

# 87TH STATE LEGISLATURE

Intergovernmental Relations Office – Brie L. Franco, Officer



# 87<sup>TH</sup> LEGISLATIVE SESSION: **UPDATES**



- As of April 1, 2021, 7,012 bills and joint resolutions have been filed.
- IGRO is tracking 2,208 bills and joint resolutions
- 55 days left in the Session
- Lt. Governor Patrick announced his top 31 legislative priorities Feb. 23<sup>rd</sup>, including SB 10 (Community Advocacy), SB 23 ("Police Defunding") and SB 3 (Power Grid Stability).
- Speaker Phelan announced seven priority bills responding to the winter storm power outages on Mar. 8<sup>th</sup>, including HB 10 (ERCOT Reform), HB 14 (Weatherizing Natural Gas Infrastructure), and HB 17 (Source of Energy Preemption).

# 87<sup>TH</sup> DISANNEXATION BILLS



## Lake Austin

- **SB 659 by Sen. Buckingham** (*PENDING in COMMITTEE: S. Local Government Hearing March 29*)
- **HB 1653 by Rep Craddick** (*HEARING: H Land & Resource Management April 6*)
  - Allows Lake Austin neighborhood properties to petition the City to disannex themselves from City limits. The City would have 30 days to disannex the properties after they receive the petition.

## West Rim

- **HB 2776 by Rep. Deshotel** (*HEARING: H Land & Resource Management April 6*)
  - Allows West Rim neighborhood to remove themselves from City limits and ETJ upon petition of City of Austin.

## Lost Creek

- **SB 1499 by Sen. Buckingham** (*Referred to S. Local Government March 24*)
- **HB 3827 by Rep. Wilson** (*HEARING: H Land & Resource Management April 6*)
  - Mandates that the City disannex the Lost Creek subdivision. Unlike the other disannexation bills listed above, this bill does not have any threshold, petition, or voting requirements to trigger disannexation.

# 87<sup>TH</sup> PUBLIC SAFETY FUNDING



## Public Safety Funding

- **HB 2438 by Rep. Meyer** (*HEARING: H. Ways & Means April 6*)
  - Would virtually freeze property tax revenue for a local government and not allow for a property tax revenue increase if a local government is a “defunding local government.”
- **HB 2695 by Rep. Noble** (*HEARING: H. Ways & Means April 6*)
  - Would virtually freeze ALL City revenue increases across the General Fund, enterprise funds, and special revenue funds if a local government is a “defunding local government.”
- **HB 3021 by Rep. Burns** (*HEARING: H. Ways & Means April 6*)
  - Diverts local sales tax (or other local taxes) to DPS if a local government is a “defunding local government.”
- **HB 3935 by Rep. Slawson** (*HEARING: H. Ways & Means April 6*)
  - If a local government is a “defunding local government,” and by that action causes a public safety hazard that causes the state to have to provide additional law enforcement, the Comptroller shall divert sales and use tax back to DPS to cover the cost.

# 87<sup>TH</sup> PUBLIC SAFETY FUNDING



## Public Safety Funding

- **HB 2362 by Rep. Harris** (*VOTED FAVORABLY by H. State Affairs April 1*)
  - Would virtually freeze property tax revenue for local government and not allow for property tax revenue increase if local government decreases their Police budget year-over-year, reduces the authorized sworn personnel count, reduces the sworn overtime budget, or reduces funding for recruitment and training.
- **HB 3151 by Rep. Leman** (*VOTED FAVORABLY by H. State Affairs April 1*)
  - Defines “defunding local government” : If a local government reduces law enforcement appropriations, the number of peace officers, overtime funding, or funding for recruitment and training of new officers, the governor’s office may issue a written determination finding that the government is a “defunding local government.” Does not include a penalty. (*HB 2362, HB 2438, HB 2695, and HB 3021 use the same definition*)
- **CSSB 23 by Sen. Huffman** (*SUBSTITUTE VOTED FAVORABLY by S. Jurisprudence April 1*)
  - Requires election prior to municipality /county adopting budget that reduces law enforcement budget, number of peace officers, funding for recruitment/ training of new peace officers, or reallocates funding to another law enforcement agency. Allows person file a complaint for violation with office of governor, which may then request Comptroller investigation. Upon determination by Comptroller that the budget was reduced without voter approval, municipality/county may not adopt ad valorem tax rate exceeding no-new-revenue tax rate.

