State Legislative Update

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Burleson Delegation



Sen. Phil King - R



Rep. Helen Kerwin - R



Rep. David Cook – R
Tarrant County

89th Legislature – Partisan Breakdown

Senate: **20 Republicans 11 Democrats** 3 Freshmen

House: 88 Republicans 62 Democrats 31 Freshmen

Started the Session with a Speakers Race

Rep. Burrows elected Speaker by vote of 88Y – 55N – 10PNV

88Y = 36R and 49D

No Democrat chairs in either chamber; only "subcommittee" D chairs in the House

89th Legislative Session – By the Numbers

• 9,014 bills/constitutional amendments (JRs, S.B.s & H.B.s)

2,500+ bills effecting municipalities (25+%)

• 1,231 bills/joint resolutions passed

260+ bill passed directly impacting cities (24%)



Gov. Abbott Priorities - 89th Session

| | Topic | Result | Result |
|---|------------------------------|--|--------|
| 1 | School Choice | Largest day-one school choice program in the nation | Passed |
| 2 | Property Tax Relief | \$10 billion in funding for property tax relief: Increased homestead exemption for homeowners, senior citizens; Reduced business personal property taxes | Passed |
| 3 | Water Infrastructure | Dedicated a \$20 billion generational investment in Texas' water infrastructure | Passed |
| 4 | Teacher Pay Raise | Provided \$4 billion for teacher and staff pay raises | Passed |
| 5 | Expand Career Training | Expanded career training education with an additional \$153 million so students can go directly into good-paying jobs | Passed |
| 6 | Bail Reform | Made it tougher for violent criminals to get out of jail on bail; Prohibited parole for human traffickers | Passed |
| 7 | Create a Texas Cyber Command | Established the Texas Cyber Command, the largest state-based cybersecurity department in America | Passed |

Lt. Governor Patrick Priority Bills

| Bill# | Topic | Result |
|---------|---|---------------|
| S.B. 2 | School Choice | Passed |
| S.B. 3 | Banning THC in Texas | Vetoed |
| S.B. 4 | Increasing Homestead Exemption to \$140,000 | Passed |
| S.B. 7 | Increasing Investments in Texas' Water Supply | Passed |
| S.B. 9 | Reforming Bail | Passed |
| S.B. 10 | Placing the Ten Commandments in School | Passed |
| S.B. 11 | Freedom to Pray in School | Passed |
| S.B. 12 | Parental Bill of Rights in Public Education | Passed |
| S.B. 13 | Inappropriate Books in Public Schools | Passed |
| S.B. 14 | Texas DOGE | Passed |
| S.B. 15 | Removing Barriers to Affordable Housing | Passed |
| S.B. 17 | Stopping Foreign Adversaries' Land Grabs | Passed |
| S.B. 19 | Stopping Taxpayer Dollars for Lobbyists | Died in House |



Leadership Perspectives on Session

"The Speaker and I don't keep track of what's a S.B. or a House bill. That simply depends on the flow of legislation ... The Speaker and I, and the members from both chambers, have never had a more positive and collaborative relationship in my 18 years in office and that's why this session will be the most productive in history" — Lt. Gov. Dan Patrick

"As a longtime conservative member of the Texas House, I appreciate the input and perspective from our Senate colleagues in crafting legislation and the support of Lieutenant Governor Patrick in making sure this was a banner conservative session for our state." — Speaker Dustin Burrows

City Legislative Priorities

The City will **seek introduction** of the following legislation:

1. The approval of a qualified hotel project bill, as authorized under Chapter 351 of the Tax Code.

The City will **support** the following legislation:

- 1. That ensures **comparable workers' compensation coverage for firefighters and EMTs** deployed through Texas Intrastate Fire Mutual Aid System (TIFMAS) and Texas Task Force 1 and 2 for state deployments.
- 2. That strengthens protections for firefighters and EMTs by recognizing presumptive cancers as jobrelated illnesses or injuries.
 - 3. That enables relocation of **migratory egrets** that have roosted in residential areas.
- 4. Support the extension of SB 2476 to eliminate balance billing for out-of-network ground ambulance services under commercial health plans.

