### 89th Texas Legislative Session Update

## 2025 TMUA Utility Leadership and Management Conference



Presented by Snapper Carr, Partner & General Counsel



## Get Engaged!

- Now is the time to communicate with your senator and representative about issues important to your city!
- TML Resources:
- TML Legislative Update
- Weekly-Updated City-Related Bill Summaries
- TML Legislative Toolkit
- Grassroots Involvement Program





## **Key Dates for 89th Session**

- •April 11, 2024: Senate Interim Charges Announced.
- •May 8, 2024: House Interim Charges Announced.
- •Interim hearings will continue through the end of 2024, with reports issued sometime thereafter.
- •November 5, 2023: Election Day
- •November 11, 2024: Bill Pre-Filing Begins
- •January 14, 2025: Session Convenes (Speaker elected in the first 2 days)
- •Late January / Early February 2025: Senate and House Committees are named.
- •Mid to Late February 2025: Committees Begin to meet to consider legislation.
- •March 14, 2025: Bill Filing Deadline
- •Early May Committee bill passage deadlines means committee process ends.
- \*June 2, 2025: Legislative Session Adjourns—Sine Die!



Bill Statistics

YEAR	SESSION	FILED	PASSED	FAILED	% PASS	% FAIL	BILLS / DAY (140)
2001	77	5,612	1,601	4,011	28.5%	71.5%	40
2003	78	5,633	1,383	4,250	24.6%	75.4%	40
2005	79	5,512	1,389	4,123	25.2%	74.8%	39
2007	80	6,241	1,481	4,760	23.7%	76.3%	45
2009	81	7,464	1,459	6,005	19.5%	80.5%	53
2011	82	5,938	1,380	4,558	23.2%	76.8%	42
2013	83	5,950	1,437	4,513	24.2%	75.8%	43
2015	84	6,476	1,330	5,146	20.5%	79.5%	46
2017	85	6,800	1,220	5,580	17.9%	82.1%	49
2019	86	7,541	1,439	6,102	19.1%	80.9%	54
2021	87	7,148	1,081	6,067	15.1%	84.9%	51
2023	88	8,345	1,259	7,086	15.1%	84.9%	60

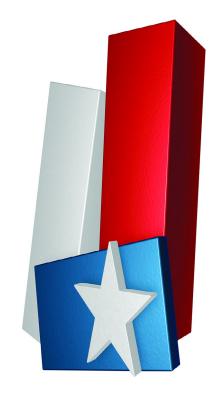
As of end of day 3/6/25: 8,264 bills & resolutions filed for  $89^{th}$  with over 9,000+ expected to be filed by deadline.

Governor's
Priorities
(Emergency
Declaration Items)



## Lt. Governor's Priorities

- <u>S.B. 2</u> Education Savings Accounts (Passed the Senate)
- <u>S.B. 4</u> Increasing the homestead exemption to \$140,000 (Passed the Senate)
- S.B. 7 Increasing investments in Texas water supply
- **S.B. 8** Requiring local law enforcement to assist federal deportation efforts
- **S.B. 15** Removing barriers to affordable housing
- <u>S.B. 18</u> No public money for city libraries that host drag-related events
- S.B. 19 Stopping taxpayer dollars for lobbyists



## **TML Priorities**

- Seek introduction and passage of legislation that:
- Increases street maintenance sales tax flexibility
  - H.B. 884 (C. Hernandez)
  - S.B. 178 (Menendez)
- Allows cities alternate methods for publications of legal notices
  - H.B. 1028 (Shaheen)/S.B. 1508 (Hagenbuch)
  - **H.B. 1080** (Curry)
  - <u>S.B 1062</u> (Kolkhorst)
- Increases the competitive bidding threshold to account for increased costs to cities
  - <u>H.B. 1998</u> (Spiller)
  - S.B. 830 (Parker)
  - S.B. 1173 (Perry)
- Creates new law enforcement grant programs or expands current law enforcement grant programs
  - H.B. 2217 (Wharton)/S.B. 1788 (Hagenbuch)
- Promote "Pay-as-you-go" financing through property tax rate calculation adjustment



# Community Advocacy

- No Public Funds for Lobbyists or State Nonprofit Associations (Legislative Services Exception)
- S.B. 19 (Middleton)/S.B. 1420 (Nichols)/H.B. 571 (Cain)/H.B. 671 (Shaheen) –
  Political subdivision may not spend public funds to hire lobbyist, but exceptions for
  nonprofit state associations to provide legislative services, communicate with
  legislators, and testify for or against legislation
- No Public Funds for Lobbyists or State Nonprofit Associations (No Exceptions)
- <u>S.B. 239</u> (Middleton)/<u>H.B. 309</u> (Leo-Wilson)/<u>H.B. 1189</u> (Troxclair)/<u>H.B. 1294</u> (Patterson) –Political subdivisions may not spend public funds to hire lobbyist or to pay a nonprofit state association that hires a lobbyist
- No Public Funds or Other Compensation to Directly or Indirectly Influence Legislation
- <u>S.B. 1695</u> (Hall) Governing bodies of cities and counties may not spend public funds or provide any other compensation to directly or indirectly influence legislation, but exceptions for providing information to legislators, elected official advocacy, and actions that don't require registering as a lobbyist



