



Legislative UPDATE

July 21, 2017
Number 28

The Onslaught Begins THIS WEEKEND: **Senate Committees Begin Attack on City Residents** **City Testimony Needed**

Texas Senate committees have wasted no time moving their anti-city agenda forward. The first special session began last Tuesday, and the Senate has set at least *nine* harmful bills for committee hearings this weekend. It is likely the committees (and later the entire Senate) will quickly move the bills, but interested city officials should come to Austin to testify.

The overall message to senators is that Texans don't want to be told they must conform to one way of thinking or one way of living by overreaching big-government politicians – whether it comes from Washington or from Austin. Let Texans decide at the local level what's best for their community.

If you can't make it to Austin, you should [call your Senator's office](#) to express your opposition, especially if he or she is on one of the committees.

The [Senate Business and Commerce Committee](#) will meet on Saturday, July 22, at 9:00 a.m., in the [Capitol Extension Room E1.016](#) to consider numerous preemption bills. Summaries of the bills and talking points in opposition are included below.

- **1S.B. 12** (Buckingham) – **Property Rights/“Super-Vesting”**: would provide that: (1) a city or county may not enforce an ordinance, order, or other regulation that prohibits or restricts the use or development of real property that has been platted if the ordinance,

order, or other regulation was not in effect on the date the owner of the property acquired title to the property; (2) the limitation in (1) does not apply to a parcel of land for which the owner has filed with the county clerk of the county in which the land is located a written waiver of the limitation; and (3) the bill applies only to a prohibition or restriction that is not subject to Chapter 245 (the “permit vesting” statute), including prohibitions or restrictions exempt from that chapter.

- **1S.B. 13 (Burton) – Expedited Permitting/Occupational Vesting:** would make various detrimental changes to the law governing permit issuance and vesting. With regard to the issuance of any permit required by a city to construct or improve a building or other structure in the city or its extraterritorial jurisdiction, the bill would provide for detailed “shot clock” procedures. With regard to chapter 245 of the Local Government Code (the “permit vesting” statute), the bill would – among many other things – make engaging in an occupation subject to permit vesting.

Overriding Local Permitting Talking Points: City ordinances on the issuance of a wide variety of permits are adopted in an open and transparent process that seeks input from residents and businesses. The resulting rules are tailored to the needs and concerns of the local community. Any claims that cities have restricted economic growth through local permitting rules are simply absurd based on all the economic indicators that show Texas cities are booming. Three out of four new jobs in Texas are created in the state’s major urban areas because they provide the services, facilities and infrastructure businesses and their employees need to thrive. State government should not mess with the obvious success Texas cities have achieved in attracting and growing job-creating businesses.

- **1S.B. 14 (Hall) – Tree Preservation Preemption:** would provide that: (1) a city, county, or other political subdivision may not enact or enforce any ordinance, rule, or other regulation that restricts the ability of a property owner to remove a tree or vegetation on the owner’s property, including a regulation that requires the owner to file an affidavit or notice before removing the tree or vegetation; and (2) the bill does not prevent the enforcement of an ordinance, rule, or other regulation designed to mitigate tree-borne diseases as recommended by the Texas A&M Forest Service.

Banning Local Tree Protections Talking Points: Responding to citizen concerns about property values and maintaining attractive, livable neighborhoods, about 50 Texas cities have adopted local rules on the removal and replacement of larger trees. Many cities have chosen not to adopt tree preservation ordinances. The decision on whether to have local tree protection rules should be made at the local level by the citizens in each community and not by an overreaching centralized government in Austin.

- **1S.B. 15 (Huffines) – Cell Phone Ban:** would preempt a city from regulating or prohibiting the use of a wireless communication device while operating a motor vehicle.

Banning Local Safe Driving Ordinances Talking Points: It took the state legislature more than a decade to finally pass a statewide law this year on the use of cells phones

while driving. During that time, citizens in many Texas cities pushed for adoption of local ordinances to deal with the increasing number of traffic accidents caused by distracted drivers. Many of those local ordinances are more comprehensive than the recently passed state law which contains a number of exceptions and loopholes. If Texans decide they want their community to have more safety precautions than provided by state law, they should be allowed to make that choice and not have their local traffic safety rules overridden by the state.

The newly-formed [Senate Select Committee on Government Reform](#) will meet on Saturday, July 22, at 11:00 a.m., in the [Capitol Extension Auditorium \(Room E1.004\)](#) to consider revenue cap and other property tax reforms. Summaries of the bills and talking points in opposition are included below.

Note: According to the committee posting, “witness registration opens at 10am. Witness registration for ORAL testimony will close at 2:00 p.m. However, you may register a position or provide written testimony only at any point during the hearing. For ORAL testimony, proceed to the witness registration table located outside the Extension Auditorium, E1.004 to fill out a paper registration card. To register a position or provide written testimony only, please register at any electronic witness registration kiosk. After you have registered electronically, drop off any written testimony at the witness registration table located outside E1.004. Public testimony will be limited to two minutes. If submitting written testimony, please provide 20 copies to the committee clerk with your name on each copy.”

- **[1S.B. 1 \(Bettencourt\)](#) – Revenue Cap:** this bill, known as the “Texas Property Tax Reform and Relief Act of 2017,” would make numerous changes to the process for calculating and adopting property tax rates. Of primary importance to cities, the bill would: (1) adjust the property tax rollback rate in the following ways: (a) define “small taxing unit” as a taxing unit other than a school district for which: (i) the maintenance and operations tax rate proposed for the current tax year is two cents per \$100 of taxable value; or (ii) taxes of \$10 million or less are imposed when applied to the current total value for the taxing unit; (b) maintain an eight percent rollback rate for all small taxing units (Note: this is the same as current law, although there would be a lowered petition requirement for a rollback election as detailed by (2), below); (c) for a taxing unit other than a small taxing unit, provide for a rollback rate of four percent; and (d) provide that the governing body of a taxing unit other than a small taxing unit may direct the designated officer or employee to calculate the rollback tax rate of the unit in the manner provided for a small taxing unit if any part of the unit is located in an area declared a disaster area during the current tax year by the governor or by the president of the United States; (2) provide that any adopted tax rate of a small taxing unit exceeding the rollback rate would subject the taxing unit to an election if a petition is signed by at least ten percent of the number of registered voters of the taxing unit who voted in the most recent gubernatorial election; (3) provide that any adopted rate of a taxing unit other than a small taxing unit exceeding the rollback rate would subject the taxing unit to an automatic rollback election held on the November uniform election date in the applicable tax year, at which the voters would determine whether or not to reduce the tax rate adopted for the current year to the rollback rate; and (4) make numerous calendar changes

to the property tax appraisal, collection, and rate-setting process in order to have property tax rollback elections for taxing units other than small taxing units on the November uniform election date.

- **1S.B. 93 (Bettencourt) – Revenue Cap:** would lower the property tax rollback tax rate to five percent and make several other changes to the property tax notice process. Among many other things, the bill would require cities to pay for non-voter approved debt supported by property taxes with the maintenance and operations portion of the tax rate instead of debt service. This provision will force cities that have issued certificates of obligation, tax increment bonds, and other formal debt instruments that are not approved by the voters to adopt tax rates exceeding the rollback rate just to finance their existing debt obligations.
- **1S.B. 96 (Bettencourt) – Revenue Cap:** this bill is essentially the same as 1S.B. 1, except that “small taxing unit” is defined to include taxing units that bring in property taxes of \$20 million less when applied to the current total value for the taxing unit.

Revenue Cap Talking Points: Cities are not the cause of high property taxes in Texas because cities collect only 16 percent of the property taxes paid by Texans statewide. That is why imposing a state cap on city revenues will not provide any meaningful tax relief. The real problem is skyrocketing local school taxes caused by the state’s failure to adequately fund education. The burden of local school district taxes will continue to grow over the next two years. While trying to mislead Texans and shift the blame to cities, the legislature approved a state budget in May that calls for a 13 percent increase in local school property taxes.

Imposing a statewide cap on city revenues will not provide tax relief for homeowners but it will harm public safety, job creation and transportation funding. The largest item in every city budget is funding for police, fire fighting and emergency medical services – as much as 70 percent of the budget in some cities. Any state restrictions on city budgets will impact the ability to hire more personnel, improve salaries and benefits, upgrade technology and replace outdated equipment.

State restrictions on city revenues will reduce or eliminate discretionary spending on economic development incentives that help attract and retain job-creating businesses. Revenue restrictions will force cities to reduce or eliminate local funds that subsidize state highway construction projects which will increase traffic problems in urban areas.

- **1S.B. 18 (Estes) – Expenditure Limit:** would provide that: (1) a city or county’s total expenditures from all available sources of revenue in a fiscal year may not exceed the greater of statewide changes in population and inflation, according to a formula provided in the bill, or the previous year’s expenditures; and (2) revenue received from the issuance of bonds approved by the voters or from a grant, donation, or gift is not considered an available source of revenue for the purposes of the bill.

Spending Cap Talking Points: Imposing a one-size-fits-all cap on the budget of every Texas city would be a disaster for Texans for many of the same reasons that apply to revenue caps. Texans should continue to decide at the local level what is best for their community. The level of services and spending desired by the residents of any community can vary significantly from one year to the next. In addition, city governments are large employers and service providers. Their expenditures for street repairs, heavy equipment, lawsuits and employee training, pensions and health insurance are vastly different from the expenditures of a typical household.

Cities in the Panhandle must budget for snow removal which can vary from year to year. Cities that attract a large number of visitors, like San Antonio and cities on the Gulf Coast, must provide services to more people than their resident population.

Setting one statewide spending cap that applies to every city in a state as vast and diverse as Texas is simply unworkable. The limitations on law enforcement, firefighting and emergency medical services would endanger public safety. Restricting spending for maintaining streets, parks and water, sewage and drainage systems would make Texas cities less livable and less attractive to potential employers and investors.

State legislators should trust Texans to make decisions on the level of services they want in their community and their neighborhood.

The Senate State Affairs Committee will meet on Sunday, July 23, at 1:00 p.m., in the [Senate Chamber in the Capitol](#) to consider annexation limitations. A summary of the bill and talking points in opposition are included below.

- **[S.B. 6 \(Campbell\)](#) – Annexation:** would completely rewrite the Municipal Annexation Act to severely curtail the ability of cities to annex property. Of most importance, the bill would provide that: (1) a “Tier 1 county” means a county with a population of less than 500,000; (2) a “Tier 2 county” means a county with a population of 500,000 or more; (3) a “Tier 1 municipality” means a municipality wholly located in one or more tier 1 counties that proposes to annex an area wholly located in one or more tier 1 counties; (4) a “Tier 2 municipality” means a municipality: (a) wholly or partly located in a tier 2 county; or (b) wholly located in one or more tier 1 counties that proposes to annex an area wholly or partly located in a tier 2 county; and (3) a tier 2 municipality is authorized to annex an area with a population of 200 or more only if the following conditions are met, as applicable: (a) the city holds an election in the area proposed to be annexed at which the qualified voters of the area may vote on the question of the annexation and a majority of the votes received at the election approve the annexation; and (b) if the registered voters of the area do not own more than 50 percent of the land in the area, the city obtains consent to annex the area through a petition signed by more than 50 percent of the owners of land in the area.

Annexation Talking Points: Since the creation of home rule cities in Texas over 100 years ago, the process of municipal annexation has produced dynamic cities that are among the nation’s leaders in job creation and economic growth. The annexation process

has proven to be the most effective and efficient way to deal with population growth and provide the essential services needed by residents and businesses. Legislation that would allow unincorporated subdivisions to veto annexation plans would effectively freeze the current boundaries of Texas cities and begin a process of urban decline that doomed cities in other states. When cities can't grow, they die. When the city core begins to deteriorate, it affects the entire metropolitan region making it harder to attract and keep job-creating businesses. The slower job growth and lower incomes infect the entire state economy. A [study conducted by the economic analysis firm, TXP, Inc.](#), last year found that states that restricted annexation had lower personal income and economic growth and lower municipal bond ratings. If the legislature had passed the proposed annexation restrictions 50 years ago, Texas today would not have cities that lead the nation in job growth and business relocations. We would not have cities with vibrant downtowns attracting people with commerce, the arts, entertainment, shopping and nightlife.

