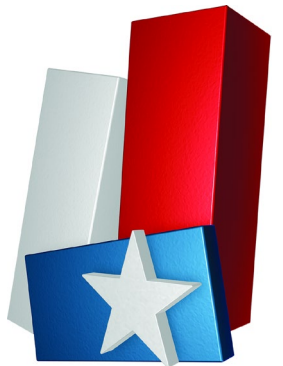
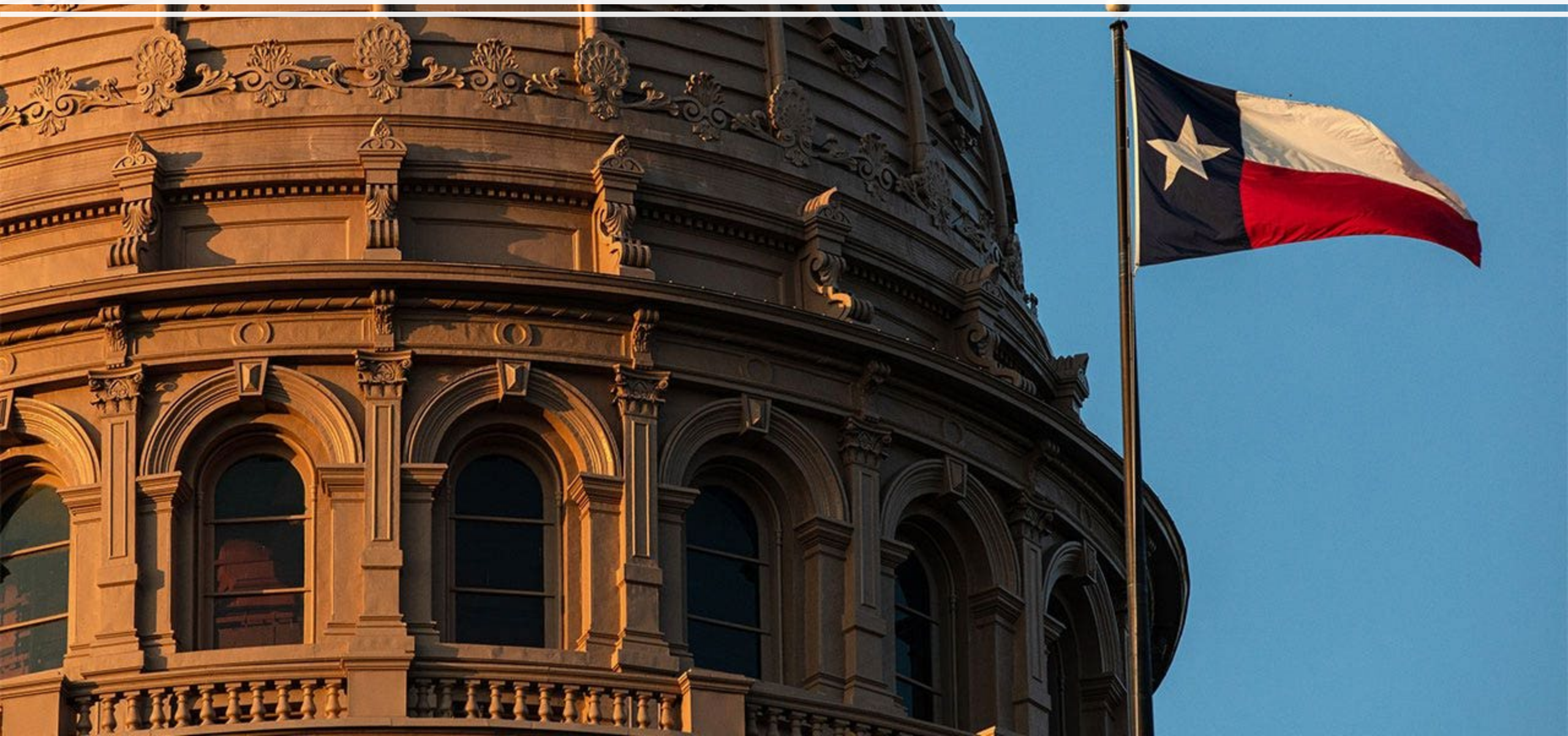