## **Property Taxes**

- Property Taxes
- Gov. Abbott State of the State Address
- H.B. 9 (Meyer) \$250,000 exemption for appraised value of business personal property
- H.B. 217 (Harrison) –60% voter approval
- H.B. 2736 (Cain) –2/3 voter approval and November elections

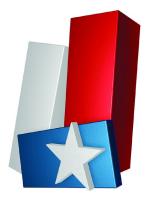
## **Debt**

#### **Debt**

- <u>H.B. 3262</u> (Lowe) 2/3 voter approval
- <u>S.B. 533</u> (Sparks) All bond elections must be in November
- <u>S.B. 414</u> (Middleton) Bond proposition language must include interest and payout amount

#### **Limitations on Debt Instruments**

- <u>H.B. 1453</u> (Tepper)/<u>S.B. 470</u> (Sparks) Limits COs to public works necessary to comply with federal, state, or local law or address a public health emergency or natural disaster
- <u>S.B. 1024</u> (Bettencourt) Five-year waiting period for failed COs and TANs



## **Utilities**

#### Solid Waste Franchise Fees

• <u>H.B. 1227</u> (Gates) – Cities cant charge more than 2% franchise fee and no exclusivity for commercial, industrial, or multifamily residential solid waste services.

#### City-Owned Water Utility Late Fees

• <u>H.B. 2867</u> (Gates) – Provides when and how much city-owned water utilities can impose late fee.



## **Land Use – Density**

#### Lot Size and Accessory Dwelling Units (ADUs)

- H.B. 878 (Vasut) Caps minimum lot sizes and allows ADUs by right
- H.B. 1779 (Bucy)/S.B. 673 (Hughes) Allows ADUs by right

#### **Mixed-Use and Multifamily Residential Developments**

- <u>S.B. 840</u> (Hughes)/<u>H.B. 3404</u> (Hefner) Must allow mixed-use and multifamily developments in non-residential areas
- <u>S.B. 854</u> (Middleton) Must allow mixed-use and multifamily developments on religious-owned land



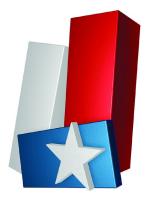
## **Land Use – Zoning Changes and Protests**

#### **Zoning Changes**

- <u>H.B. 2687</u> (Guillen) Cities must send zoning change notices by certified mail and allows nearby property owners to petition for reconsideration for up to two years
- <u>S.B. 1160</u> (Campbell) Expands zoning notice requirements to 1,500 feet

#### **Zoning Protests**

- <u>H.B. 1742</u> (Hickland) Raises protest threshold to 50% and reduces supermajority requirement
- <u>S.B. 844</u> (Hughes) Raises protest threshold to 60% under certain circumstances



## Land Use — ETJ and Disannexation

#### **ETJ**

- <u>S.B. 1509</u> (Bettencourt) No city regulations in the ETJ
- H.B. 1901 (Cook) Areas adjacent to city ineligible for release
- <u>H.B. 2024</u> (Turner) Areas that would make a city's ETJ non-contiguous or where the city has spent \$1M in development are ineligible for release
- H.B. 2512 (Geren) Areas under a development agreement or within city's CCN ineligible for release

#### **ESD Annexations**

• <u>S.B. 1503</u> (Bettencourt) – ESD can't annex city territory without city consent

#### **Disannexation**

- <u>H.B. 950</u> (Hayes) Disannexation of annexed areas unless city provides full municipal services by 9/1/29
- <u>H.B. 2494</u> (Craddick) Disannexation of most city areas unless city provides full municipal services (no deadline)



## **Land Use - Planning**

#### **Impact Fees**

- <u>H.B. 2225</u> (Buckley) Imposes pre-notice requirements for impact fees, supermajority vote to approve impact fee, and five-year waiting period for increases
- <u>S.B. 887</u> (Eckhardt) Cites can use impact fees for roadway safety improvements
- <u>S.B. 1253</u> (Perry) Political subdivisions can issue impact fee credits for water conservation and reuse projects

#### **Development Moratoria**

• H.B. 2559 (Patterson) – Limits city authority to adopt a development moratorium