# 87<sup>TH</sup> PUBLIC SAFETY FUNDING



## Public Safety Funding

- **HB 1950 by Rep. Slawson** (*PENDING in COMMITTEE: H. State Affairs Hearing March 25*)
  - Governor may designate a law enforcement and public safety zone in Austin. Zone would be governed by a board of directors appointed by the governor and would direct all law enforcement activities and public safety services in the zone.
- **HB 638 by Rep. Krause** (*Referred to H. State Affairs*)
  - Mandates that political subdivision may not adopt budget unless funding for public safety services (defined as Police, Fire, EMS) is equal to or greater than preceding year. Public safety funding includes all maintenance, operations, and debt service costs associated with providing the service.
- **HB 741 by Rep. Allison** (*Referred to H. State Affairs*)
  - Requires municipality /county to obtain voter approval to decrease the budget allocation for public safety from the previous year. If the decrease is denied by voters, the county or municipality is required to amend the budget to fund public safety in an amount no less than 95% of the previous budget.
- **HB 1900 by Rep. Goldman** (*PENDING in COMMITTEE: H. State Affairs Hearing March 25*)
  - Would effectively freeze property tax revenue for local government and disallow property tax revenue increase, divert local sales tax (or other local taxes) to DPS, freeze rates and fees charged by Austin Energy, and disallow annexation for 10 years for local government that “defunds” police.



# 87<sup>TH</sup> HOMELESS BILLS



## Hotel Conversion

- **CSSB 646 by Sen. Schwertner** (*SUBSTITUTE VOTED FAVORABLY by S. Local Government March 31*)
- **HB 1803 by Rep. Wilson** (*HEARING: H. Urban Affairs April 7*)
  - Prior municipality purchasing or converting a property for housing individuals experiencing homelessness, the County where the property is located must approve a plan. Senate committee substitute **expands the bill to apply to “person”** instead of just municipalities and exempts emergency or disaster shelter.
- **CSSB 796 by Sen. Schwertner** (*SUBSTITUTE VOTED FAVORABLY by S. Local Government March 31*)
  - Prior to municipality purchasing or converting a property for housing individuals experiencing homelessness, City must hold a public hearing and notify every resident within two miles of the proposed purchase/conversion via mail

## Camping Ban

- **SB 987 by Sen. Buckingham** (*Referred to S. Local Government*)
- **HB 1925 by Rep. Capriglione** (*VOTED FAVORABLY by H. State Affairs*)
  - Prohibits camping in a public place unless the public place is designated as an area that may be used for camping by a state officer or agency. An offense is a Class C misdemeanor.

# 87<sup>TH</sup> AE BILLS



## Municipally Owned Utilities Deregulation

- **SB 182 by Sen. Schwertner** (*Referred to S. Business & Commerce March 3*)
  - Requires the PUC to conduct a yearly rate comparison of one-fifth of municipally owned utilities that do not have “customer choice.” If the 5-year average electric rate paid by customers is found to be 10% higher than other similar areas, then the utility must initiate “customer choice” as defined by statute.