City Priority: HB 3192 by Kerwin / SB 2622 by King Qualified Hotel Project

- Authorized a 10-year rebate of state HOT and sales taxes collected at the project
- 21 other cities filed similar legislation (with some differences in certain bills)
- HB 3192 passed the House committee and was set on the House calendar but was postponed
- However, the Burleson bill was, as envisioned all along, rolled into an "omnibus" bill, HB 2974 by Craddick / King
- A fateful amendment that limited all qualified cities to just one project was added by Sen. Birdwell (R-Waco) to HB 2974 in the Senate
- That amendment ultimately killed the bill due to opposition from other cities

City Priority: HB 134 by Meyer Sales Tax Destination

• Would have established destination sourcing as the state's default sourcing method, with exceptions for certain small businesses and businesses with active local economic development agreements.

Passed committee but died in House Calendars.



City Priority: HB 2786 by Turner/Geren Re-Appraisals

- Would have required an annual appraisal to be conducted by appraisal districts; to clarify an apparent inconsistency in the Tax Code; Section 23.01(a) that requires a reappraisal every January 1, but Section 25.18(b) appears to allow reappraisals once every three years.
- HB 2786 died in the Senate.
- However, an amendment by Rep. Charlie Geren (R-Lake Worth) was added to to SB 973,
 a bill sponsored by Rep. Chris Turner (D-Arlington) that allows for certain images and
 information about a property to be posted on the internet, that read simply, "The plan
 may not include a standard or timeline that prevents the chief appraiser from appraising
 property as necessary to comply with the requirements of Section 23.01(a)."
- SB 973 is now law (filed into law without the Governor's signature).

City Priority: SB 916 by Zaffirini Consumer Protection from Balance Billing

- In 2019 the Texas Legislature passed S.B. 1264. Prior to this law, when a health insurer refused to pay the full amount charged by an out-of-network doctor for a medical procedure, the doctor could bill the patient for the balance.
- S.B. 1264, however, did not cover ground-ambulance services provided by municipalities.
- In 2023, SB 2497 prohibited ground-ambulance services provided by municipalities from engaging in balance billing. It ensured patients were not charged exorbitant prices for urgent trips to the hospital. However, anticipating passage of federal legislation that did not materialize, S.B. 2476 had an expiration date of September 1, 2025.
- S.B. 916 extends the expiration date from September 1, 2025, to September 1, 2027.



Land Use Bills That Passed

- **S.B. 15** Tiny lots (applies to land with no recorded plat, zoned for single-family homes, and is five acres or more)
- S.B. 840 Allows multi-family in most non-single-family residential districts
- S.B. 1883 Impact fees process for adoption; 2/3 vote requirement; 3 year wait time to increase
- **S.B. 1844** Disannexation (adjacent to "navigable waterway" + not connected to water system)
- S.B. 2477 Allows office to residential development by right

Open Government & Elections Bills Passed

- S.B. 1025 "This is a tax increase" ballot language
- H.B. 1522 Three-day posting rule = "business days"



Bills That Did Not Pass

- Prevent cities from hiring advocates or joining associations that advocate for their issues at the Capitol;
- Eliminate city issuance of various types of debt;
- Limit 380 agreements to 10-years with 15-year renewal limit;
- **Preempt local authority** and authorize the attorney general enforce the law by taking away city sales tax revenue;
- Place strict limitations on city council authority over property tax rates and budget expenditures;
- Allow accessory dwelling units to be located in any residential area by right;
- Allow developers to bypass the city development review and inspection process and use a **private-third parties**;
- Eliminate the concept of the extraterritorial jurisdiction (ETJ);
- Eliminate the May uniform election date for bonds and council elections; and
- Require cities to pay for private utilities' relocation costs.
- All of these bills failed to make it to the governor's desk, and that's in no small part due to city efforts to make their
 voices heard.