City official opposition to the bills above is vital to defeating the centralization of government in Austin. Please contact Shanna Igo, TML Director of Legislative Services, at sigo@tml.org with questions.

TML Names First Legislator of the Week for Special Session

Representative Drew Darby is the TML Legislator of the Week for the First Called Special Session. He represents House District 72, which includes San Angelo, Big Spring, Eden, and Ballinger.

First elected in 2006, Representative Darby is currently serving as Chairman of the House Energy Resources Committee and Chairman of the Select Committee on State and Federal Power and Responsibility. He is also a member of the House Ways and Means Committee. Representative Darby previously served on the San Angelo city council, which gives him a unique perspective on the important issues facing Texas.



Representative Darby has filed probably the most insightful bill of the session. H.B.78 would repeal the dubious budget strategy of S.B. 1 (the state budget bill passed during the regular session) that counts on huge gains in school property taxes to mask the state's ever-diminishing share of school funding (see "The Smoking Gun" article elsewhere in this edition for more details). While the prospects of a bill like H.B. 78 are probably grim in today's environment, it's refreshing to see a legislator highlight that real property tax relief won't come from diversionary tactics like capping city and county taxes, but only through meaningful school finance reform.

We hope city leaders across Texas, and particularly those in Representative Darby's district, will express their appreciation to this outstanding leader.

The Smoking Gun: **State Budget Language Exposes True Motivation for City** **Revenue Cap Bills**

The Texas Municipal League has [long maintained](#) that proposed revenue caps on cities and counties are [just a smokescreen](#) to hide the state's mismanagement of school finance. High property taxes are caused by the state continuing to demand that school districts pay for an increasing share of education through local property taxes.

Now there's clear proof that this is true. The following is actual language on public education funding from the [state budget bill](#) (S.B 1) that was passed by the Legislature in May:

“Property values, and the estimates of local tax collections on which they are based, shall be increased by 7.04 percent for tax year 2017 and by 6.77 percent for tax year 2018.”

You read that right. To make up for reduced state money going to school funding, the legislature passed, and the governor signed, a budget dictating that property values – and the school property taxes derived from them – *must go up by almost fourteen percent over the next two years*. Can the state simply wave its magic wand and, presto, home values go up by a certain amount? Apparently so, especially if they're intentionally under-funding schools with state dollars.

Now, consider that the mandated school property tax increases – 7.04 percent and 6.77 percent – are both higher than the four percent annual increase allowed for cities and counties under the Senate's proposed revenue cap in S.B. 1 from the first special session. Will the state hold an election of the citizens to approve those two school property tax increases? Of course not.

Instead, some state leaders will attempt to pass a revenue cap on cities and counties during the special session now underway, hoping to shift the blame and divert attention from what's really going on behind the school funding curtain.

Mayors Seek Abbott Meeting on City Issues

The mayors of 18 of the state's largest cities have requested a meeting with Governor Greg Abbott to discuss the governor's concerns about cities and “how we can work together to ensure a productive partnership for Texas.”

“We would like the opportunity to meet with you to discuss the role cities play in attracting jobs and investments to support the prosperity of the State of Texas,” their [letter](#) states.

“Harmful proposals such as revenue and spending caps, limiting annexation authority, and other measures preempting local development ordinances directly harm our ability to plan for future growth and continue to serve as the economic engines of Texas.”

The letter was signed by the mayors of Amarillo, Arlington, Austin, Corpus Christi, Dallas, Denton, El Paso, Fort Worth, Frisco, Galveston, Houston, Irving, Lubbock, McKinney, Plano, San Antonio, San Marcos, and Sugar Land.

Post-Session Update: Electrician Registration

House Bill 3329, passed during the 2017 regular legislative session and effective on September 1, 2017, adds new Subsection (f) to Section 1305.201, Occupations Code, which provides as follows:

(f) A municipality or region may not collect a permit fee, registration fee, administrative fee, or any other fee from an electrician who holds a license issued under this chapter for work performed in the municipality or region. This subsection does not prohibit a municipality or region from collecting a building permit fee.

Some city officials were concerned that House Bill 3329 prohibits a city from requiring an electrician to pay for a building permit before doing electrical work in the city. The bill doesn't do that. To understand why, one must look to the rules of statutory construction. In construing a statute, a court's primary objective is to give effect to the legislature's intent as gleaned from the text. The Texas Supreme Court recently explained that in divining that intent:

[W]e further “presume the Legislature chose statutory language deliberately and purposefully.” We endeavor to interpret each word, phrase, and clause in a manner that gives meaning to them all. We accordingly read statutes as a whole so as to render no part inconsistent, superfluous, or devoid of meaning.

Moreover, the rules of statutory construction demand that when general words follow specific and particularized enumerations of powers, the general words are treated as limited and applied only to the same kind or class of powers as those expressly mentioned. This rule ensures that terms are not construed more broadly than the legislature intended. In addition, the meaning of particular words in a statute may be ascertained by reference to other words associated with them in the same statute.

Using these canons of construction here, we construe the general prohibition in 1305.201(f) (“A municipality or region may not collect a permit fee, registration fee, administrative fee, or any other fee from an electrician who holds a license issued under this chapter for work performed in the municipality or region”) in light of the specific fee authorization that remains in Section 1305.201: Subsection (f) *expressly authorizes* a city to continue to collect a building permit fee.

In other words, whatever fees the general prohibition may encompass, it does not include a building permit fee. To provide some guidance in that endeavor, the Building Officials of Texas (BOAT) has issued a recommended approach for permitting and registration under the bill, with

the caveat that each city consult with legal counsel. The idea being that a unified approach is in cities' best interests. According to BOAT:

Permit Fees

The general consensus appears to be that cities can still charge for electrical permits as “building permits” under code. The term “building permit,” as opposed to “electrical permit,” is subject to interpretation by each jurisdiction, but a jurisdiction could change all the construction permit types to “building permits” with nomenclature, for example that could be:

- building permit (new single family residential) or (SFR)
- building permit (electrical) or (E)
- building permit (plumbing) or (P)

By changing the permit title, a city would be in conformance with subsection (f) of the bill because it would be issuing a building permit and it is not prohibited from collecting a building permit fee from an electrician.

Contractor Registration Fees

A city could register an electrical license free of charge verifying state license law requirements. A building permit fee for electrical work can offset administrative costs of enforcement verification.

How each city defines and charges for a building permit for electrical or other work should be decided by that individual city based on the advice of local legal counsel.

Legislature Takes Step to Eliminate Publication Requirements

During the regular legislative session, legislation passed that potentially opens the door for the state to reconsider numerous state statutes requiring cities and other local governments to publish legal notices in the newspaper.

S.B. 622 by Senator Konni Burton (R – Colleyville) provides that: (1) the proposed budget of a political subdivision for a fiscal year beginning on or after January 1, 2018, must include a line item indicating expenditures for required newspaper notices that allows as clear a comparison as practicable between the expenditures in the proposed budget and actual expenditures for the same purpose in the preceding year; and (2) excepts from the requirement in (1) a political subdivision primarily located in a county with a population of less than 50,000.

The passage of S.B. 622 is a direct result of the work done prior to the legislative session by the Joint Interim Committee on Advertising Public Notices, which was established to examine whether print or internet publication of legal notices best serves governmental entities and citizens of Texas. The committee's [interim report](#) recommended legislation in line with what ultimately passed in the form of S.B. 622 so that further study on the publication of legal notices may address the question of cost based on official budget records.

While S.B. 622 does require some cities to add an additional item to their budgets, the information required can be used by cities and other local governments in the coming years to demonstrate exactly how much cities and other political subdivisions are spending on publishing legal notices in the newspaper. This information, coupled with the continuing expected decline of newspaper readership in the coming years, may prove very useful in convincing legislators that the time has finally come to shift to online legal notices.

Cities Wanted:

McAllen to Lead City Coalition Against Small Cell Subsidies

City officials who are concerned about their taxpayers subsidizing the cellular industry should join a coalition that aims to stop the practice. The City of McAllen is leading the coalition, which will challenge in court the woefully low right-of-way rental fees in S.B. 1004, the “small cell node” bill. Interested city officials should contact Kevin Pagan, city attorney for McAllen, at kpagan@mcallen.net or 956-681-1090 about joining the city’s lawsuit. (A [prior article](#) includes a more detailed explanation.)

Resolutions for the 2017 TML Annual Conference

The TML Constitution states that resolutions for consideration at the Annual Conference must be submitted to the TML headquarters 45 calendar days prior to the first day of the Annual Conference. For 2017, this provision means that resolutions from any member city, TML region, or TML affiliate must arrive at the TML headquarters no later than 5:00 p.m. on **August 21, 2017**. For more information on resolution submission, click [here](#).

First Special Session – City-Related Bills Filed

Property Tax

1H.B. 3 (D. Bonnen) – Property Tax System: this bill, known as the “Property Tax Payer Empowerment Act of 2017,” would make numerous changes to the process for adopting property tax rates. Of primary importance to cities, the bill would, among other things:

1. require the comptroller to appoint a property tax administration advisory board to make recommendations to the comptroller regarding state administration of property taxation and state oversight of appraisal districts and local tax offices;
2. require the comptroller to prescribe tax rate calculation forms to be used by the designated officer or employee of each taxing unit in calculating the no-new-taxes tax rate and rollback tax rate for the taxing unit;
3. provide that the calculation worksheet form must be in an electronic format and:
 - a. have blanks that can be filled in electronically;

- b. be capable of being certified by the designated officer or employee after completion as accurately calculating the applicable tax rates and using values that are the same as the values shown in the taxing unit's certified appraisal roll; and
 - c. be capable of being submitted electronically to the chief appraiser of each appraisal district in which the taxing unit is located;
4. require the comptroller to prepare an annual list that includes the total tax rate imposed by each taxing unit in the state for the year in which the list is prepared that shall be sorted alphabetically according to:
 - a. the county or counties in which each taxing unit is located; and
 - b. the name of each taxing unit;
5. rename the "effective tax rate" and "effective maintenance and operations rate" the "no-new-revenue tax rate" and "no-new-revenue maintenance and operations rate," respectively;
6. require the designated officer or employee of a taxing unit to use the tax rate calculation forms prescribed by the comptroller in calculating the no-new-revenue tax rate and the rollback tax rate;
7. provide that the designated officer or employee of a taxing unit may not submit the no-new-revenue tax rate and the rollback rate to the governing body of the taxing unit and unit may not adopt a tax rate until the designated officer or employee certifies on the tax rate calculation forms that the designated officer or employee has accurately calculated the tax rates and has used values that are the same as the values shown in the unit's certified appraisal roll in performing the calculations;
8. require the chief appraiser of each appraisal district to deliver a specific property tax rate notice by regular mail or e-mail to each property owner by August 7th, or as soon thereafter as practicable;
9. provide that a person who owns taxable property is entitled to an injunction restraining the collection of taxes by a taxing unit in which the property is taxable if the taxing unit has not complied with certain tax rate calculation, publication, and adoption requirements, without regard to whether the failure to comply was in good faith;
10. provide that an action to enjoin the collection of taxes must be filed not later than the 15th date after the date the taxing unit adopts a tax rate;
11. provide that a property owner is not required to pay the taxes imposed by a taxing unit on the owner's property while an action filed by the property owner to enjoin the collection of taxes imposed by the taxing unit on the owner's property is pending, and that if the property owner pays the taxes and subsequently prevails in the action, the property owner is entitled to a refund of the taxes paid, together with reasonable attorney's fees and court costs;
12. provide that the governing body of a taxing unit may not hold a public hearing on a proposed tax rate or a public meeting to adopt a tax rate until the 14th day after the date the officer or employee designated by the governing body of the unit to calculate the no-new-revenue tax rate and the rollback tax rate for the unit electronically submits to the chief appraiser the information required for the chief appraiser's database of property tax-related information;
13. provide that the governing body of a taxing unit other than a school district may not adopt a tax rate until:

- a. the chief appraiser of each appraisal district in which the taxing unit participates has:
 - i. delivered the required property tax notice; and
 - ii. incorporated the tax rate calculation forms submitted to the appraisal district by the taxing unit into the property tax database maintained by the chief appraiser and made them available to the public;
 - b. the designated officer or employee of the taxing unit has entered in the property tax database maintained by the chief appraiser the requisite information for the current tax year; and
 - c. the taxing unit has posted the information required to be posted on the taxing unit's Internet website under Section Number 22 of this summary;
14. authorize a taxing unit with a low tax levy to post notice of the proposed tax rate prominently on the home page of the Internet website maintained by the taxing unit, if applicable;
15. require a taxing unit that owns, operates, or controls an Internet website to post notice of a public hearing on a proposed tax increase prominently on the home page of the website continuously for at least seven days immediately before the public hearing at least seven days immediately before the date of the vote proposing the increase in the tax rate;
16. require the chief appraiser of each appraisal district to create and maintain a property tax database that:
- a. is identified by the name of the county in which the appraisal district is established in stead of the name of the appraisal district;
 - b. contains information that is provided by designated officers or employees of taxing units in the manner required by the comptroller;
 - c. is continuously updated as preliminary and revised data become available to and are provided by the designated officers or employees of the taxing units;
 - d. is accessible to the public; and
 - e. is searchable by property address and owner;
17. require the chief appraiser's property tax database to include, with respect to each property listed on an appraisal roll:
- a. the property's identification number;
 - b. the property's market value;
 - c. the property's taxable value;
 - d. the name of the each taxing unit in which the property is located;
 - e. for each taxing unit other than a school district in which the property is located:
 - i. the no-new-revenue tax rate; and
 - ii. the rollback tax rate;
 - f. for each school district in which the property is located:
 - i. the rate to maintain the same amount of state and local revenue per weighted student that the district received in the school year beginning in the preceding tax year; and
 - ii. the rollback tax rate;
 - g. the tax rate proposed by the governing body of each taxing unit in which the property is located;

- h. for each taxing unit other than a school district in which the property is located, the taxes that would be imposed on the property if the unit adopted a tax rate equal to:
 - i. the no-new-revenue tax rate; and
 - ii. the proposed tax rate
 - i. for each school district in which the property is located, the taxes that would be imposed on the property if the unit adopted a tax rate equal to:
 - i. the rate to maintain the same amount of state and local revenue per weighted student that the district received in the school year beginning in the preceding tax year; and
 - ii. the proposed tax rate;
 - j. for each taxing unit other than a school district in which the property is located, the difference between the amount calculated for the no-new-revenue tax rate and the proposed tax rate;
 - k. for each school district in which the property is located, the difference between the amount calculated to maintain the same amount of state and local revenue per weighted student the district received in the school year beginning in the preceding year and the proposed tax rate;
 - l. the date and location of each public hearing, if applicable, on the proposed tax rate to be held by the governing body of each taxing unit in which the property is located; and
 - m. the date and location of the public meeting in which the tax rate will be adopted to be held by the governing body of each taxing unit in which the property is located;
18. require the property tax database to provide a link to the tax rate and budget information required to be posted on a taxing unit's website (See Section 22 of this summary);
 19. require the officer or employee designated by the governing body of each taxing unit to calculate the no-new-revenue tax rate and rollback tax rate for the unit to electronically:
 - a. enter into the database the information described by Section 17 of this summary as the information becomes available; and
 - b. submit to the appraisal district the tax rate calculation forms at the same time the designated officer or employee submits the tax rates to the governing body of the taxing unit;
 20. require the chief appraiser to deliver by e-mail to the designated officer or employee confirmation of receipt of the tax rate calculation forms, and require the chief appraiser to incorporate the forms into the database and make them available to the public not later than the third day after the date the chief appraiser receives them;
 21. require each taxing unit to maintain an Internet website or have access to a generally accessible Internet website that may be used for purposes of posting the information required by Section 22 of this summary;
 22. require each taxing unit to post on its Internet website the following information in a format prescribed by the comptroller:
 - a. the name and official contact information for each member of the governing body of the taxing unit;
 - b. the mailing address, e-mail address, and telephone number of the taxing unit;
 - c. the taxing unit's budget for the preceding two years;

- d. the taxing unit's proposed or adopted budget for the current year;
 - e. the change in the amount of the taxing unit's budget from the preceding year to the current year, by dollar amount and percentage;
 - f. for a taxing unit other than a school district, the amount of property tax revenue budgeted for both maintenance and operations and debt service, respectively, for:
 - i. the preceding two years; and
 - ii. the current year
 - g. the tax rate for both maintenance and operations and debt service, respectively, adopted by the taxing unit for the preceding two years;
 - h. the tax rate for both maintenance and operations and debt service, respectively, adopted by the taxing unit for current year; and
 - i. the most recent financial audit of the taxing unit;
23. eliminate the ability of a taxing unit to challenge before the appraisal review board the level of appraisals of any category of property in the appraisal district or in any territory in the appraisal district; and
24. provide that an appraisal office may increase the appraised value of a parcel of commercial or industrial real property for a tax year to an amount not to exceed the lesser of:
- a. the market value of the property for the most recent tax year that the market value was determined by the appraisal office; or
 - b. the sum of:
 - i. 20 percent of the appraised value of the property for the preceding tax year;
 - ii. The appraised value of the property for the preceding tax year; and
 - iii. The market value of all new improvements to the property.

1H.B. 4 (D. Bonnen) – Revenue Cap: would make numerous changes to the process for calculating and adopting property tax rates. Of primary importance to cities, the bill would adjust the property tax rollback rate in the following ways:

- 1. define “small taxing unit” as a taxing unit other than a school district for which:
 - a. the maintenance and operations tax rate proposed for the current tax year is two cents per \$100 of taxable value; or
 - b. taxes of \$25 million or less are imposed when applied to the current total value for the taxing unit;
- 2. maintain an eight percent rollback rate for all small taxing units;
- 3. for a taxing unit other than a small taxing unit, provide for a rollback rate of five percent;
- 4. provide that any adopted rate of a taxing unit other than a small taxing unit exceeding the rollback rate would subject the taxing unit to an automatic rollback election to be held not less than 30 or more than 90 days after the day on which it adopted the tax rate, at which the voters would determine whether or not to reduce the tax rate adopted for the current year to the rollback rate; and
- 5. provide that the governing body of a taxing unit other than a small taxing unit may direct the designated officer or employee to calculate the rollback tax rate of the unit in the manner provided for a small taxing unit if any part of the unit is located in an area

declared a disaster area during the current tax year by the governor or by the president of the United States.

1H.B. 115 (G. Bonnen) – Property Tax Deferral: would provide that: (1) an eligible person serving on active duty in any branch of the United States armed forces may pay delinquent property taxes on property in which the person owns any interest without penalty or interest no later than the 60th day after the date on which: (a) the person is discharged from active military service; (b) the person returns to the state for more than 10 days; or (c) the person returns to non-active duty status in the reserve; and (2) a delinquent tax for which a person defers payment under (1) that is not paid on or before the date the deferral period expires: (a) accrues interest at a rate of six percent for each year or portion of a year the tax remains unpaid; and (b) does not incur a penalty.

1H.B. 116 (Uresti) – Installment Payments: would: (1) expand the types of groups who may be able to pay off delinquent property taxes in quarterly installment payments; and (2) for a residence homestead, authorize a person who is disabled or over 65 or disabled veterans and their unmarried surviving spouses to pay off delinquent property taxes in monthly installment payments.

1H.B. 119 (Shine) – Property Tax Exemption: would: (1) authorize the governing body of a taxing unit other than a school district to adopt a residence homestead property tax exemption, expressed as a dollar amount, of a portion of an individual's residence homestead if the exemption is adopted by the governing body before July 1st in the manner provided by law for official action; (2) provide that the amount of the exemption is \$5,000 of the appraised value of the residence homestead, except that if the average market value of residence homesteads in the taxing unit in the tax year in which the exemption is adopted exceeds \$25,000, the governing body may authorize an exemption in a larger dollar amount not to exceed an amount equal to 20 percent of the average market value of residence homesteads in the taxing unit in the tax year in which the exemption is adopted; (3) provide that a city or county that adopted a percentage-based homestead exemption for the 2014 tax year may repeal the exemption by December 31, 2019, if the governing body adopts an exemption as provided by (1) in an amount greater than \$5,000; and (4) provide that, for a taxing unit that has ceased granting a percentage-based homestead exemption and adopted an exemption under (1), an individual who would have been entitled to a percentage-based residence homestead exemption had the governing body not ceased granting the exemption is entitled to continue to receive the percentage-based exemption in lieu of the dollar-amount homestead exemption if the individual otherwise qualifies for the exemption and the amount of the percentage-based exemption exceeds the amount of the dollar-amount exemption. (See **1H.J.R. 25**, below.)

1H.B. 120 (Shine) – Property Tax Lien: would provide that, if the chief appraiser adds property or appraised value that was erroneously exempted in a prior year to the appraisal roll, a tax lien may not be enforced against the property to secure the payment of any taxes, penalties, or interest imposed for that year on the property as a result of the addition of the property or appraised value if at any time after January 1 of that year the property was sold in an arm's length transaction to a person who was not related to the seller within the first degree by consanguinity or affinity. (See **1H.J.R. 26**, below.)

1H.B. 129 (Leach) – Property Tax Exemption: would exempt from property taxes part of the appraised value of the residence homestead of a partially disabled veteran or the surviving spouse of a partially disabled veteran based on the disability rating of the veteran. (See **1H.J.R. 27**, below.)

1H.B. 154 (Phelan) – Appraisal District: would, among other things, provide that: (1) an appraisal district is governed by a board of five directors; (2) one director is elected from each of the four commissioners precincts of the county for which the appraisal district is established; (3) the county assessor-collector is a director by virtue of the person's office; (4) if the county assessor-collector is ineligible to serve pursuant to a contract, the appraisal district is governed by the four directors elected from the commissioners precincts and a director elected from the county at large; and (5) the directors other than the county assessor-collector are elected at the general election for state and county officers and serve two-year terms beginning on January 1 of odd-numbered years.

1H.B. 155 (Phelan) – Appraisal Review Board: would: (1) authorize the appraisal review board, on motion of the chief appraiser or a property owner, to direct by written order changes in the appraisal roll or related records as provided by (2); and (2) authorize the appraisal review board to order the appraised value of the owner's property in the current tax year and either of the two preceding tax years to be changed to the sales price of the property in the current tax year if, for each tax year for which the change is to be made: (a) the property qualifies as that owner's residence homestead; (b) the sales price of the property is at least ten percent less than the appraised value of the property; and (c) the board makes a finding that the sales price reflects the market value of the property.

1H.B. 158 (Metcalf) – Property Tax Deferral: would provide that interest accrues at a rate of five percent in connection with the deferral or abatement of the collection of property taxes on an appreciating residence homestead.

1H.B. 159 (Metcalf) – Property Tax Deferral: would provide that the annual rate at which interest accrues in connection with the deferral or abatement of the collection of property taxes on residence homesteads of elderly or disabled persons is five percent.

1H.B. 160 (Metcalf) – Property Tax Appraisal: would, among other things, provide that the chief appraiser is elected for a two-year term at the general election for state and county officers by the voters of the county in which the appraisal district is established.

1H.B. 165 (Geren) – Property Tax Appeals: would: (1) authorize a property owner to appeal an order of the appraisal review board determining that the appraisal review board lacks jurisdiction to finally determine a protest by the property owner because the property owner failed to comply with a statutory requirement; (2) provide that a property owner who establishes that the appraisal review board had jurisdiction to issue a final determination of the protest is entitled to a final determination by the court of the protest on any ground, regardless of whether the property owner included the ground in the property owner's notice of protest; and (3) provide that for certain appeals, if a plea to the jurisdiction is filed in the appeal on the basis that the

property owner failed to exhaust the property owner's administrative remedies, the court may, in lieu of dismissing the appeal for lack of jurisdiction, remand the action to the appraisal review board with instructions to allow the property owner an opportunity to cure the property owner's failure to exhaust administrative remedies.

1H.B. 174 (Metcalf) – Appraisal Districts: would, among other things, provide that: (1) one director is elected from each of the four commissioners precincts of the county for which the appraisal district is established and one director is elected at large from the county; (2) the county assessor-collector serves as a nonvoting director, unless ineligible; and (3) the directors other than the county assessor-collector are elected at the general election for state and county officers and serve two-year terms beginning on January 1 of odd-numbered years.