#### **Parking Minimums**

• H.B. 3275 (Richardson) – No city parking minimums for new commercial buildings

#### **Housing Finance Corporations**

- <u>H.B. 21</u> (Gates) HFC's can't remove property from tax rolls outside jurisdiction without the other's jurisdiction's consent
- <u>H.B. 2937</u> (Anchia) HFC's can't remove property from tax rolls outside jurisdiction at all



## **Land Use - Permitting**

#### **Third-Party Review**

 H.B. 23 (Harris)/ H.B. 2977 (Harris) – Applicant may request third-party review of development documents or land improvements by a certified engineer or building inspector

#### **Building Materials**

• <u>H.B. 3299</u> (Reynolds) – Building material regulation restriction no longer applies to commercial buildings



## **Public Safety**

#### **Immigration Enforcement**

- <u>H.B. 1645</u> (Leo Wilson) Victims of crime caused by persons in country illegally can sue a city if the city doesn't have policy to enforce or doesn't enforce state and federal immigration laws
- H.B. 2361 (Spiller)/H.B. 2390 (Kerwin) Local law enforcement agencies must enter into agreement w/ICE to enforce state and federal immigration laws
- <u>H.B. 2566</u> (Spiller) Local law enforcement must check for immigration status upon reasonable suspicion for immigration offense
- <u>S.B. 932</u> (Hall) Funding for local law enforcement immigration enforcement training

#### **Public Camping Ban**

• <u>S.B. 241</u> (Flores) – Cities must enforce public camping bans



## Personnel

#### **Civil Service**

- <u>H.B. 1677</u> (Canales) Requires meet and confer requirements for fire fighter disciplinary actions in non-civil service cities under 10,000
- H.B. 2098 (A. Martinez) Mandatory civil service in cities over 25,000
- <u>H.B. 2713</u> (Darby)/ <u>S.B. 1331</u> (Hancock) Cities over 70,000 may not repeal civil service after it has been in effect for at least one year
- <u>H.B. 3171</u> (Lujan) Collective bargaining agreement or home rule charter provisions govern prevailing wage determinations and impasse process



## **Elections**

#### **Election Dates**

• <u>S.B. 1209</u> (Hughes) – Eliminates May uniform election date

#### **Charter Amendments**

• <u>S.B. 1059</u> (Parker) – City council can't put an initiative or charter amendment on the ballot if applying the provision would be contrary to state law

#### **Ballot Propositions**

- <u>H.B. 524</u> (Tepper) Home rule cities must submit proposed ballot initiatives to AG to review for compliance with state law before ordering election
- <u>H.B. 631</u> (Swanson) Establishes mandatory ballot language, city or voter can ask SOS to review ballot language, and voter can file lawsuit challenging ballot language
- <u>S.B. 506</u> (Bettencourt) Ballot proposition language must be clear, and voter may submit ballot proposition for SOS review
- <u>S.B. 1548</u> (Zaffirini) Petition for home-rule city ballot initiative must be signed by five percent of the city's qualified voters (removed or 20,000 qualified voter threshold)



## **Open Government**

#### **Public Meeting Notices**

• <u>H.B. 1522</u> (Gerdes) – Governmental bodies must provide three business days notice for all public meetings and budget meeting notice must include physical copy of budget

#### **Public Information Act**

- H.B. 1893 (Cook) License plate information in video is not confidential
- <u>S.B. 824</u> (Middleton)/<u>S.B. 852</u> (Middleton)/<u>S.B. 919</u> (Zaffirini) Omnibus PIA bills (shortens some deadlines, in some cases, governing body must complete PIA training)
   <u>S.B. 986</u> (Bettencourt) Bad faith AG request penalty, expedited response program
- H.B. 2330 (Hopper) \$200,000 damages for successful PIA challenge lawsuit
- <u>S.B. 1130</u> (Middleton) Mandatory ADR if requestor doesn't like request response



## **City Administration**

#### **Must Allow Licensed Carry in City Leases**

 H.B. 1715 (Cain)/S.B. 1065 (Hall) - Must include language allowing licensed carry in leases of city-owned property

#### **Preempting Local Food Service Regulations**

- H.B. 520 (Goodwin)/H.B. 2588 (Hull) Preempts local cottage food regulations
- <u>H.B. 2156</u> (Harris)/<u>S.B. 1008</u> (Middleton) Preempt certain local food service, health district fee, and sound regulations
- H.B. 2844 (Landgraf)/H.B. 2683 (Harrison) Preempts local food truck regulations

#### **Economic Development Agreements**

• <u>S.B. 878</u> (Birdwell) – Cities can't use property tax abatements in 380 agreements

#### **Severance Pay**

• H.B. 762 (Leach) – Cap severance pay for city employees at 20 weeks' pay



## Hopeful for Clearer Legislative Skys!





## Questions?

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