



**DRIPPING SPRINGS**  
Texas

# Legislative Update – 2023

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# 88<sup>th</sup> Regular Session -- 2023

- 33 Billion Dollar Surplus
- 8,345 bills and joint resolutions filed
- 1,258 bills and joint resolutions to the governor for his signature
- 230 bills will have a direct impact on Texas cities

*Special Session ends with Property Tax Bill.*

- Lowers school property taxes
- Caps appraisals on non-residential property worth less than \$5 million

*Additional Special Sessions are expected*



# Finance and Economic Development

# Sales Tax Exemption – S.B. 379 (Huffman/Howard)

## S.B. 379 – Sales Tax Exemptions

- Adult and children's diapers
- Feminine hygiene products
- Maternity/infant care items
- Wound care dressings (bandaids and gauze)

**Statewide Fiscal Impact \$227 million over the next 2 years.**

***Next Steps:* Expect slight dip in sales tax receipts. We could do some education or repost state education if desired.**

# Tax Increment Reinvestment Zone -- S.B. 1998 (Bettencourt/Shine)

## S.B. 1998

- TIRZs must be calculated separately when calculating how each affects the property tax rate
- The form showing our property tax rate must be uploaded to the website with a link

*Not effective until January 1, 2024*

***Next Steps:*** Next year's tax rate calculation will be more complicated. Will need to ensure that the City Website includes a link to the form that calculates the tax rate which is provided by the County.

# Economic Development -- S.B. 543 (Blanco/Ordaz)

## S.B. 543:

- 380 agreements can include property transfer with proper agreement
- Cannot transfer public park property
- Cannot transfer property obtained through eminent domain
- Notice requirements

***Next Steps: Option for commercial development.***

***In addition, the Office of Texas Economic Development Council was extended through Sunset Bill.***

# Economic Development Reporting -- S.B. 1340 (Incentive Agreements); S.B. 1916 (Public Improvement Districts)

## S.B. 1340:

- Report Tax Abatement Agreements using state form
- Agreement is available on website

## S.B. 1916:

- Post copies of PID Service Plan on Website
- Submit and Assessment Roll to Appraisal District
- Post additional PID Information on City Website

*Both effective on January 1, 2024.*

**Next Steps: Designate employee or consultant for posting of information. Ensure information is provided to employee/consultant.**

# Planning and Building



## **H.B. 3699 (Wilson/Bettencourt) – Platting Shot Clock**

### **H.B. 3699:**

- **Site Plans and Construction Plans no longer part of 30 day shot clock**
- **Specifically authorizes submittal calendars**
- **Notice requirements added related to master transportation plans and street construction**
- **Administrative completeness review for filing dates cannot require an analysis, study, or similar requirement unless explicitly allowed by statute**
- **Plats without variances can be approved by staff if voted on by P&Z**
- **Platting checklists have to be online**

## **H.B. 3699 (Wilson/Bettencourt) – Platting Shot Clock *continued***

### **H.B. 3699:**

- **Multiple 30 day extensions can be done for subdivision**
- **Required roads must be intended by the property owner and in the city's capital improvement plan**
- **Provides for court action for a city that violates these sections including attorney's fees**

# H.B. 3699 (Wilson/Bettencourt) – Platting Shot Clock

## *NEXT STEPS*

### **Next Steps:**

- **Ensure proper notices are on the City's Website**
- **Begin process for adopting a Capital Improvement Plan that is in compliance with the City's Master Transportation Plan**
- **Review Platting Checklist to ensure only requests information that is allowed by state statute**
- **Consider providing city staff the authority to approve or disapprove plats where there is a statutory requirement that they either be approved or disapproved**

***Effective September 1, 2023***

## S.B. 2038 (Bettencourt/C.Bell) – ETJ Release

### H.B. 2038:

- Can petition to be released from ETJ if were not voluntarily annexed into ETJ
- Provides petition requirements
- Provides election process to determine ETJ inclusion for areas where there has not been a voluntarily petition for inclusion
- Annexations do not automatically add to the ETJ after January 1, 2023