1H.B. 179 (Roberts) – Property Tax Exemption: would provide that qualifying disabled first responders and their surviving spouses are entitled to an exemption from property taxes of the total appraised value of the qualifying disabled first responder's residence homestead.

1H.B. 192 (P. King) – Property Tax Appraisal: would provide that the chief appraiser may not increase the appraised value of property following the year in which the appraised value of the property is lowered as a result of protest or appeal unless the increase by the chief appraiser is reasonably supported by clear and convincing evidence when all of the reliable and probative evidence in the record is considered as a whole.

1H.B. 196 (Metcalf) – Appraisal Cap: would impose a five percent appraisal cap on the appraised value of real property other than a residence homestead. (See **1H.J.R. 33**, below.)

1H.B. 203 (Miller) – Property Tax System: would make several changes to the property tax system, including: (1) that an appraisal review board consists of five members elected by the voters of the county in which the appraisal district is established at the general election for state and county officers; and (2) that the members of the appraisal review board serve two-year terms beginning on January 1st of odd-numbered years.

1H.J.R. 25 (Shine) – Property Tax Exemption: would amend the Texas Constitution to: (1) authorize the governing body of a taxing unit other than a school district to adopt a residence homestead property tax exemption, expressed as a dollar amount, of a portion of an individual's residence homestead if the exemption is adopted by the governing body in the manner provided by law for official action; (2) provide that the amount of the exemption is \$5,000 of the appraised value of the residence homestead, except that if the average market value of residence homesteads in the taxing unit in the tax year in which the exemption is adopted exceeds \$25,000, the governing body may authorize an exemption in a larger dollar amount not to exceed an amount equal to 20 percent of the average market value of residence homesteads in the taxing unit in the tax year in which the exemption is adopted; (3) provide that the legislature by general law may prohibit the governing body of a political subdivision that adopts an exemption under (1) from reducing the amount of or repealing the exemption; and (4) provide that, for a taxing unit which has ceased granting a percentage-based homestead exemption and adopted an exemption under (1), an individual who would have been entitled to a percentage-based residence homestead exemption had the governing body not ceased granting the exemption is

entitled to continue to receive the percentage-based exemption in lieu of the dollar-amount homestead exemption if the individual otherwise qualifies for the exemption and the amount of the percentage-based exemption exceeds the amount of the dollar-amount exemption. (See **1H.B. 119**, above).

1H.J.R. 26 (Shine) – Property Tax Lien: would amend the Texas Constitution to provide that, if the chief appraiser adds property or appraised value that was erroneously exempted in a prior year to the appraisal roll, a tax lien may not be enforced against the property to secure the payment of any taxes, penalties, or interest imposed for that year on the property as a result of the addition of the property or appraised value if at any time after January 1 of that year the property was sold in an arm’s length transaction to a person who was not related to the seller within the first degree by consanguinity or affinity. (See **1H.B. 120**, above.)

1H.J.R. 27 (Leach) – Property Tax Exemption: would amend the Texas Constitution to exempt from property taxes part of the appraised value of the residence homestead of a partially disabled veteran or the surviving spouse of a partially disabled veteran based on the disability rating of the veteran. (See **1H.B. 129**, above.)

1H.J.R. 30 (Roberts) – Property Tax Exemption: would amend the Texas Constitution to provide that qualifying disabled first responders and their surviving spouses are entitled to an exemption from property taxes of the total appraised value of the qualifying disabled first responder’s residence homestead. (See **1H.B.179**, above.)

1H.J.R. 33 (Metcalf) – Appraisal Cap: would amend the Texas Constitution to impose a five percent appraisal cap on the appraised value of real property other than a residence homestead. (See **1H.B. 196**, below.)

1S.B. 1 (Bettencourt) – Revenue Cap: this bill, known as the “Texas Property Tax Reform and Relief Act of 2017,” would make numerous changes to the process for calculating and adopting property tax rates. Of primary importance to cities, the bill would:

1. adjust the property tax rollback rate in the following ways:
 - a. define “small taxing unit” as a taxing unit other than a school district for which:
 - i. the maintenance and operations tax rate proposed for the current tax year is two cents per \$100 of taxable value; or
 - ii. taxes of \$10 million or less are imposed when applied to the current total value for the taxing unit.
 - b. maintain an eight percent rollback rate for all small taxing units (Note: this is the same as current law, although there would be a lowered petition requirement for a rollback election as detailed by Section Number 2, below);
 - c. for a taxing unit other than a small taxing unit, provide for a rollback rate of four percent;
 - d. provide that the governing body of a taxing unit other than a small taxing unit may direct the designated officer or employee to calculate the rollback tax rate of the unit in the manner provided for a small taxing unit if any part of the unit is

- located in an area declared a disaster area during the current tax year by the governor or by the president of the United States;
2. provide that any adopted tax rate of a small taxing unit exceeding the rollback rate would subject the taxing unit to an election if a petition is signed by at least ten percent of the number of registered voters of the taxing unit who voted in the most recent gubernatorial election;
 3. provide that any adopted rate of a taxing unit other than a small taxing unit exceeding the rollback rate would subject the taxing unit to an automatic rollback election held on the November uniform election date in the applicable tax year, at which the voters would determine whether or not to reduce the tax rate adopted for the current year to the rollback rate; and
 4. make numerous calendar changes to the property tax appraisal, collection, and rate-setting process in order to have property tax rollback elections for taxing units other than small taxing units on the November uniform election date.

Additionally – and more specifically – the bill would, among other things:

1. require the comptroller to appoint a property tax administration advisory board to make recommendations to the comptroller regarding state administration of property taxation and state oversight of appraisal districts and local tax offices;
2. require an appraisal district to appraise property in accordance with appraisal manuals prepared and issued by the comptroller;
3. require the comptroller to prescribe tax rate calculation forms to be used by the designated officer or employee of each taxing unit to calculate and submit the equivalent tax rate and the rollback tax rate for the unit;
4. require the forms described in Section Number 3 to be in an electronic format and
 - a. have blanks that can be filled in electronically;
 - b. be capable of being certified by the designated officer or employee after completion as accurately calculating the applicable tax rates and using values that are the same as the values shown in the taxing unit's certified appraisal roll; and
 - c. be capable of being electronically incorporated into the real-time tax rate database maintained by the tax rate officer of each appraisal district and submitted electronically to the county assessor-collector of each county in which all or part of the territory of the taxing unit is located;
5. require the comptroller to prepare an annual list that includes the total tax rate imposed by each taxing unit in the state for the year in which the list is prepared that shall be sorted alphabetically according to:
 - a. the county or counties in which each taxing unit is located; and
 - b. the name of each taxing unit;
6. require the comptroller to publish on the comptroller's Internet website the list required in Section Number 5, above, not later than January 1 of the following year;
7. require the chief appraiser to establish an office of tax rate notices in the appraisal district that is responsible for delivering notice of the tax rate and creating and maintaining the real-time tax rate database;

8. make numerous calendar changes to the property tax appraisal, collection, and rate-setting process in order to have property tax rollback elections on the November uniform election date, including among others:
 - a. requiring the appraisal district to certify the appraisal roll to taxing units by July 10th (instead of July 25 under current law);
 - b. requiring the tax assessor/collector to submit the appraisal roll showing the total appraised, assessed, and taxable values of all property and the total taxable value of new property to the governing body of the taxing unit by July 15th, or as soon thereafter as practicable (instead of August 1st under current law);
 - c. requiring the designated officer or employee of the taxing unit to submit the tax rates to the governing body by July 22;
 - d. requiring the designated officer or employee of the taxing unit to deliver by mail to each property owner in the unit, publish in a newspaper, or post prominently on the home page of the unit's Internet website by July 27 a lengthy notice that was determined by the legislature to be too confusing to the taxpayer only four years ago;
 - e. requiring taxing units adopting a tax rate exceeding the lowered rollback tax rate to do so before August 15 (instead of September 30, under current law) (Note: this would also require a city that adopts a tax rate exceeding the rollback rate to adopt its budget before August 15, as state law provides that property taxes may only be levied in accordance with the city budget);
9. provide that the designated officer or employee of a taxing unit may not submit the equivalent tax rate and the rollback tax rate to the governing body of the taxing unit and the governing body of the taxing unit may not adopt a tax rate until the designated officer or employee certifies on the tax rate calculation forms that the designated officer or employee has accurately calculated the tax rates and has used values that are the same as the values shown in the unit's certified appraisal roll in performing the calculations;
10. provide that as soon as practicable after the designated officer or employee calculates the equivalent tax rate and the rollback tax rate of the taxing unit, the designated officer or employee shall submit the worksheets used in calculating the rates to the county assessor-collector for each county in which all or part of the territory of the unit is located;
11. require the tax rate officer of each appraisal district to deliver a specific property tax rate notice by regular mail or e-mail to each property owner by July 22, or as soon thereafter as practicable;
12. require the governing body of a taxing unit to include as an appendix to the unit's budget for a fiscal year the worksheets used by the designated officer or employee of the unit to calculate the equivalent tax rate and the rollback tax rate of the unit for the tax year in which the fiscal year begins;
13. provide that a person who owns taxable property is entitled to an injunction restraining the collection of taxes by a taxing unit in which the property is taxable if the taxing unit has not complied with certain tax rate calculation, publication, and adoption requirements, without regard to whether the failure to comply was in good faith;
14. provide that an action to enjoin the collection of taxes must be filed not later than the 15 date after the date the taxing unit adopts a tax rate;
15. provide that a property owner is not required to pay the taxes imposed by a taxing unit on the owner's property while an action filed by the property owner to enjoin the collection

of taxes imposed by the taxing unit on the owner's property is pending, and that if the property owner pays the taxes and subsequently prevails in the action, the property owner is entitled to a refund of the taxes paid, together with reasonable attorney's fees and court costs;

16. require a taxing unit to adopt a property tax rate before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the taxing unit, except that the governing body must adopt a tax rate that exceeds the rollback tax rate before August 15;
17. prohibit the governing body of a taxing unit from holding a public hearing on a proposed tax rate or a public meeting to adopt a tax rate until the 14th day after the date the officer or employee designated by the governing body of the unit to calculate the equivalent tax rate and the rollback tax rate for the unit enters all required information into the real-time tax rate database;
18. prohibit the governing body of a taxing unit from adopting a tax rate until:
 - a. the tax rate officer of each appraisal district in which the taxing unit participates has delivered the required property tax notice;
 - b. the designated officer or employee of the taxing unit has:
 - i. entered in the real-time tax rate database maintained by the tax rate officer the required information for the current tax year; and
 - ii. incorporated the completed tax rate calculation forms into the real-time tax rate database maintained by the tax rate officer; and
 - c. the taxing unit has posted the required information on the taxing unit's Internet website;
19. provide new specified forms of notice for public hearings on the tax rate under different scenarios depending upon the proposed tax rate and whether or not a taxing unit is considered to be a "small taxing unit;"
20. provide a new specified notice of a meeting to vote on a proposed tax rate that does not exceed the lower of the equivalent or rollback tax rate;
21. require the notice provided by a taxing unit under Sections Number 19 or 20, above, to include at the end of the notice a table that compares the taxes imposed on the average residence homestead in the preceding year to the taxes proposed to be imposed on the average residence homestead in the current year;
22. require the tax rate officer of each appraisal district to create and maintain a database that:
 - a. is identified by the name of the office of tax rate notices, instead of the name of the appraisal district, and as the "Real-time Tax Rate Database;"
 - b. contains information that is provided by designated officers or employees of the taxing units that are located in the appraisal district in the manner required by rules adopted by the comptroller;
 - c. is continuously updated as preliminary and revised data become available to and are provided by the designated officers or employees of taxing units
 - d. is accessible to the public; and
 - e. is searchable by property address and owner;
23. provide that the database must be capable of generating, with respect to each property listed on the appraisal roll for the appraisal district, a real-time tax rate notice that includes:

- a. the property's identification number;
 - b. the property's market value;
 - c. the property's taxable value;
 - d. the name of the each taxing unit in which the property is located;
 - e. for each taxing unit other than a school district in which the property is located;
 - i. the equivalent tax rate; and
 - ii. the rollback tax rate;
 - f. for each school district in which the property is located:
 - i. the rate to maintain the same amount of state and local revenue per weighted student that the district received in the school year beginning in the preceding tax year; and
 - ii. the rollback tax rate;
 - g. the tax rate proposed by the governing body of each taxing unit in which the property is located;
 - h. for each taxing unit other than a school district in which the property is located, the taxes that would be imposed on the property if the unit adopted a tax rate equal to:
 - i. the equivalent tax rate; and
 - ii. the proposed tax rate
 - i. for each school district in which the property is located, the taxes that would be imposed on the property if the unit adopted a tax rate equal to:
 - i. the rate to maintain the same amount of state and local revenue per weighted student that the district received in the school year beginning in the preceding tax year; and
 - ii. the proposed tax rate
 - j. for each taxing unit other than a school district in which the property is located, the difference between the amount calculated for the equivalent tax rate and the proposed tax rate;
 - k. for each school district in which the property is located, the difference between the amount calculated to maintain the same amount of state and local revenue per weighted student the district received in the school year beginning in the preceding year and the proposed tax rate;
 - l. the date and location of each public hearing, if applicable, on the proposed tax rate to be held by the governing body of each taxing unit in which the property is located; and
 - m. the date and location of the public meeting in which the tax rate will be adopted to be held by the governing body of each taxing unit in which the property is located; and
 - n. for each taxing unit in which the property is located, an e-mail address at which the taxing unit is capable of receiving written comments regarding the proposed tax rate of the taxing unit;
24. require the database to provide a link to the Internet website used by each taxing unit in which the property is located;
25. require the officer or employee designated by the governing body of each taxing unit to calculate the equivalent tax rate and rollback tax rate for the unit must electronically:

- a. enter in the database the information described by Section Number 23, above, as the information becomes available; and
 - b. incorporate into the database the completed tax rate calculation forms prepared at the same time the designated officer or employee submits the tax rates to the governing body of the taxing unit;
26. require each taxing unit to establish an e-mail address for the purpose described in Section Number 23n, above;
27. require each taxing unit to maintain an Internet website or have access to a generally accessible Internet website in which the taxing unit shall post or cause to be posted the following information:
- a. the name and official contact information for each member of the governing body of the taxing unit;
 - b. the mailing address, e-mail address, and telephone number of the taxing unit;
 - c. the taxing unit's budget for the preceding two years;
 - d. the taxing unit's proposed or adopted budget for the current year;
 - e. the change in the amount of the taxing unit's budget from the preceding year to the current year, by dollar amount and percentage;
 - f. for a taxing unit other than a school district, the amount of property tax revenue budgeted for both maintenance and operations and debt service, respectively, for:
 - i. the preceding two years; and
 - ii. the current year
 - g. the tax rate for both maintenance and operations and debt service, respectively, adopted by the taxing unit for the preceding two years;
 - h. the tax rate for both maintenance and operations and debt service, respectively, adopted by the taxing unit for current year; and
 - i. the most recent financial audit of the taxing unit; and
28. eliminate the ability of a taxing unit to challenge before the appraisal review board the level of appraisals of any category of property in the appraisal district or in any territory in the appraisal district.

1S.B. 46 (Hinojosa) – Property Tax Lien: would provide that, if the chief appraiser adds property or appraised value that was erroneously exempted in a prior year to the appraisal roll, a tax lien may not be enforced against the property to secure the payment of any taxes, penalties, or interest imposed for that year on the property as a result of the addition of the property or appraised value if at any time after January 1 of that year the property was sold in an arm's length transaction to a person who was not related to the seller within the first degree by consanguinity or affinity. (See **1S.J.R. 7**, below.)

1S.B. 49 (Schwertner) – Appraisal of Agricultural or Open-Space Land: would, among other things, eliminate the requirement that a person pay interest along with additional taxes if land that has been designated for agricultural use in any year is sold or diverted to a nonagricultural use.

1S.B. 50 (Buckingham) – Appraisal Review Boards: would provide that the appraisal review board may not determine the appraised value of the property that is the subject of a protest to be

an amount greater than the appraised value of the property as shown in the appraisal records submitted to the board by the chief appraiser unless agreed to by the parties to the protest.

1S.B. 78 (Nichols) – Property Tax Appraisal: would provide that land used principally as an ecological laboratory by a public or private college or university does not qualify for appraisal as qualified open-space land unless the land was appraised as qualified open-space land on the basis of that use for the 2017 tax year.

1S.B. 93 (Bettencourt) – Revenue Cap: this bill would make numerous changes to the process for calculating and adopting property tax rates. Of primary importance to cities, the bill would:

1. lower the property tax rollback rate from eight percent to five percent, and also modify the way in which property tax rates are calculated;
2. rename the “effective tax rate” and “effective maintenance and operations rate” the “no-new-taxes tax rate” and “no-new-taxes maintenance and operations rate,” respectively;
3. require the comptroller to prescribe the form of the worksheets used by the designated officer or employee of each taxing unit in calculating the no-new-taxes tax rate and rollback tax rate for the taxing unit;
4. provide that the calculation worksheet form must be in an electronic format and be capable of:
 - a. being completed electronically;
 - b. performing calculations automatically based on the data entered by the designated officer or employee;
 - c. being certified by the designated officer or employee after completion; and
 - d. being submitted electronically to the comptroller on completion and certification;
5. require the comptroller to prepare an annual list that includes the total tax rate imposed by each taxing unit in the state for the year in which the list is prepared that shall be sorted alphabetically according to:
 - a. the county or counties in which each taxing unit is located; and
 - b. the name of each taxing unit;
6. require the comptroller to publish on the comptroller’s Internet website the list required in Section Number 5, above, not later than January 1 of the following year;
7. require the comptroller to create and maintain a property tax database that:
 - a. contains information that is provided by designated officers or employees of taxing units in the manner required by the comptroller;
 - b. is continuously updated as preliminary and revised data become available to and are provided by the designated officers or employees of the taxing units;
 - c. is accessible to the public; and
 - d. is searchable by property address;
8. require the comptroller’s property tax database to include, with respect to each property listed on an appraisal roll:
 - a. the property’s identification number;
 - b. the property’s market value;
 - c. the property’s taxable value;
 - d. the name of the each taxing unit in which the property is located;

- e. for each taxing unit other than a school district in which the property is located;
 - i. the no-new-taxes tax rate; and
 - ii. the rollback tax rate;
 - f. for each school district in which the property is located:
 - i. the rate to maintain the same amount of state and local revenue per weighted student that the district received in the school year beginning in the preceding tax year; and
 - ii. the rollback tax rate;
 - g. the tax rate proposed by the governing body of each taxing unit in which the property is located;
 - h. for each taxing unit other than a school district in which the property is located, the taxes that would be imposed on the property if the unit adopted a tax rate equal to:
 - i. the no-new-taxes tax rate; and
 - ii. the proposed tax rate;
 - i. for each school district in which the property is located, the taxes that would be imposed on the property if the unit adopted a tax rate equal to:
 - i. the rate to maintain the same amount of state and local revenue per weighted student that the district received in the school year beginning in the preceding tax year; and
 - ii. the proposed tax rate
 - j. for each taxing unit other than a school district in which the property is located, the difference between the amount calculated for the no-new-taxes tax rate and the proposed tax rate;
 - k. for each school district in which the property is located, the difference between the amount calculated to maintain the same amount of state and local revenue per weighted student the district received in the school year beginning in the preceding year and the proposed tax rate;
 - l. the date and location of each public hearing, if applicable, on the proposed tax rate to be held by the governing body of each taxing unit in which the property is located; and
 - m. the date and location of the public meeting in which the tax rate will be adopted to be held by the governing body of each taxing unit in which the property is located;
9. require the officer or employee designated by the governing body of each taxing unit to calculate the no-new-taxes tax rate and the rollback tax rate for the unit to electronically submit to the comptroller:
 - a. the information described by Section Number 8, above, as the information becomes available; and
 - b. the property tax rate calculation worksheets prepared at the same time the officer or employee submits the tax rates to the governing body of the taxing unit;
 10. require the comptroller to deliver by e-mail to the designated officer or employee confirmation of receipt of the property tax rate calculation worksheets submitted to the comptroller;

11. for the notice of appraised value sent to each property owner by the chief appraiser, delete the section stating the amount of tax that would be imposed on the property on the basis of the tax rate for the preceding year if the appraised value is greater than it was in the preceding year;
12. amend the definition of “debt” for purposes of calculating a property tax rate to mean a bond, warrant, certificate of obligation, or other evidence of indebtedness owned by a taxing unit that *has been approved at an election* and is payable solely from property taxes in installments over a period of more than one year, not budgeted for payment from maintenance and operations funds, and secured by a pledge of property taxes, or a payment made under contract to secure indebtedness of a similar nature issued by another political subdivision on behalf of the taxing unit;
13. require the designated officer or employee of a taxing unit to use the property tax rate calculation worksheet forms prescribed by the comptroller in calculating the no-new-taxes tax rate and the rollback tax rate;
14. by August 7 or as soon thereafter as practicable, require the county assessor-collector for each county to deliver by regular mail or e-mail to each property owner a notice that the estimated amount of taxes to be imposed on the owner’s property by each taxing unit in which the property is located may be found in the comptroller’s property tax database, and the notice must include:
 - a. the address of the internet website at which the information may be found;
 - b. a statement that the property owner may request a written copy of the information from the assessor for each taxing unit in which the property is located; and
 - c. the address and telephone number of each assessor from whom the written copy may be requested;
15. provide that the governing body of a taxing unit may not hold a public hearing on a proposed tax rate or a public meeting to adopt a tax rate until the 14th day after the date the officer or employee designated by the governing body of the unit to calculate the no-new-taxes tax rate and the rollback tax rate for the unit electronically submits to the comptroller the information required for the comptroller’s property tax database;
16. provide that the governing body of a taxing unit other than a school district may not adopt a tax rate until:
 - a. the comptroller has included the information for the unit’s current tax year in the comptroller’s property tax database; and
 - b. the county assessor-collector for each county in which all or part of the territory of the taxing unit is located has delivered the notice required by law;
17. provide that the governing body of a taxing unit that imposes an additional sales and use tax may not adopt a tax rate until the chief financial officer or the auditor for the unit submits to the governing body of the unit a written certification that the amount of additional sales and use tax revenue that will be used to pay debt service has been deducted from the total amount published and that any additional sales and use tax revenue in excess of the total amount published has been deducted from the amount needed to fund maintenance and operation expenditures;
18. require each taxing unit to maintain an Internet website;
19. repeal the statute providing that tax increment revenue paid into a tax increment fund is excluded from the amount of taxes imposed or collected by the unit in any tax rate calculations; and

20. repeal the statute providing rollback relief for pollution control requirements.

1S.B. 96 (Bettencourt) – Revenue Cap: this bill, known as the “Texas Property Tax Reform and Relief Act of 2017,” is essentially identical to 1S.B. 1, above, except that this bill would adjust the property tax rollback rate in the following ways define “small taxing unit” as a taxing unit other than a school district for which: (1) the maintenance and operations tax rate proposed for the current tax year is two cents per \$100 of taxable value; or (2) taxes of \$20 million or less are imposed when applied to the current total value for the taxing unit.

1S.J.R. 7 (Hinojosa) – Property Tax Lien: would amend the Texas Constitution to provide that, if the chief appraiser adds property or appraised value that was erroneously exempted in a prior year to the appraisal roll, a tax lien may not be enforced against the property to secure the payment of any taxes, penalties, or interest imposed for that year on the property as a result of the addition of the property or appraised value if at any time after January 1 of that year the property was sold in an arm’s length transaction to a person who was not related to the seller within the first degree by consanguinity or affinity. (See **1S.B. 46**, above.)

Sales Tax

1H.B. 139 (Giddings) – Sales Tax Exemption: would exempt certain school art supplies from sales tax if the sale takes place during a period beginning at 12:01 a.m. on the Friday before the 15th day preceding the uniform date before which a school district may not begin instruction for the school year, and ending at 12 midnight on the following Sunday.

1H.B. 216 (Fallon) – Sales Tax Exemption: would exempt firearms and hunting supplies from sales taxes during the last full weekend in August.

