating the criteria for approval, denial, and application return. Make recommendations for improving and streamlining the permitting

and compliance processes while maximizing public participation for effective outreach and education. Review the allocation of the Municipal Solid Waste disposal fees and make recommendations regarding allocation methods to adequately support existing programs.

Senate Intergovernmental Relations Committee

- **ETJ Limitations and Notice:** Review the existing regulatory authority granted to home-rule municipalities within the extraterritorial jurisdiction (ETJ), including practices used by cities to expand ETJ boundaries, and whether proper notification is provided to property owners added to a city's ETJ following an annexation proceeding. Determine the limitations that need to be placed on a city's authority within the ETJ to better protect the private property rights of individuals and landowners, and ways to notify individuals of the impact of being within a city's ETJ. Develop a statewide rule and minimum requirements for such notifications.
- **Housing Affordability:** Examine issues that impact housing affordability, including the effect of local government taxes, fees, and mandates. Evaluate the cost of purchasing a single-family residence in different parts of the state, factoring in the impact of local rules and regulations, to identify matters of policy with the greatest influence, and identify ways to increase transparency and awareness prior to the adoption of costly local ordinances or orders.

Senate Veterans Affairs and Border Security Committee

- **Border Security - Law Enforcement:** Study and make recommendations on opportunities to create public safety partnerships. Consider the federal 287(g) program and any needs of a state or local jurisdiction when entering in a Memorandum of Agreement for receiving delegated federal authority. Review cross training programs offered in other states that allow U.S. Border Patrol agents to be certified as state peace officers, and determine if Texas could create such a program.
- **Military Installation:** Identify opportunities to promote the strategic importance of military installations in Texas. Study the impact of the Aviation, Aerospace & Defense manufacturing industry on the economic vitality of military installations and communities. Identify potential strategic partnerships between this industry and military communities which would enhance key strategic assets.

Senate State Affairs Committee

- **Second Amendment:** Review local ordinances imposed on sellers and venues that affect a person's rights under the Second Amendment of the United States Constitution. Examine state and local regulations and restrictions regarding the carrying of weapons during a natural disaster. Make recommendations on whether any legislation is needed to address the regulatory barriers to the full exercise of the Second Amendment rights of citizens.
- **Pensions:** Examine and assess public pension systems in Texas. Specifically, review and assess (1) the different types of retirement plans; (2) the actuarial assumptions used by retirement systems to value their liabilities and the consequences of amending those assumptions; (3) retirement systems' investment practices and performance; and (4) the adequacy of financial disclosures including asset returns and fees. Make

recommendations to ensure public pension system retirees' benefits are preserved and protected.

- **Religious Liberty:** Monitor the implementation of legislation that protects citizens' religious freedoms, including Senate Bill 24 (sermon safeguard) and House Bill 555 (religious liberty of county clerks), and make recommendations for any legislation needed to ensure that citizens' religious freedoms are not eroded by local ordinances or state or federal law.

Senate Business and Commerce Committee

- **Monitoring Charge:** Monitor the implementation of legislation addressed by the Senate Committee on Business and Commerce during the 85th Legislature, Regular Session, including the implementation of legislation to deregulate occupational licensing.

Senate Agriculture, Water and Rural Affairs Committee

- **Streamlining Water Permitting:** Study and recommend changes that promote streamlining of water right permit issuance and the amendment process by the TCEQ for surface water, and that promote uniform and streamline permitting by groundwater conservation districts for groundwater. Evaluate more transparent process needs and proper valuation of water.

Senate Select Committee on Election Security

- In light of recent election irregularities in Texas, review voting security protocols as well as the responsibilities and duties of members of the Electoral College. Specifically, examine the use of electronic voting machines and paper ballots, voting fraud and disenfranchisement occurring inside nursing homes and assisted living facilities, outside interference and manipulation of elections, and the voting requirements of presidential electors. Make recommendations to safeguard the integrity of elections, ensure the confidentiality and security of voting records, and ensure the will of the people is reflected through their ballot and carried out through their presidential electors.

NLC Asks for Help to Oppose Federal Broadband Preemption

The Federal Communications Commission (FCC) continues to seek input on whether local right-of-way management and fees are a “barrier” to broadband deployment. On November 9, the FCC is expected to receive recommendations on the subject from its Broadband Deployment Advisory Committee (BDAC). The BDAC is stacked heavily with industry members, and has only a few local government representatives (including one from Texas).

The presidents of NLC, the National Association of Counties (NaCO), and the U.S. Conference of Mayors (USCM) have [signed on to a letter](#) to FCC leadership criticizing the unfair, closed-door process of the BDAC despite NLC’s repeated efforts to include a stronger voice for local governments on the committee. The letter calls on the FCC to preserve local authority, consider the obstacles to broadband presented by industry, and create additional opportunity for public review and comment on BDAC reports and any rulemaking on this year's proceedings on wireline, wireless, and small cell infrastructure.

NLC, NaCO, and USCM are inviting all local officials to [sign on to this letter](#) with their presidents **by November 1**. They will be submitting the letter with all local officials' names added by that deadline prior to the November BDAC meeting.

Post Session Update: Procurement

Texas Municipal League staff has updated the League's *Texas Municipal Procurement Laws Made Easy* paper. The free paper serves as a resource to city officials and is [available online](#).

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