# 88<sup>th</sup> Regular Session Legislative Update

Hog Wild  
July 28, 2023  
JJ Rocha  
Michael Martin

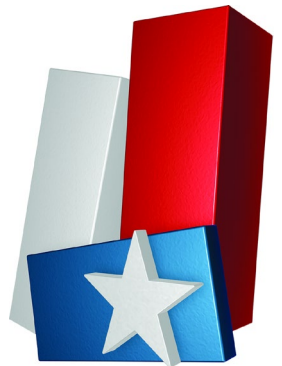


# 88<sup>th</sup> Texas Legislature



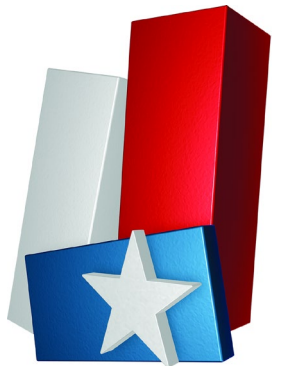
# 88<sup>th</sup> Legislative Session – By the Numbers

Year	Total Bills Introduced	Total Bills Passed	City-Related Bills Introduced	City-Related Bills Passed
2011	6303	1410	1500+	160+
2013	6061	1437	1700+	220+
2015	6476	1329	1600+	220+
2017	6800	1220	2000+	290+
2019	7541	1437	2000+	330+
2021	6927	1073	2000+	240+
2023	8344	1258	1800+	230



# Special Session(s)

- **1<sup>st</sup> Called: May 29**
  - Property tax relief and border security
  - No legislation passed
- **2<sup>nd</sup> Called: June 27**
  - Property tax relief through tax rate compression and pathway to eliminate school district maintenance and operation property taxes
  - **2S.B.2** and **2S.J.R. 2**
    - \$100,000 homestead exemption for school property taxes, over \$12 billion in state funding for schools, 20% appraisal cap on non-homesteaded property for 3 years, 3 newly elected positions on local appraisal boards
- **Future specials?**
  - School vouchers in the fall
  - Vetoes?





# Cutting Room Floor

## Local Preemption

- Regulating state license holders
- City occupational licenses
- Commercial activity
- Chicken and rabbits

## Land Use

- Disannexation
- Minimum lot size and small lot preemption
- Accessory dwelling units by right
- HUD code manufactured housing by right
- Building height restrictions
- ETJ size, density in ETJ, required services and ordinance enforcement in ETJ
- STRs and residential amenity preemption



# Cutting Room Floor (Cont.)

## City Administration

- Community censorship
- Prohibiting transferring utility fund revenue to general fund

## Debt

- Certificate of obligation restrictions
- November debt elections

## Personnel

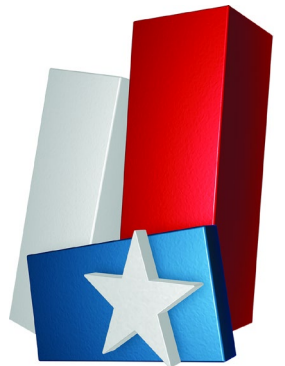
- Automatic civil service over 10,000 population

## Property Tax

- 5% appraisal cap
- Repeal of de minimis rate for cities under 30,000 (fire truck provision)

## Sales Tax

- Destination sales tax sourcing



# Cutting Room Floor (Cont.)

## **Elections**

- Ballot language restrictions and liability
- Sale of parkland without election

## **Public Safety**

- Emergency services district bills

## **Open Government**

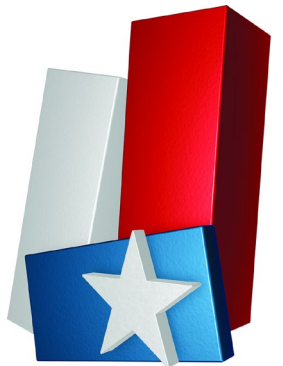
- Online public notices

## **Purchasing**

- Increased competitive bidding threshold

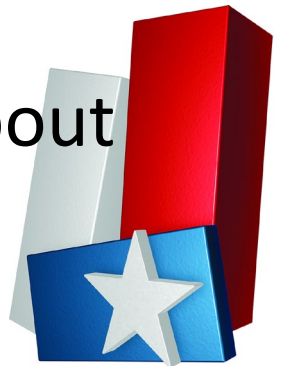
## **Transportation**

- Billboard relocation
- Lowered speed limit without traffic study



# Super Preemption – H.B. 2127

- Expressly preempts certain home rule city regulations;
- Potentially preempts other home rule city regulations in fields occupied by state statute in particular codes, depending on how courts rule;
- Creates a cause of action for lawsuits against a home rule city to determine whether a city regulation is preempted;
- Requires three months' notice before a claimant may bring a lawsuit against a city;
- H.B. 2127 is effective September 1, 2023;
- City of Houston legal challenge - consult your city attorney about how to proceed.