## AE Rates

- **SB 566 by Sen. Buckingham** (*PENDING in COMMITTEE S. Business & Commerce March 16*)
- **HB 2775 by Rep. Cain** (*HEARING H. State Affairs April 8*)
  - This bill is specific to Austin Energy and authorizes a customer or group of customers to file a petition with the Public Utility Commission to determine whether “rates are just and reasonable” according to PUC standards and as compared to rates available to similarly situated customers in areas of the state that have access to customer choice. If the PUC determines that the rates not just and reasonable, the commission will set the rates for the petitioning customer or group that filed the petition



# 87<sup>TH</sup> COMMUNITY ADVOCACY BILLS



## Community Advocacy

- **SB 10 by Sen. Hall** (*HEARING: S. Local Government April 6*)
  - Municipality or county may not spend public money to directly or indirectly influence or attempt to influence the outcome of any legislation pending before the legislature. The bill would prevent cities and counties from hiring lobbyists to advocate on their behalf.
- **HB 749 by Rep. Middleton** (*PENDING in COMMITTEE: H. State Affairs Hearing March 25*)
  - Restricts political subdivisions from hiring a contract lobbyist for the purpose of lobbying a member of the legislature, paying a nonprofit state association or organization that primarily represents political subdivision or hires lobbyists to advocate before the legislature.

## Lobby Disclosure

- **SB 1879 by Sen. Bettencourt** (*HEARING: S. Local Government April 6*)
  - Political subdivision may spend money to directly or indirectly influence the outcome of legislation if the expenditure is approved by the governing body in an open meeting.
- **HB 3687 by Rep. Capriglione** (*PENDING in COMMITTEE: H. State Affairs Hearing March 25*)
  - Political subdivisions must disclose on their websites information about lobby contracts, including contract dates, amounts, and the names of all parties to the contractors and subcontractors.

# 87<sup>TH</sup> AUSTIN PREEMPTIONS



## Noise Ordinance Preemption

- **HB 3813 by Rep. Cody Harris** (*PENDING in COMMITTEE H. Culture, Recreation & Tourism March 29*)
  - Preempts City of Austin's ability to regulate amplified sound for live music venues or bars in residential neighborhoods that is produced from a loud speaker or sound amplifier if it doesn't exceed 75 decibels between 10 am to 2:00 am.

## Employment Preemption

- **CSSB 14 by Sen. Creighton** (*SUBSTITUTE REPORTED FAVORABLY by S. Business & Commerce March 30*)
  - Prohibits municipality /county from adopting or enforcing ordinance, order, rule, regulation, or policy requiring any terms of employment that exceed or conflict with federal or state law relating to any form of employment leave, hiring practices, employment benefits, scheduling practices, or other terms of employment.

## State License Super Preemption

- **HB 610 by Rep. Swanson** (*PENDING in COMMITTEE H. Judiciary and Civil Jurisprudence March 24*)
  - Authorizes state license holders to sue City if local ordinances, rules, or regulations impose restrictions or otherwise regulate state license holders in a manner that is more restrictive than under state law or if local regulations "would result in an adverse economic impact on the license holder."

# 87<sup>TH</sup> GAS & PIPELINE PREEMPTION BILLS



## Energy Source Preemption

- **SB 1262 by Sen. Birdwell** (*Referred to S. Business & Commerce*)
- **HB 17 by Rep. Deshotel** (*Passed by the House March 31*)
  - Prohibits local government regulations that directly or indirectly prohibit, restrict or discriminate against connection of utility service or construction of utility infrastructure based on the type /source of energy. Local governments, regulatory authorities, planning authorities and utilities prohibited from imposing additional charges or pricing difference on a development or building permit for utility infrastructure that encourages connection to a utility service based on the type of energy; or discourages installation of facilities for utility service based on the type of energy.

## Pipeline Preemption

- **HB 1683 by Rep. Landgraf** (*PENDING in COMMITTEE H. Energy Resources April 22*)
  - The bill as filed would remove any ability for the City to initiate or participate in a lawsuit that an oil and gas facility, including a pipeline, to ensure that the pipeline is complying with environmental regulations, without fear of losing state grant funding. The bill author has agreed to rework the bill to prevent it from impacting Barton Springs.