***Next Steps: Make a list/map of ETJ addresses that requested voluntary inclusion. Respond to inquiries related to ETJ release.***

# H.B. 1381 (Hernandez/Alvarado) – Zoning Hearing

## H.B. 1381:

- P&Z has to hold at least one public hearing for any zoning classification (currently both P&Z and Council hold public hearings)

***Next Steps:*** Ensure our ordinances reflect state law but staff recommends continuing with the current process.

# H.B. 14 (Cody Harris/Bettencourt) – Third Party Inspections and Review of Development Applications

## H.B. 14:

- Third-party inspections are required if the City misses a review deadline plus 15 days
- Lists those who would be qualified to do the third-party review
- City can approve the list of qualified persons
- Third-party reviews have to follow City regulations

***Next Steps:*** City staff does not miss the 30 day deadline or other land use or building code deadlines so this bill should not affect us. We will work with other cities to create a list of qualified inspectors.

# H.B. 1707 (Klick/Hughes) – Open-Enrollment Charter Schools

## H.B. 1707:

- Open Enrollment Charter Schools must be treated the same as public schools for land use purposes.
- Open Enrollment Charter Schools are not public schools for impact fees

***Next Steps:*** Ensure our ordinances reflect state law and update any provisions related to public school but staff recommends continuing with the current process.

# H.B. 1750 (Burns/Perry) – Regulation of Agricultural Operation

## H.B. 1750:

- Limits regulation of agricultural operations
- Expands definition of “agricultural operation”
- Limits regulation of pesticide use
- Maintains authority to regulate height of weeds to 12 inches within proximity to public infrastructure

***Next Steps:*** Ensure our ordinances reflect state law, modify our ordinances, or readopt ordinances regulating certain agricultural operations after meeting required reports and notice.



# H.B. 2308 (Ashby/Perry) – Enforcement Against Agricultural Operations

## H.B. 2308:

- Expands definition of “agricultural operation”
- Defines substantial change
- Protects agricultural operations that have been in operation at least one year

***Next Steps:* Ensure our ordinances reflect state law or modify our ordinances.**

## H.B. 2947 (Cain/Perry) –Agricultural Operation

### H.B. 2947:

- Expands definition of “agricultural operation”
- Limits regulation of agricultural operation as it relates to nuisance ordinances

***Next Steps:* Ensure our ordinances reflect state law or modify our ordinances.**

## **H.B. 586 (E.Thompson/Bettencourt) – Annexation of Roadways**

## **H.B. 2956 (Shine/Flores) – Annexation Across Railway Right-of-Way**

### **H.B. 586:**

- **Allows the City to annex a roadway that is contiguous to the City or contiguous to an area being annexed by the City**
- **Provides a process for obtaining approval for annexation of the roadway**

### **H.B. 2956:**

- **Allows the City to annex railroad right-of-way if its contiguous to the City or contiguous to an area being annexed by the City**

***Next Steps: Review annexation areas to determine whether a roadway annexation or railroad right-of-way should also occur.***

# H.B. 3526 (Raymond/Springer) – Solar Pergolas

## H.B. 3526:

- Prohibits the City from applying the building code to a solar pergola



***Next Steps:*** Review the Building Code for definition and regulation of solar pergolas. Confirm which ordinances could be affected by this bill.

## S.B. 929 (Parker/Rogers) – Nonconforming Use Compensation

### S.B. 929:

- All zoning changes require notice of the public hearing to any property owner where a nonconforming use will be created
- Allows nonconforming uses to continue after zoning change
- Provides requirements for a city to stop a nonconforming use
- Requires compensation for a property owner who is required to stop a nonconforming use

***Next Steps:*** Ensure that the proper notice is given out at the time of any rezoning including the new Zoning Code. Provide for compensation in the Zoning Code that tracks this bill.

