



Legislative UPDATE

November 6, 2015
Number 38

Constitutional Amendment Propositions

Texas voters passed all seven proposed amendments to the Texas Constitution earlier this week. Only four of those have any effect on cities:

- Proposition 1 provides, among other things, that a property owner is entitled to an exemption from taxation by a school district of \$25,000 of the appraised value of the person's residence homestead.
- Proposition 2 permits the legislature to provide a complete residence homestead property tax exemption for the surviving spouse of a 100 percent or totally disabled veteran who died before the law authorizing a residence homestead exemption for such a veteran took effect, but only if the surviving spouse has not remarried since the death of the disabled veteran.
- Proposition 6 enshrines in the Constitution that the people have the right to hunt, fish, and harvest wildlife, and ensures that the amendment does not affect the power of the legislature to authorize a city to regulate the discharge of a weapon in a populated area in the interest of public safety.
- Proposition 7 dedicates a portion of the motor vehicle sales tax to the state highway fund to be used for road construction.

During the legislative session, city officials and League staff worked to ensure that the above amendments did not erode municipal authority.

Attorney General Approves “In God We Trust” on Police Cars

The Texas attorney general recently released [Opinion No. KP-0042](#), which concludes that a “court is likely to conclude that a law enforcement department’s display of the national motto, “In God We Trust,” on its patrol vehicles is permissible under the Establishment Clause of the United States Constitution.”

According to the attorney general, Congress adopted “In God We Trust” as the national motto of the United States in 1956. In addition, Congress has required use of the motto on coins and printed currency of the United States. “Against constitutional challenges to these statutes, courts across the country have consistently held that the statutes do not violate the Establishment Clause of the First Amendment.”

In providing his opinion, the attorney general concluded that courts upholding the motto have emphasized that “[i]ts use is of a patriotic or ceremonial character.”

Speaker Straus Releases House Interim Charges

House Speaker Joe Straus has released interim charges to the committees of the Texas House of Representatives to study prior to the 2017 legislative session. The descriptions of city-related charges are reprinted below.

Agriculture and Livestock

- Study the appraisal of agricultural land for taxation and related issues, including the change-of-use “rollback” provision. Examine the impact of the current appraisal system of agricultural land for taxation on rural economic development.

Appropriations

- Evaluate the effectiveness of the Department of Public Safety’s use of funds appropriated during the 84th legislative session for border security operations. Examine existing data and reporting on border security metrics, and recommend improvements to ensure the availability of accurate information in considering sustaining or increasing border security funds.
- Study the various methods of funding the state’s transportation network, including recent legislative enactments such as Proposition 1 and Proposition. Review the current budget structure for the Texas Department of Transportation as it relates to transportation funding categories, and make recommendations for future allocations to accurately address the transportation needs in the state.

Defense and Veterans' Affairs

- Explore how encroachment (environmental, technological, and architectural) impacts the vital missions of our military bases in Texas and which policies can be put into place while retaining respect for private property rights, economic growth, and the operation of military facilities.
- Assess ways the State of Texas can further aid our federal military installations and their communities in order to minimize the negative consequences of a potential forthcoming BRAC round by the federal government.
- Assess the continuing effect and the impact of sequestration and federal defense spending on Texas military bases, soldiers and their families, base communities, and Texas defense contractors. Identify solutions to address issues raised by federal policy.

Economic and Small Business Development

- Evaluate what local governments are doing to attract businesses to their communities and examine ways the state can leverage these practices and provide support. Include ways to improve local economic development programs to ensure a continued return on investment for taxpayers. In addition, study the authority, financial accountability, and types of statutorily allowed expenditures of economic development corporations. Provide analysis of 4A and 4B sales tax programs and determine if they are still meeting their intended purpose effectively.
- Oversee implementation of H.B. 26, which includes – among other things – provisions relating to the Event Trust Fund. Review best practices for measuring success of economic development incentives. Consider general metrics or principles to aid the legislature in determining viable and sustainable incentive programs that provide a “Return on Investment” for taxpayers.
- Evaluate Texas’ competitiveness with other states in recruiting and cultivating high-growth, high-tech industries, fostering economic development, and creating new jobs. Examine if current incentives and regulations assist or hinder the state’s ability to compete with other states for economic growth and sustainability.
- Examine if the state has an adequately diversified economic foundation and make recommendations on how to better achieve diversification. Look at ways to achieve balance between rural and urban economic development. Consider methods to improve workforce development initiatives and incentives that will improve re-employment after layoffs and release from incarceration as well as methods to improve employment rates for recent graduates.