Purchasing

1H.B. 34 (Reynolds) – Legal Services: would, among other things, provide that attorneys are added to the Professional Services Procurement Act (which would require qualifications-based procurement).

Elections

1H.B. 141 (Paul) – Municipal Management Districts: would impose various changes to the governance and operation of municipal management districts.

1H.B. 169 (Fallon) – Voter Assistance: would, among other things: (1) provide that an election officer commits a Class A misdemeanor if the person permits an unlawful voter or ineligible ballot to be cast in a manner that will be counted; (2) provide that a voter who is unable to read or mark the ballot by reason of blindness, disability, or inability to read the language in which the ballot is written is eligible for assistance; (3) provide that before allowing a person to assist a voter, an election officer must: (a) review the voter assistance affidavit form and confirm that the form is complete; (b) note on the form the reason provided by the voter for eligibility for assistance; (c) confirm that the assisting person is eligible to assist the voter based upon the

answers provided; (d) administer the oath to the assisting person; and (e) sign the voter assistance affidavit attesting that the officer has complied with (a)-(d); (4) provide that an election officer commits a Class A misdemeanor if the officer knowingly fails to comply with (2); and (5) increase penalties under certain circumstances for a number of different election-related offenses including: (a) unlawfully assisting or influencing a voter; (b) fraudulent use of application for ballot by mail; (c) unlawful carrier envelope action by person other than voter; (d) unlawfully assisting voter voting ballot by mail; and (e) paid vote harvesting activity.

1H.B. 184 (Goldman) – Election Fraud Preemption: would, among other things: (1) increase penalties under certain circumstances for a number of different election-related offenses including: (a) fraudulent use of application for a ballot by mail; (b) unlawful carrier envelope action by a person other than the voter; (c) unlawfully assisting a voter voting a ballot by mail; (2) require a presiding election judge to, not later than the 10th day after election day, deliver written notice to the attorney general, including certified copies of the carrier envelope and corresponding ballot application of any ballot rejected because: (a) the voter was deceased; (b) the voter already voted in person in the same election; (c) the signatures on the carrier envelope and ballot application were not executed by the same person; (d) the carrier envelope certificate lacked a witness signature; or (e) the carrier envelope certificate was improperly executed by an assistant; and (3) provide that a person commits a Class A misdemeanor if the person knowingly or intentionally makes any effort to: (a) influence the independent exercise of the vote of another in the presence of the ballot or during the voting process; (b) cause a voter registration application, ballot, or vote to be obtained or cast under false pretenses; or (c) cause any intentionally misleading statement, representation, or information to be provided; (i) to an election official; or (ii) on an application for ballot by mail, carrier envelope, or other official election-related form or document. (Companion bill is **1S.B. 5** by **Hancock**.)

1H.B. 212 (Reynolds) – Voter Registration: would require the secretary of state to implement a program to allow a person who has an unexpired Texas driver's license or personal identification card to complete an electronic voter registration application over the Internet.

1S.B. 5 (Hancock) – Election Fraud Preemption: would, among other things: (1) increase penalties under certain circumstances for a number of different election-related offenses including: (a) fraudulent use of application for a ballot by mail; (b) unlawful carrier envelope action by a person other than the voter; (c) unlawfully assisting a voter voting a ballot by mail; (2) require a presiding election judge to, not later than the 10th day after election day, deliver written notice to the attorney general, including certified copies of the carrier envelope and corresponding ballot application of any ballot rejected because: (a) the voter was deceased; (b) the voter already voted in person in the same election; (c) the signatures on the carrier envelope and ballot application were not executed by the same person; (d) the carrier envelope certificate lacked a witness signature; or (e) the carrier envelope certificate was improperly executed by an assistant; and (3) provide that a person commits a Class A misdemeanor if the person knowingly or intentionally makes any effort to: (a) influence the independent exercise of the vote of another in the presence of the ballot or during the voting process; (b) cause a voter registration application, ballot, or vote to be obtained or cast under false pretenses; or (c) cause any intentionally misleading statement, representation, or information to be provided; (i) to an

election official; or (ii) on an application for ballot by mail, carrier envelope, or other official election-related form or document. (Companion bill is **1H.B. 184** by **Goldman**.)

1S.B. 34 (Miles) – Early Voting by Mail: would, among other things, provide that: (1) the officially prescribed application form for an early voting ballot must include a space for the voter to provide a change of residence address within the county, if applicable; (2) if the application includes a change of address within the county, the early voting clerk shall notify the voter registrar of the change and the registrar shall update the voter’s registration accordingly; (3) the early voting clerk is not required to provide a form for a statement of residence to a voter who indicated a change of address within the county on the voter’s application for an early voting ballot to be voted by mail; and (4) the signature verification committee and early voting ballot board may provide a voter the opportunity to correct a defect under certain circumstances for an early voting ballot voted by mail.

1S.B. 36 (Rodriguez) – Early Voting by Mail: would, among many other things, authorize early voting by mail for any qualified voter and provide for implementing procedures.

Open Government

1H.B. 219 (Martinez) – Occupational License Addresses: provides that certain the home address of certain state occupational license holders may not be published on the state agency’s website, unless the license holder requests for their home address to appear on the state agency’s website.

Other Finance and Administration

1H.B. 117 (Uresti) – Cell Phone Ban: would provide that certain affirmative defenses to prosecution for violation of the offense of use of a portable wireless communication device while operating a motor vehicle are not available if the offense was committed by a person under 18 or by a person operating a school bus.

1H.B. 128 (Leach) – Abortion: would provide that neither a state agency nor a political subdivision may not use appropriated money to pay or reimburse, directly or through a contract or grant, a person that pays for or provides abortion services.

1H.B. 146 (Farrar) – Breast-Feeding: would: (1) prohibit a person from interfering with or restricting the right of a mother to breast-feed in any location the mother and child are authorized to be, and from revoking the mother’s authority to be on the premises solely because she is breast-feeding; (2) require the comptroller to provide certain notifications about a mother’s right to breast-feed; (3) authorize a mother to bring a civil action against a person who allegedly violates the mother’s right to breast-feed; and (4) provide that if a mother prevails in a civil action she is entitled to injunctive relief, damages up to \$500 for each day a violation occurred, reasonable attorney’s fees, and court costs.

1H.B. 163 (Springer) – Abortion: would provide, among other things, that a city may not enter into a contract, give any thing of value, or transact in any way with an abortion facility licensed

by the state or an affiliate of the abortion provider, except for basic governmental services such as police, fire, and utility services.

1H.B. 166 (Minjarez) – Sexual Assault Evidence: would require a law enforcement agency that receives evidence of a sexual assault or sex offense to assign a unique number to the evidence and submit the evidence to a public accredited crime lab within 14 days. (Note: current law allows a law enforcement agency 30 days to submit the evidence.)

1H.B. 170 (Dutton) – Public Bathrooms: would: (1) require a person with control over bathrooms and changing facilities in a public building to ensure that each bathroom and facility in the building is gender-neutral and single-occupancy; (2) except from the requirement in (1): (a) a federal or other building exempt by law; and (b) a public building constructed before January 1, 2018; and (3) provide a civil penalty for a violation of (1).

1H.B. 171 (Goldman) – Cell Phone Ban: would preempt a city from regulating or prohibiting the use of a wireless communication device while operating a motor vehicle. (This bill is identical to **1S.B. 15** by **Huffines**.)

1H.B. 180 (Shine) – Local Debt: would, among other things: (1) require the comptroller to create an Internet database, known as the Political Subdivision Public Information Warehouse, that contains information regarding all active political subdivisions in the state that are authorized to impose an ad valorem or sales and use tax to issue bonds, notes, or other obligations; (2) require the warehouse database to include the following information: (a) the name of the political subdivision; (b) the rate of any sales and use tax the political subdivision imposes; (c) various property tax rates for the most recent tax year; (d) the total amount of the political subdivision's debt, including the principal, interest, and year in which the debt would be paid; (e) the political subdivision's Internet website address, or if the political subdivision does not operate a website, contact information to enable a member of the public to obtain information from the political subdivision; and (f) the Internet website address for the appraisal district in each county in which a political subdivision has territory; (3) authorize, but not require, the warehouse database to include the following information: (a) information describing the political subdivision's boundaries; (b) the political subdivision's current budget; (c) each current check registry published by the political subdivision's governing body; and (d) any other current financial audit or annual report published by the political subdivision's governing body; (4) authorize the comptroller to consult with the appropriate person from each political subdivision to obtain the information necessary to operate and update the warehouse database; (5) require the governing body of a political subdivision that publishes the check registry on its website to provide a link to the webpage containing the information to the comptroller; (6) require the comptroller to update tax rate information at least annually; (7) require a political subdivision to transmit records and other information to the comptroller annually in a form and in the manner prescribed by the comptroller, for purposes of operating the Political Subdivision Public Information Warehouse; and (8) require a political subdivision to transmit to the comptroller: (a) its most recently adopted annual budget; (b) its most recently adopted annual financial report; and (c) the address of the Internet website maintained by the political subdivision, if any.

1H.B. 206 (Villalba) – Expenditure Limit: would: (1) provide that unless additional expenditures are authorized by a majority of a city or county’s voters voting at an election called for that purpose, a city or county’s total expenditures from all available sources of revenue in a fiscal year may not exceed the greater of: (a) the amount of total expenditures for the preceding fiscal year; or (b) an amount determined by multiplying the amount of total expenditures from all available sources of revenue in the preceding fiscal year by the product of: (i) the sum of one and the estimated average rate of projected growth of the population that resides in the city or county’s geographic boundaries during the period ending on the last day of the fiscal year and beginning the first day of the preceding fiscal year; and (ii) the sum of one and the estimated average rate of monetary inflation in this state during the period described by (1)(b)(i); (2) provide that for the purposes of determining the amount of total expenditures described by (1)(a): (a) the city or county shall use, as available, data published by the United States Census Bureau as a basis for estimating projected population growth; (b) not later than May 1 of each year, the comptroller of public accounts shall make available on the comptroller’s Internet website and submit to the secretary of state for publication in the Texas Register the rate of monetary inflation in this state for the preceding year; and (c) as soon as practicable after receipt of the rate described in (2)(b) from the comptroller, the secretary of state shall publish that rate in the Texas Register; and (3) provide that the requirements in (1) and (2), above, do not apply to a city or county that does not impose taxes or incur debt.

1H.B. 211 (Reynolds) – Officer-Involved Injuries or Deaths: would: (1) disqualify an attorney from prosecuting a peace officer with respect to any offense arising out of an officer-involved injury or death, if the officer is employed by a political subdivision that is also served by the attorney; (2) require a local law enforcement agency employing the peace officer involved in an officer-involved injury or death to report the incident as soon as practicable to the attorney general; and (3) require the attorney general to appoint a special prosecutor to perform the duties of a prosecuting attorney in the case.

1H.B. 213 (Fallon) – Public Retirement Benefits: would limit the amount of retirement benefits any member of a public retirement system, including the Texas Municipal Retirement System, may receive to an amount no larger than certain military salaries or certain federal deputy positions, regardless of the amount in the account or the years of service of the public official.

1H.J.R. 31 (Shine) – Unfunded Mandates: would amend the Texas Constitution to provide that a law enacted by the legislature on or after January 1, 2019, that requires a city or county to establish, expand, or modify a duty or activity that requires the expenditure of revenue by the city or county is not effective unless the legislature appropriates or otherwise provides, from a source other than the revenue of the city or county, for the payment or reimbursement of the costs incurred for the biennium by the city or county in complying with the requirement.

1S.B. 4 (Schwertner) – Abortion Providers: would, with limited exceptions, prohibit a governmental entity from entering into a taxpayer resource transaction or contract with an abortion provider or an affiliate of an abortion provider.