## S.B. 2440 (Perry/Burrows) – Certification of Groundwater Supply

### S.B. 2440:

- Requires plat applications who intend to use groundwater to provide evidence of adequate groundwater supply when applying
- Can allow for an exception for tracts being subdivided into 10 or less parts

***Next Steps:*** Update subdivision ordinance and checklists to include this requirement.

# S.B. 2453 (Menendez/Hernandez) – Exceptions to Building Material Preemption

## S.B. 2453:

- Allows requirements for certain building materials if they are allowed by energy and water conservation design standards

***Next Steps:*** Update exterior design ordinance to include this requirement if appropriate.

# H.B. 1922 (Dutton/Bettencourt) – Reauthorization of Building Permit Fees

## H.B. 1922:

- Requires reauthorization of building fees at least each 10 years

***Next Steps: Maintain current process ensuring regular update of Building Fees.***



## H.B. 2334 (Burns/Paxton) – Plumbers

### H.B. 2334:

- Allows certain plumbing work without a plumbing license including:
  - Plumbing work outside right-of-way or easement if not less than five feet from structure
  - Does not apply to residential plumbing work

***Next Steps:* Ensure that enforcement of building codes reflects this exception.**

# H.B. 3492 (Stucky/Springer) – Value-Based Fees

## H.B. 3492:

- Prohibits fees from being based on the construction cost of public infrastructure
- City has to consider actual cost of review including:
  - Actual costs of third party review
  - Hourly rate of estimated amount of time for city employees to review
- Prohibits the City from requiring disclosure of the cost of infrastructure
- Requires publication of the cost of reviewing construction plans

***Next Steps: Update construction plan fees to not include value-based review.***



# Election and Open Government

# H.B. 3440 (Canales/Hinojosa) – Agendas

## H.B. 3440:

- Requires all cities to post both agendas and notices on websites

***Next Steps: Maintain current process.***

# H.B. 943 (Kolkhors/Hunter) – Online Public Notices

## H.B. 943:

- Requires newspaper to post any printed city notice online without charge
- Places certain requirements on the website to make it more accessible

***Next Steps:* Ensure that the newspaper is placing our notices online.**

## **S.B. 232 (Hinojosa/Geren) – Removal from Office**

### **S.B. 232:**

- **Elected or appointed public officials will automatically removed from office if convicted of:**
  - **Bribery**
  - **Theft of Public Money**
  - **Perjury**
  - **Coercion of Public Servant**
  - **Tampering with a governmental record**
  - **Misuse of official information**
  - **Abuse of official capacity**

## S.B. 232 (Hinojosa/Geren) – Removal from Office

### S.B. 232:

- Once removed City Council has to either:
  - Call an election; or
  - Fill the vacancy
- Appeal does not superseded removal

***Next Steps: Educate Elected and Appointed Public Officials on these requirements.***



# Public Works and Utilities



# H.B. 4087 (Kuempel/Zaffirini) – Temporary Sewage Disposal Permits

## H.B. 4087:

- Allows a city in certain circumstances to use a temporary on-site sewage system with pump and haul
- Only for 6 months

***Next Steps:*** Review whether this is a temporary solution for any project or affects any current projects or agreements.

# H.B. 4385 (Guillen/Alvarado) – Sewer Service

## H.B. 4385:

- Allows a city to provide retail sewer service without a CCN
- PUC has to provide rules related to this option

***Next Steps:*** Review whether how this affects our sewer service.

## S.B. 1289 (Perry/T. King) – Reclaimed Wastewater

### S.B. 1289:

- Provides for disposal of reclaimed wastewater treated for reuse to be disposed of without a permit with an alternative means of disposal

***Next Steps:* Review how this affects our sewer service.**

# S.B. 1397 (Schwertner/K. Bell) – Texas Commission on Environmental Quality

## S.B. 1397:

- Permitting for temporary concrete batch plants created by TCEQ if contiguous to a public works project
- Continues local government assistance including offering assistance before enforcement
- Keeps public comment period for certain permits for 36 hours after public meeting

***Next Steps:* Review how this affects our sewer service.**