Elections

- Examine the petition process for addressing local ordinances, the time necessary to prepare a petition, the collection of signatures, and the enforcement of local standards

required for a petition to be valid. Make necessary recommendations to clarify the petition process to ensure accountability.

- Evaluate options to improve the transparency of local bond elections, including but not limited to: current processes used to educate voters about how tax dollars will be spent, the time of year bond elections are held, and the description of bond proposals on the ballot. Make appropriate legislative recommendations.
- Identify policy options to improve compliance with campaign finance reporting laws by local officials and candidates for local office.
- Examine the methods by which local election officials are informed about changes to election law, and potential improvements that would assist these officials in learning of and complying with these changes.

Energy Resources

- Study current renewable energy regulations in Texas in order to more effectively balance federal, state and local regulations.
- Study enforcement policies of the Railroad Commission of Texas. Consider the effectiveness of maximum fines as a deterrent of violation, the economic benefit of non-compliance, and greater accessibility to enforcement and complaint data for the public.
- Determine if sufficient safety standards exist to protect groundwater contamination from disposal and injection wells. (Joint charge with the House Committee on Natural Resources.)
- Conduct legislative oversight and monitoring of the agencies and programs under the committee's jurisdiction and the implementation of relevant legislation passed by the 84th Legislature. In conducting this oversight, the committee should monitor the impact of major energy legislation passed by the 84th Legislature including the implementation of regulated surface activity on oil and gas sites.

Environmental Regulation

- Monitor initiatives at the local level to regulate environmental issues. Consider if legislative changes are needed to resolve ambiguous regulations regarding the priority of state or local authority.
- Study the effectiveness of current state programs to address scrap tire management and disposal methods, including the incidence of scrap tires and rubber debris on roadways and in watercourses. Include analysis of disposal fee collection and management as well as local funding allocations. Provide incentive or enforcement recommendations for ongoing clean-up efforts, abatement of identified tire dump sites, and means of ensuring accurate record keeping and reporting.

Government Transparency and Operation

- Study issues related to access to public information held outside of the custody or control of the governmental body by current or former officers or employees. Assess whether the Public Information Act's procedures for response to repetitious or redundant public information requests adequately protect small governmental bodies from the financial burdens imposed by such requests.
- Study the impact of emerging technologies used by law enforcement and issues related to appropriate dissemination of the data provided by those technologies, including the impact of technologies on the operation of law enforcement agencies, the operation of the Public Information Act, and any appropriate safeguards for citizens and law enforcement officers who interact with those technologies or whose data is recorded.

Homeland Security and Public Safety

- Review the functions of the Texas Division of Emergency Management and the state's natural disaster preparedness planning efforts to determine their effectiveness at addressing a growing range of threats. Identify best practices to ensure coordination between municipalities, counties, and state agencies.
- Review the current penalties for operating a commercial motor vehicle that is in violation of state or federal safety standards. Evaluate the role of state and local law enforcement agencies in enforcing commercial motor vehicle standards, and make recommendations to ensure the safety of the traveling public.
- Conduct legislative oversight and monitoring of the agencies and programs under the committee's jurisdiction and the implementation of relevant legislation passed by the 84th Legislature, including legislation that expanded the ability to carry handguns openly.

Insurance

- Monitor the implementation of S.B. 900, which relates to the operation of the Texas Windstorm Insurance Program, including the rulemaking process by the Texas Department of Insurance and the adoption of an updated plan of operation by the Texas Windstorm Insurance Association.

Investments and Financial Services

- Examine the short-term lending industry in Texas. Study the adequacy of consumer access to credit and the effectiveness of consumer protections, specifically reviewing the consistency and coordination of state law with federal law and local ordinances. Review data-reporting requirements for credit-access businesses and make appropriate recommendations.