Special Session(s) Agenda

| # | TOPIC | RESULT |
|----|--|--------|
| 1 | CAMP SAFETY: Legislation to ensure and enhance youth camp safety. | PASSED |
| 2 | FLOOD WARNING SYSTEMS : Legislation to improve early warning systems and other preparedness infrastructure in flood-prone areas throughout Texas. | PASSED |
| 3 | FLOOD EMERGENCY COMMUNICATIONS : Legislation to strengthen emergency communications and other response infrastructure in flood-prone areas throughout Texas. | DIED |
| 4 | RELIEF FUNDING FOR HILL COUNTRY FLOODS | PASSED |
| 5 | DISASTER PREPARATION : Legislation to evaluate and streamline rules and regulations to speed preparedness for and recovery from natural disasters. | DIED |
| 6 | ELIMINATE STAAR TEST | PASSED |
| 7 | CUT PROPERTY TAXES : Legislation reducing the property tax burden on Texans and legislation imposing spending limits on entities authorized to impose property taxes. | DIED |
| 8 | PROTECT CHILDREN FROM THC : Legislation making it a crime to provide hemp-derived products to children under 21 years of age. | DIED |
| 9 | REGULATE HEMP-DERIVED PRODUCTS | DIED |
| 10 | PROTECT UNBORN CHILDREN: Prohibits the manufacture, mailing, and distribution of abortion-inducing drugs in Texas. | PASSED |

Special Session(s) Agenda

| # | TOPIC | RESULT |
|----|--|--------|
| 11 | BAN TAXPAYER-FUNDED LOBBYING : Legislation prohibiting taxpayer-funded lobbying, including tax dollars to hire lobbyists and pay associations that lobby the Legislature. | DIED |
| 12 | PROTECT HUMAN TRAFFICKING VICTIMS | |
| 13 | POLICE PERSONNEL RECORDS : Legislation that protects law enforcement officers from public disclosure of unsubstantiated complaints in personnel files. | DIED |
| 14 | PROTECT WOMEN'S SPACES: Legislation protecting women's privacy in sex-segregated spaces. | PASSED |
| 15 | ATTORNEY GENERAL ELECTION POWERS : Legislation proposing a constitutional amendment allowing the Attorney General to prosecute state election crimes. | PASSED |
| 16 | CONGRESSIONAL REDISTRICTING | PASSED |
| 17 | TITLE THEFT & DEED FRAUD | PASSED |
| 18 | WATER PROJECT INCENTIVES: Legislation that authorizes political subdivisions to reduce impact fees for builders who include water conservation and efficiency measures. | PASSED |
| 19 | STATE JUDICIAL DEPARTMENT | PASSED |

Special Session(s) Agenda: Items Added During Special

| # | TOPIC | RESULT |
|----|---|--------|
| 20 | POLICE FILES: Legislation that protects law enforcement officers from public disclosure of unsubstantiated complaints and information related to law enforcement agency files. | DIED |
| 21 | SAME DAY VOTER REGISTRAITON: Legislation related to election procedures regarding accepting a voter with a residence address that is not current and the immediate effect. | DIED |
| 22 | QUORUM-BREAK PUNISHMENT: Legislation to establish penalties for lawmakers who intentionally absent themselves from a session. | PASSED |
| 23 | OTC IVERMECTIN: Legislation authorizing individuals to purchase Ivermectin at pharmacies, framed around themes of medical choice and access. | PASSED |
| 24 | EAST TX GROUNDWATER : Legislation directing the Texas Water Development Board to study East Texas aquifers prior to issuing permits. | DIED |

Bills That Did Not Pass: Special Session

- **SB 10**, would have lowered the voter-approval tax rate calculation for certain cities, did not pass.
- As passed by the Senate, the bill lowered the revenue multiplier in the voter-approval property tax rate calculation from 3.5 percent to 2.5 percent for cities above 75,000 population.
- After the House made changes to SB 10, the bill applied to <u>all</u> cities and the multiplier was lowered to 1% with an exception for "public safety."
- The Senate rejected the House amendments
- A coalition of Republican and Democrats joined together in the House to vote down the Senate conference committee report 60-71.
- Although the two parties had different reasons for their opposition, Republican members primarily objected
 to the report because they believed the bill should be applicable to all Texas cities, regardless of their size
 while Democrats believe the bill is ineffective.
- Another bill, HB 17, would have required a city to mail the notice of a public hearing on the property tax rate
 to each property owner in the city, also did not pass.
- Also not passing this special session... the city expenditure limitation proposals in HB 46 and HB 73.

Questions?