# 87<sup>TH</sup> PENSIONS & FINANCES



## APRS Pension

- **HB 4368 by Rep. Rodriguez** (*Referred to H. Pensions/Investments/Financial Services March 29*)
  - Makes fundamental changes to member and city contributions of the Austin Police Retirement System.

## Finances

- **HB 1869 by Rep. Burrows** (*PENDING in COMMITTEE: H. Ways & Means March 22*)
  - Modifies the definition of “debt” for purposes of the debt service property tax rate calculation to only include debt approved at an election. This means that tax-supported debt obligations that are not approved at an election, like certificates of obligation, time warrants, anticipation notes, and certain financing agreements must be paid through the maintenance and operations portion of a city’s tax rate

# 87<sup>TH</sup> MORE BIG BILLS



## The Texas Pandemic Response Act

- **CSHB 3 by Rep. Dustin Burrows** (*PENDING in COMMITTEE H. State Affairs March 11*)
  - Committee substitute outlines procedures for government response to a pandemic, providing that the Governor wields all power related to emergency declarations & orders related to a pandemic and removes local governments' ability to issue local disaster declarations or orders. A legislative oversight committee would be able to assess the Governor's pandemic related disaster declarations and suspend them if committee deemed it necessary.

## Election Integrity

- **HB 6 by Rep. Cain** (*PENDING in COMMITTEE H. Elections April 1*)
  - Among other things, prohibits public officials from sending unsolicited application for ballots by mail (ABBM) to any individual, takes away election judges' right to remove a poll watcher, and allows for election contests based on alleged fraud.
- **SB 7 by Sen. Hughes** (*PASSED by the SENATE April 1*)
  - Among other things, reduces local control of polling places, eliminates use of drop boxes for mail ballots, eliminates drive through locations for dropping off ballots and eliminates the use of tents or mobile units as early voting sites, and gives poll watchers more leeway to film voters who are being assisted with voting.

# 87<sup>TH</sup> CITY PRIORITY BILLS



## Medicaid Reimbursement for Local Health Departments

- **SB 73 by Sen. Miles** (*PLACED ON SENATE INTENT CALENDAR for April 6*)
  - Allows local health departments (LHDs) to receive reimbursement for services already covered by Medicaid by designating LHDs as a provider-type recognized by Managed Care Organizations for reimbursement.

## Prima Facie Speed Limit (HB 442 by Rep. Israel and SB 221 by Sen. Zaffirini)

- **SB 221 by Sen. Zaffirini** (*Referred to H. Transportation*)
- **HB 442 by Rep. Israel** (*Referred to H. Transportation March 24*)
  - Changes the prima facie speed limit in urban districts from 30 miles per hour to 25 miles per hour if the street is located in a residence district in a municipality and is not officially designated or marked as part of the state highway system.

# 87<sup>TH</sup> CITY PRIORITY BILLS



## Inclusionary Zoning

- **HB 84 by Rep. Hinojosa** (*Referred to H. Land and Resource Management*)
  - Inclusionary zoning programs are proven policy tools that cities across the country use to ensure affordable rental and ownership housing for residents. HB 84 repeals the current ban on inclusionary zoning to give cities the ability to adopt inclusionary zoning programs.

## Cloud Computing

- **SB 58 by Sen. Zaffirini** (*Referred to S. Local Government March 3*)
- **HB 751 by Rep. Israel** (*PENDING in COMMITTEE H. County Affairs April 1*)
  - Allows governmental entities to issue debt for cloud computing services just as they are currently able to for the purchase of computer hardware and equipment. Cloud computing, which includes computing, storage, and telecommunications infrastructure available on demand from a third party, enables entities to maximize efficiency, improve security, cut costs, and focus resources on the core services.



# QUESTIONS?



Brie L. Franco  
Intergovernmental Relations Officer  
[Brie.Franco@austintexas.gov](mailto:Brie.Franco@austintexas.gov)

Agenda:  
<https://www.austintexas.gov/edims/document.cfm?id=347683>

Thank you