Land and Resource Management

- Study state preparedness and response to natural disasters including but not limited to: an evaluation of risks to the state, emergency planning efforts, first response efforts, coordination between the General Land Office, the State Emergency Operation Center, and other state, local, and federal resources. Make appropriate recommendations to ensure Texas has the proper programs, resources, and personnel in place to respond to natural disasters.
- Examine the rate of erosion along the Texas coast and the effects of coastal erosion on public beaches, natural resources, coastal development, public infrastructure, and public and private property. Analyze current programs related to coastal erosion and examine their effectiveness. Make appropriate recommendations.
- Study the effectiveness of the implementation of S.B. 695 and examine the feasibility and desirability of creating and maintaining a coastal barrier system.
- Examine current regulatory authority available to municipalities in their extraterritorial jurisdiction. Study current annexation policies in Texas. Make necessary legislative recommendations to ensure a proper balance between development, municipal regulations, and the needs of citizens in Texas.

Natural Resources

- Examine the regional and state water planning processes, with emphasis on the following:
 - the integration of H.B. 4 (2013);
 - the appropriate role of the state in ensuring that the process both supports regional goals and priorities and the water needs of the state as a whole, and how the state might encourage strategies to benefit multiple regions;
 - the structure and operation of the regional planning groups;
 - the interaction between the planning process and groundwater management;
 - whether the “drought of record” remains the appropriate benchmark for planning; and
 - any impediments to meeting the conservation, agricultural, and rural project goals set by HB 4, and possible new approaches to help meet these goals.
- Evaluate the status of water markets in Texas and the potential benefits and challenges of expanded markets for water. Include an evaluation of greater interconnections between water systems through both engineered and natural infrastructure. Examine opportunities for incentives from areas receiving water supplies to areas providing those supplies that could benefit each area and the state as a whole.
- Analyze the factors contributing to freshwater loss in the state, including evaporation, excess flows into the Gulf of Mexico, and infrastructure inefficiencies, and examine techniques to prevent such losses, including aquifer storage and recovery, off-channel storage, and infrastructure enhancements.

- Evaluate the progress of seawater desalination projects near the Texas coast as a means of increasing water supplies and reducing strain on existing supplies, building on the work of the Joint Interim Committee to Study Water Desalination. Examine the viability of the use of public-private partnerships and of methods by which the state might facilitate such a project.

Pensions

- Study the impact that fluctuations in global financial markets have had on public pension funds. Analyze assumed rates of return on investments, structures among asset classes, long-term and shorter-term investment goals, and make appropriate recommendations to ensure the investment structure of public pension funds are meeting fiduciary responsibilities.
- Examine Texas pension funds' compliance with Governmental Accounting Standards Board Financial Reporting Statements 67 and 68, and identify the effect the reporting requirements are having on the state's pension systems.

Special Purpose Districts

- Study best practices in the creation, management, and expansion of Municipal Management Districts (MMD) and/or Improvement Districts in the state. Consider the economic impact of the taxation or assessment of local property owners through bonds issued by MMDs. The committee should specifically examine the mechanisms by which MMDs expand or limit their powers, MMD consistency in the use of eminent domain powers, transparency in MMD reporting requirements, and the mechanisms for voter approval of the creation and dissolution of MMDs. Develop and recommend standards for future district creation.

State Affairs

- Evaluate the administrative process used to determine utility rates. Consider if sufficient opportunities exist to ensure customer representation. Also, determine if additional legislative guidance is needed to ensure public notification and participation.
- Examine how the Public Utility Commission of Texas, when applicable, and utility providers, whether vertically integrated, privately owned, or municipally owned, can ensure consumer protection regarding metering devices for water, gas, and electricity service. Review recent examples of inaccurate or confusing billings and offer recommendations on appropriate consumer recourse and appeal. In addition, assess utility procedures regarding meter installation.
- Examine state and local laws applicable to undocumented immigrants throughout the State of Texas and analyze the effects of those laws in conjunction with federal immigration laws and the policies and practices followed by U.S. Immigration and Customs Enforcement.