1S.B. 18 (Estes) – Expenditure Limit: would: (1) provide that a city or county’s total expenditures from all available sources of revenue in a fiscal year may not exceed the greater of: (a) the city or county’s total expenditures from all available sources of revenue in the preceding fiscal year; or (b) an amount determined by multiplying: (i) the city or county’s total expenditures from all available sources of revenue in the preceding fiscal year; and (ii) the sum of one and the rate most recently published by the Legislative Budget Board under (2), below; (2) require the Legislative Budget Board to publish a rate not later than January 31 of each year equal to the product of: (a) the rate of growth of the state’s population during the preceding calendar year, using the most recent estimates published by the United States Census Bureau; and (b) the rate of monetary inflation in this state during the preceding calendar year, using the effective consumer price index for all items for this state as determined by the Legislative Budget Board based on information published by the Bureau of Labor Statistics of the United States Department of Labor; (3) provide that a city or county’s total expenditures from all available sources of local revenue in a fiscal year may exceed the amount described in (1), above, if: (a) the local government’s voters approve the additional expenditures for that fiscal year at an election called for that purpose and held on a uniform election date; or (b) the governor declares or renews a declaration of a state of disaster in that fiscal year, and the governor’s designation of the area threatened includes all or part of the geographic territory of the local government; (4) provide that revenue received from the issuance of bonds approved by the voters or from a grant, donation, or gift is not considered an available source of revenue for the purposes of the bill.

1S.B. 25 (Hall) – Cell Phone Ban: would: (1) prohibit a city from regulating or prohibiting distracted driving, including the use of a cell phone while operating a motor vehicle; (2) permit a city to continue enforcing state laws related to distracted driving; (3) create the offense of collision during distracted driving that provides: (a) a person commits an offense if the person causes or is at fault in a collision while operating a motor vehicle and engaging in activity that is not related to the operation of the motor vehicle and interferes with the driver’s ability to pay attention to the road; and (b) the offense is a class C misdemeanor, except that the offense is a state jail felony if it is shown at trial that an individual suffered serious bodily injury or death.

1S.B. 38 (Rodriguez) – Discrimination: would: (1) provide, with certain exceptions, that a person commits a discriminatory practice in violation of law if the person, because of sexual orientation or gender identity or expression of an individual, denies the individual full and equal accommodation in a place of public accommodation or otherwise discriminates against or segregates the individual based on sexual orientation or gender identity or expression; (2) authorize a person aggrieved because of a violation of law described in (1) to file a civil action in district court; and (3) add sexual orientation and gender identity or expression as a protected class in existing state anti-discrimination provisions.

1S.B. 39 (Zaffirini) – Cell Phone Ban: would provide that: (1) a motor vehicle operator is prohibited from using a portable wireless communication device unless the vehicle is stopped outside a lane of travel; and (2) a city is preempted from adopting or enforcing regulations related to the use of a portable wireless communication device by the operator of a motor vehicle.

1S.B. 52 (Huffines) – Local Debt: would provide that an election held by a political subdivision to authorize the issuance of bonds does not authorize the issuance of the bonds unless at least three-fifths of the voters voting in the election vote in favor of authorizing the issuance of bonds.

1S.B. 54 (Huffines) – Preemption Suits: would provide, in regard to cities and counties over 25,000 in population, that: (1) if a court determines an ordinance or similar measure of the political subdivision is unenforceable because it is preempted by state law, the court shall award the prevailing party court costs and reasonable and necessary attorney’s fees to be paid by the political subdivision; and (2) if a court determines an officer of the political subdivision has failed to perform an act of the office required by state law, the court shall award the prevailing party court costs and reasonable attorney’s fees to be paid by the political subdivision for which the officer served at the time of the failure to perform.

1S.B. 63 (Buckingham) – Military Cities: would provide that, for purposes of the applicability of the law governing the provision of state aid to certain local governments disproportionately affected by the granting of property tax relief to disabled veterans, the term “local government” means a city located wholly or partly in a county in which a United States military installation is wholly or partly located. (Companion bill is **1H.B. 74** by **Cosper**.)

1S.B. 65 (Garcia) – Government Bathrooms: would provide: (1) that a governmental entity (including a city), with control over a bathroom or changing facility in a building owned or leased by the entity, must allow a person to use a bathroom or changing facility located in the building consistent with the person’s gender identity or gender expression; and (2) for an attorney general complaint and enforcement process (including civil penalties, mandamus, and other equitable relief) for a violation of the requirement described in (1).

1S.B. 77 (Schwertner) – Abortion Providers: would, with limited exceptions, prohibit a governmental entity from entering into a taxpayer resource transaction or contract with an abortion provider or an affiliate of an abortion provider.

1S.B. 79 (Menendez) – Medical Cannabis: would prohibit a city from enacting, adopting, or enforcing a rule, ordinance, order, resolution, or other regulation that prohibits the cultivation, production, dispensing, or possession of medical cannabis.

1S.J.R. 8 (Buckingham) – Unfunded Mandates: would propose an amendment to the Texas Constitution that would provide that a law enacted by the legislature on or after January 1, 2019, that requires a city or county to establish, expand, or modify a duty or activity that requires the expenditure of revenue is not effective unless the legislature appropriates or otherwise provides for the payment or reimbursement of the costs incurred in complying with the requirement. (Companion bill is **1H.J.R. 34** by **Burns**.)

Community and Economic Development

H.B. 6 (Huberty) – Annexation: would completely rewrite the Municipal Annexation Act to severely curtail the ability of cities to annex property. Generally, the bill would provide that:

1. A “Tier 1 county” means a county with a population of less than 500,000.
2. A “Tier 2 county” means a county with a population of 500,000 or more.
3. A “Tier 1 municipality” means a municipality wholly located in one or more tier 1 counties that proposes to annex an area wholly located in one or more tier 1 counties.
4. A “Tier 2 municipality” means a municipality: (a) wholly or partly located in a tier 2 county; or (b) wholly located in one or more tier 1 counties that proposes to annex an area wholly or partly located in a tier 2 county.
5. A tier 2 municipality is authorized to annex an area with a population of 200 or more only if the following conditions are met, as applicable: (a) the city holds an election in the area proposed to be annexed at which the qualified voters of the area may vote on the question of the annexation and a majority of the votes received at the election approve the annexation; and (b) if the registered voters of the area do not own more than 50 percent of the land in the area, the city obtains consent to annex the area through a petition signed by more than 50 percent of the owners of land in the area.

More specifically, the bill would provide – among many other things – that:

1. A tier 1 municipality can continue to annex under the existing procedures for plan annexations (subchapter C three-year negotiation process) or exempt annexations (subchapter C-1 service plan, notice, and hearing process).
2. Most of the existing, statutory authority to annex is codified into the newly-created subchapter B.
3. In relation to provision of solid waste services by a tier 1 municipality, before the second anniversary of the date an area is annexed, the municipality may not: (a) prohibit the collection of solid waste in the area by a privately owned solid waste management service provider; or (b) offer solid waste management services in the area unless a privately owned solid waste management service provider is unavailable.
4. A new subchapter C-2 is and certain bracketed provisions are transferred to that subchapter.
5. A new subchapter C-3 is created that applies only to a tier 2 municipality and authorizes annexation if each owner of land in the area requests annexation, two public hearings are held, and the governing body negotiates and enters into a written agreement with the owners of land in the area for the provision of services in the area;
6. A new subchapter C-4 is created that applies only to a tier 2 municipality and authorizes annexation of an area with a population of less than 200 only if the city obtains consent to annex the area through a petition signed by more than 50 percent of the registered voters of the area.
7. The governing body of a city that proposes to annex an area under subchapter C-4 must, among other things, adopt a resolution that includes a description of the services to be provided to the area.
8. Not later than the seventh day after the date the governing body adopts the resolution under (8), above, the city must mail to each resident in the area proposed to be annexed notification of the proposed annexation that includes: (a) notice of a public hearing required by the bill; (b) an explanation of the petition process; and (c) a description, list, and schedule of services to be provided by the city.
9. If the governing body of a city proposes to annex an area under subchapter C-4 and a petition protesting the annexation is signed by a number of registered voters of the

municipality proposing the annexation equal to at least 50 percent of the number of voters who voted in the most recent municipal election, the municipality may not complete the annexation of the area without approval of a majority of the voters of the municipality voting at an election.

10. A new subchapter C-5 is created that applies only to a tier 2 municipality and authorizes the annexation of an area with a population of 200 or more only if the following conditions are met, as applicable: (a) the city holds an election in the area proposed to be annexed at which the qualified voters of the area may vote on the question of the annexation and a majority of the votes received at the election approve the annexation; and (b) if the registered voters of the area do not own more than 50 percent of the land in the area, the city obtains consent to annex the area through a petition signed by more than 50 percent of the owners of land in the area.
11. The governing body of the municipality that proposes to annex an area under subchapter C-5 must, among other things, follow procedures that are similar to (8-9), and (10), above.
12. With regard to an existing strategic partnership agreement, a municipality shall follow the procedures established under the strategic partnership agreement for full-purpose annexation of an area.
13. With certain very limited exceptions, beginning September 1, 2017, a tier 2 city may annex an area for the limited purposes of applying its planning, zoning, health, and safety ordinances in the area only if it complies with the procedures in (6-12), above.
14. Conforming changes are made to the “disannexation for failure to provide services” provision in current law, with some changes making the process more favorable to those in an annexed area.
15. A municipality may not annex an area unless it provides written notice of the proposed annexation within a certain timeframe to each public entity and political subdivision that is located in or provides services to the area that includes, among other things: (a) any financial impact on the public entity or political subdivision resulting from the annexation, including any changes in the public entity’s or political subdivision’s revenues or maintenance and operation costs; and (b) any proposal the municipality has to abate, reduce, or limit any financial impact on the public entity or political subdivision.
16. Until the 20th anniversary of the date of the annexation of an area that includes a permanent retail structure, a municipality may not prohibit a person from continuing to use the structure for the indoor seasonal sale of retail goods if the structure: (a) is more than 5,000 square feet; and (b) was authorized under the laws of this state to be used for the indoor seasonal sale of retail goods on the effective date of the annexation.

With regard to specific cities or types of annexations, the bill would provide that:

1. The City of Brownsville and a neighboring municipality may annex in a way that surrounds that municipality if the governing body of each municipality adopts, on or after September 1, 2017, a resolution authorizing that action.
2. The City of Austin: (a) may not annex an area that is subject to a strategic partnership agreement executed on or after September 1, 2009, and for which an area proposed for annexation will be annexed before January 1, 2021, unless it complies with (6-12), above; and (b) may not annex the territory in certain municipal utility districts unless a majority

of the total number of voters voting in all of the districts' elections vote in favor of authorizing the annexation.

3. The City of Fort Worth is authorized to annex without consent certain areas that are surrounded by the city.
4. Various exemptions from certain annexation requirements for the City of Houston are removed.
5. A municipality may annex all or part of the area located in an industrial district designated by the governing body under the requirements applicable to a tier 1 municipality.
6. A municipality may not annex for full or limited purposes any part of the area located within one-half mile of the boundaries of a military base unless the municipality and the base authorities have entered into a comprehensive written agreement that establishes provisions to maintain the compatibility of the municipality's regulation of land in the area with the military base operations following the annexation (the provisions in current law related to coordination with military bases remain intact).

(Companion bill is **S.B. 6** by **Campbell**.)

1H.B. 164 (Workman) – Expedited Permitting/Occupational Vesting: would make various detrimental changes to the law governing permit issuance and vesting. With regard to the issuance of any permit required by a city to construct or improve a building or other structure in the city or its extraterritorial jurisdiction, the bill would provide that:

1. Not later than the 30th day after the date an application for a permit is submitted, the city must: (a) grant or make a preliminary determination to deny the permit; (b) provide written notice to the applicant stating the reasons why the city has been unable to act on the permit application; or (3) reach a written agreement with the applicant providing for a deadline not later than the 120th day after the date the application was submitted for granting or denying the permit;
2. For a permit application for which notice is provided under (1)(b), above, the city must grant or make a preliminary determination to deny the permit not later than the 15th day after the date the notice is received.
3. A city may not extend the period for the city to act on an application under the bill more than once.
4. If a city fails to act on a permit application within the period required by (2), above, or by an agreement, the permit application is considered approved and the city: (a) may not collect any permit fees associated with the application; and (b) shall refund to the applicant any permit fees associated with the application that have been collected.
5. If a city makes a preliminary determination to deny a permit application, the city must send written notice of the determination to the applicant not later than the first business day after the date the determination is made stating: (a) each application deficiency that is a reason for the determination, including a citation to the specific ordinance, order, regulation, or policy relevant to the determination; (b) the specific actions required by the applicant to remedy each specified deficiency; and (b) a deadline not earlier than the 30th day after the date the notice is sent for the applicant to complete the remedial actions specified in the notice before the denial becomes final.