- Examine payroll deductions from state or political subdivision employees for the purpose of labor organization membership dues or fees as well as charitable organization and nonprofit contributions. Determine if this process is an appropriate use of public funds.

Transportation

- Study the Texas Department of Transportation's role in responding to natural disasters, specifically reviewing contraflow lane plans for major routes and technology that can minimize evacuation and travel times.
- Evaluate local transportation funding mechanisms authorized by the state, such as transportation reinvestment zones, to determine their effectiveness. Identify methods for local entities to utilize these tools to improve congestion.
- Study the current statutory requirements for utility relocation and recommend modifications that will minimize delay times while protecting taxpayers and ratepayers.
- Examine innovative transportation technologies, such as autonomous vehicles, to evaluate potential cost savings and ways in which they may reduce traffic congestion, promote safety, and increase economic productivity.

Urban Affairs

- Study the effectiveness and efficiency of current programs in Texas as well as best practices to determine how to decrease the risk and mitigate the impact of wildfires, floods, and other natural hazards in the wildland-urban interface. Examine the duties, performance, and jurisdictions of water districts, municipalities, Emergency Services Districts, other similar districts, and state offices like the Fire Marshal and Extension Services. Evaluate current regulations and identify best practices. Recommend approaches for hazard mitigation and response to natural disasters. (Joint charge with the House Committee on County Affairs.)
- Identify and address potential gaps in cities' cybersecurity policy and ensure that personal information held by cities and other municipal entities is secure.
- Examine whether changes are needed to the Texas Department of Housing and Community Affairs (TDHCA) low-income tax credit program to ensure compliance with the U.S. Supreme Court's decision in *Texas Department of Housing and Community Affairs et al. v. Inclusive Communities Project, Inc., et al.* on fair housing in Texas.
- Review existing housing programs and policies in Texas to determine how to best comply with the U.S. Department of Housing and Urban Development's new Affirmatively Furthering Fair Housing Rules.
- Investigate the operation and regulation, including a review of standards, monitoring, and enforcement, of boarding homes in municipalities and unincorporated areas of counties.

Identify communities that have adopted local standards, and review procedures for investigating and closing unlicensed facilities that are providing services which require state licensure. (Joint charge with the House Committee on Human Services.)

Ways and Means

- Review aspects of the property tax system that contribute to rising property tax levies and taxpayer dissatisfaction. Examine whether the current system allows taxpayers meaningful participation in determining local property tax rates. Explore changes to the appraisal process that could improve the accuracy of appraisals.
- Review current law and policy regarding sales and use taxes on information services and data processing services.
- Monitor implementation of the increased residence homestead exemption as approved by the voters in Proposition 1. Determine the amount of property tax relief for homeowners, taking into account increases in appraisals and local property tax rates. Additionally, determine the cost to the state to make up the revenue loss for school districts.

Select Committee on Emerging Issues in Texas Law Enforcement

- Study body camera policies and best practices to develop guidelines available for reference by agencies utilizing the funding grants provided by the state. Accordingly, review the issues of data storage, records retention, the Public Information Act, and evidentiary procedures. Determine if there is a need to expand on the minimum standards set by S.B. 158.
- Study the impact of emerging technologies used by law enforcement and issues related to appropriate dissemination of the data provided by those technologies, including the impact of technologies on the operation of law enforcement agencies, the operation of the Public Information Act, and any appropriate safeguards for citizens and law enforcement officers who interact with those technologies or whose data is recorded. (Joint charge with the House Committee on Government Transparency and Operation.)
- Review the training and professional needs of law enforcement in the State of Texas, including the award and sufficiency of law enforcement training grants, methods of training, and types of training, including training in emerging or changing threats such as human trafficking, mental health crisis and confrontation, organized crime, and critical incident shooting.
- Determine any changes necessary to assure that each Texas law enforcement officer is provided with the necessary and appropriate tools and protocols to increase public safety of all Texans, including the safety of Texas peace officers.

The League will monitor, participate in, and report on the progress of each study.

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