6. If an applicant substantially completes the remedial actions specified in the notice under (5), above, within the period required, the applicant may request reconsideration of the determination.
7. The city shall grant the permit if the city determines the applicant has substantially completed the specified remedial actions.
8. Not later than the 15th day after the date the applicant's request for reconsideration is received, the city shall send the applicant written notice of a final determination to grant or deny a permit application.
9. If the city fails to send notice of a final determination within the period required by the bill, the permit application is considered approved.
10. Written notice of the city's final determination that a permit is denied must include the information required by (5), above, in addition to written findings of the reasons the city determined that any remedial actions taken by the applicant were insufficient to correct the deficiencies specified in the notice provided under (5), above.
11. Any final determination that a permit is denied may not be based on: (a) a reason or remedial requirement that was not previously disclosed to the applicant in the notice required under (6), above; or (2) a requirement for the applicant to comply with any ordinance, order, regulation, or policy that is not substantially related to the construction or improvement of a building or other structure.
12. A city may not adopt or enforce an ordinance, order, regulation, or policy relating to granting or denying a permit under the bill that: (a) restricts or prohibits the right of an applicant to reapply for a permit to construct or improve the same building or other structure that was the subject of a denied permit application; (b) requires a private employer to offer more than the minimum wage; or (3) authorizes on-site monitoring of a private employer by a nongovernmental entity.

With regard to the chapter 245 of the Local Government Code (the "permit vesting" statute), the bill would provide that:

1. "Engaging in an occupation" is added to the definition of a "permit;"
2. "Project" means an endeavor, occupation, or activity over which a regulatory agency exerts its jurisdiction and for which one or more permits are required to initiate, continue, engage in, or complete the endeavor, occupation, or activity.
3. Rights to which a permit applicant is entitled under chapter 245 accrue when an applicant submits the application electronically if the regulatory agency accepts applications electronically by a method that provides confirmation of receipt.
4. A regulatory agency may provide that a permit application expires on or after the 61st day after the date the application is filed, if certain conditions are met, but a permit application may not expire before the 11th business day after the date the regulatory agency provides the applicant with the notice described by the bill (the bill may have an error because it doesn't describe that notice).
5. A regulatory agency may not deny a permit application based on a requirement for the applicant to comply with any ordinance, order, regulation, or policy that is not substantially related to the purposes for which the permit is required.
6. The following exemptions from chapter 245 are eliminated: (a) regulations that specifically control only the use of land in a city that does not have zoning and that do not

affect landscaping or tree preservation, open space or park dedication, lot size, lot dimensions, lot coverage, or building size; 1(b) regulations that govern strip clubs (and certain massage parlors and game rooms); and (c) regulations that govern utility connections

7. Except as provided by the provisions in (1)-(12) in the section above, or other law that provides for a shorter period, a regulatory agency shall approve or deny an application for a permit not later than the 60th business day after the date the regulatory agency received the completed application.
8. A regulatory agency may extend the period under (7), above, for approving or denying an application by an additional 10 business days if the regulatory agency provides written notice of the extension to the applicant during that period stating the reasons the regulatory agency has been unable to grant or deny the permit application during that period.
9. A regulatory agency may not extend the period for the regulatory agency to grant or deny an application under (8), above, more than once.
10. If a regulatory agency fails to approve or deny a completed application as provided by (8) and (9), above, the application is considered to be approved.
11. If a regulatory agency denies a permit application, the regulatory agency must send written notice of the denial to the applicant not later than the first business day after the date of the denial stating: (a) each application deficiency that is a reason for the denial, including a citation to the specific ordinance, order, regulation, or policy relevant to the denial; and (b) the specific actions required by the applicant to remedy each specified deficiency.
12. This title does not prohibit a political subdivision from adopting procedures to provide a shorter period than provided by law for the approval of a permit.
13. The entirety of chapter 245 becomes retroactive to permits issued before the effective date of the bill.

(Companion bill is **1S.B. 13** by **Buckingham**.)

1H.B. 187 (Oliverson) – Non-Annexation Agreements: would provide, in relation to the current law that requires a city to offer a non-annexation agreement to property that is subject to an agricultural or certain other property tax exemptions, that: (1) the execution of a non-annexation development agreement does not extend the extraterritorial jurisdiction of the city; and (2) an area subject to an agreement may not be considered for the purposes of calculating the width of an area or municipal territory.

1H.B. 188 (Bell) – Property Rights/“Super-Vesting”: would provide that: (1) a city or county may not enforce an ordinance, order, or other regulation that prohibits or restricts the use or development of real property that has been platted if the ordinance, order, or other regulation was not in effect on the date the owner of the property acquired title to the property; (2) the limitation in (1) does not apply to a parcel of land for which the owner has filed with the county clerk of the county in which the land is located a written waiver of the limitation; and (3) the bill applies only to a prohibition or restriction that is not subject to Chapter 245 (the “permit vesting” statute), including prohibitions or restrictions exempt from that chapter. (Companion bill is **1S.B. 12** by **Buckingham**.)

1H.B. 207 (Huberty) – Annexation: would provide, with some exceptions, that a qualified voter of a water or sewer district, any portion of which a city has annexed for full or limited purposes, is entitled to vote in municipal elections regarding the election or recall of members of the governing body of the city and the amendment of the municipal charter, regardless of whether the city has annexed the entire district or whether the voter resides in an annexed portion of the district.

1S.B. 47 (Schwertner) – Developer Participation Agreements: would provide that: (1) the amount of a performance bond for a developer participation agreement must be for the contract price for the improvements; (2) a city may not require the developer to include in the amount of the bond any other improvement related to the development that the developer did not contract with the city to construct; (3) a city and developer may agree that, instead of a performance bond, the developer may submit an irrevocable letter of credit in the amount required for the bond; and (4) as part of the agreement, the city may not pay any amount to the developer, issue a building permit related to the development other than a permit necessary for the improvements that are the subject of the contract, or approve a subdivision plat for the developer until: (a) the improvements are complete or in the final phase of construction if the improvements are constructed in phases; and (b) the developer has submitted to the city an affidavit stating that the developer has paid all costs associated with the construction.

1S.B. 48 (Schwertner) – Eminent Domain: would provide that, if additional taxes are due because land has been diverted to a nonagricultural use as a result of a condemnation, the additional taxes and interest are the personal obligation of the condemning entity and not the property owner from whom the property was taken. (Companion bill is **1HB. 162** by **Springer**.)

1S.B. 55 (Huffines) – Building Codes: would: (1) lower the population threshold in current law from 100,000 to 40,000 to invoke certain notice and hearing procedures for changes in a city's building code; and (2) impose new requirements: (a) that a city publish a detailed cost-benefit analysis of a building code or code amendments; and (b) that would mandate, for an amendment that addresses existing or potential harm to health and safety: (i) scientific evidence supporting the probability or likelihood that the harm has occurred or will occur; and (ii) scientific evidence supporting the probability or likelihood that the amendment will prevent or address the harm.

1S.B. 61 (Hughes) – Open-Enrollment Charter Schools: would: (1) prohibit a city from treating an open-enrollment charter school differently than a school district for purposes of zoning, permitting, code compliance, and development (but would maintain the exemption in current law that a campus of an open-enrollment charter school located in whole or in part in a city with a population of 20,000 or less is not subject to zoning); (2) require a city that has annexed territory for limited purposes to enter, on request of an open-enrollment charter school, an agreement with the school governing certain land development standards and water pollution controls (these are the same requirements currently in place for school districts); and (3) exempt an open-enrollment charter school from paying impact fees unless the governing body of the charter school consents.

Personnel

1H.B. 133 (Reynolds) – Minimum Wage: would provide that the minimum wage is not less than the greater of \$15.00 an hour or federal minimum wage under the Fair Labor Standard Act.

1H.B. 156 (Isaac) – Labor Organizations/Payroll Deductions: would: (1) prohibit the state or a political subdivision of the state from deducting or withholding from an employee’s salary or wages payment of dues or membership fees to a labor organization or other similar entity, including a trade union, labor union, employees’ association, or professional organization; and (2) except from the prohibition in (1) certain fire, police, and emergency medical services personnel. (Companion bill is **1S.B. 7** by **Hughes**.)

1H.B. 211 (Reynolds) – Officer-Involved Injuries or Deaths: would: (1) disqualify an attorney from prosecuting a peace officer with respect to any offense arising out of an officer-involved injury or death, if the officer is employed by a political subdivision that is also served by the attorney; (2) require a local law enforcement agency employing the peace officer involved in an officer-involved injury or death to report the incident as soon as practicable to the attorney general; and (3) require the attorney general to appoint a special prosecutor to perform the duties of a prosecuting attorney in the case.

1S.B. 7 (Hughes) – Labor Organizations/Payroll Deductions: would: (1) prohibit the state or a political subdivision of the state from deducting or withholding from an employee’s salary or wages payment of dues or membership fees to a labor organization or other similar entity, including a trade union, labor union, employees’ association, or professional organization; and (2) except from the prohibition in (1) certain fire, police, and emergency medical services personnel. (Companion bill is **1H.B. 156** by **Isaac**.)

1S.J.R. 11 (Estes) – Labor Organizations: would amend the Texas Constitution to prohibit state or local funds from being used for the administration of a labor organization, including the collection of dues or fees.

Public Safety

1H.B. 123 (Swanson) – Concealed Handguns: would provide that, in relation to a prohibition against carrying a concealed handgun by posting an optional “30.06” and/or “30.07” sign, it is a defense to prosecution that the license holder was personally given notice by oral communication and promptly departed from the property.

1H.B. 166 (Minjarez) – Sexual Assault Evidence: would require a law enforcement agency that receives evidence of a sexual assault or sex offense to assign a unique number to the evidence and submit the evidence to a public accredited crime lab within 14 days. (Note: current law allows a law enforcement agency 30 days to submit the evidence.)

1H.B. 175 (Anchia) – Concealed Handguns: would provide that: (1) a person who is authorized by a federal agency may possess a firearm in a secured area of an airport; and (2) “secured area” means an area: (i) of an airport terminal building or of an adjacent aircraft parking area used by

common carriers in air transportation but not used by general aviation; and (ii) to which access is controlled under federal law.

1H.B. 183 (Anchia) – Immigration Enforcement: would repeal most of the provisions from S.B. 4 (the so-called “sanctuary cities” bill) from the 2017 regular session. (Companion bill is **1S.B. 42** by **Menendez**.)

1S.B. 15 (Huffines) – Cell Phone Ban: would preempt a city from regulating or prohibiting the use of a wireless communication device while operating a motor vehicle. (Companion bill is **1H.B. 171** by **Goldman**.)

1S.B. 39 (Zaffirini) – Cell Phone Ban: would provide that: (1) a motor vehicle operator is prohibited from using a portable wireless communication device unless the vehicle is stopped outside a lane of travel; and (2) a city is preempted from adopting or enforcing regulations related to the use of a portable wireless communication device by the operator of a motor vehicle.

Transportation

1H.B. 205 (Pickett) – Motor Vehicle Inspections: would require the Texas Commission on Environmental Quality to: (1) identify the minimum program required by the federal Clean Air Act for the motor vehicle inspection and maintenance program; and (2) develop a state implementation plan revision and necessary rules to revise the motor vehicle inspection and maintenance program to include only the minimum program.

1S.B. 58 (Huffines) – Vehicle Inspections: would eliminate regular mandatory vehicle safety inspections.

Utilities and Environment

1H.B. 199 (Pickett) – Solar Charges: would provide that an investor owned electric utility may not impose on residential customers who are distributed solar or wind renewable generation owners: (1) a rate or charge that applies only to those customers; or (2) a rate or charge that is significantly higher than a similar charge imposed on residential customers who are not distributed solar or wind renewable generation owners.

1H.B. 205 (Pickett) – Motor Vehicle Inspections: would require the Texas Commission on Environmental Quality to: (1) identify the minimum program required by the federal Clean Air Act for the motor vehicle inspection and maintenance program; and (2) develop a state implementation plan revision and necessary rules to revise the motor vehicle inspection and maintenance program to include only the minimum program.

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