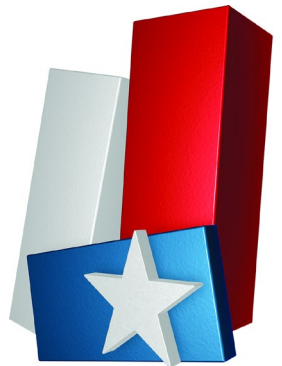




# Preemption – H.B. 2127

## What city authority is expressly protected?

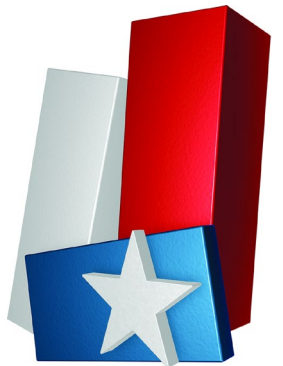
- Existing payday lending ordinances, if valid under previous law
- Existing regulations of the retail sale of dogs or cats, until the state adopts statewide regulations
- Ability to regulate a massage establishment
- Ability to maintain roads, impose taxes, and carry out any authority expressly authorized by statute
- Authority to conduct a public awareness campaign
- Ability to negotiate terms of a collective bargaining agreement
- Adoption of policies related to city employees



# Preemption – H.B. 2127

## Which city regulations are expressly preempted by the bill?

- Regulations relating to employment leave, hiring practices, breaks, employment benefits, scheduling practices, and other terms of employment that exceed or conflict with federal or state law
- Regulations involving the breeding, care, treatment, or sale of animals or animal products if person holds a license for the business issued by federal or state government.
- Regulations of evictions or delivery of notice to vacate prior to an eviction



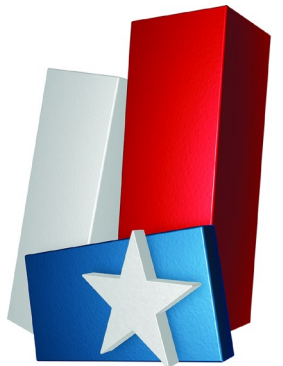
# Preemption – H.B. 2127

## Which city regulations *may* be preempted by the bill?

Unless expressly authorized, a city ordinance that regulates conduct in a field of regulation that is occupied by a provision of one of the following codes is void and unenforceable:

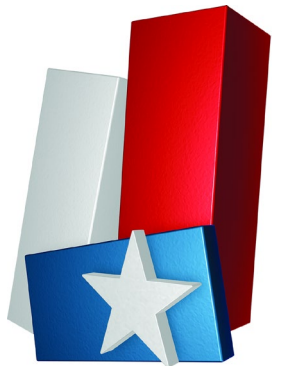
- Agriculture Code
- Business & Commerce Code
- Finance Code
- Insurance Code
- Labor Code
- Natural Resources Code
- Occupations Code
- Property Code

## When does a state statute occupy a field of regulation?



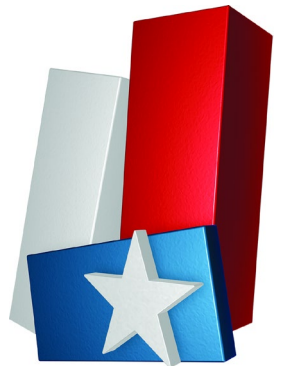
# Preemption – H.B. 2127

- H.B. 2127 is effective September 1, 2023
- Consult your city attorney about how to proceed
- Three-month notice prior to suit gives cities ability to review and repeal or amend, if necessary, before suit
- Extent of city preemption won't be fully known for years while courts define “field preemption”



# Land Use

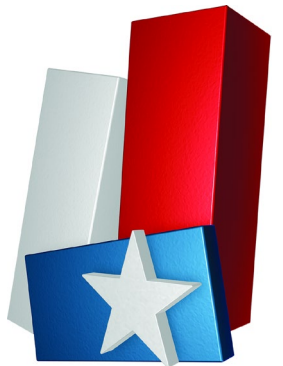
- **S.B. 2038** – Release of an area from city ETJ by petition or election
- **H.B. 1750** – Agricultural Operations within city limits
- **H.B. 3699/H.B. 14** – Platting, permitting review reform
- **H.B. 586** – Consent annexation of roadway adjacent to/connecting annexed area
- **S.B. 929** – Compensation for involuntary termination of non-conforming use





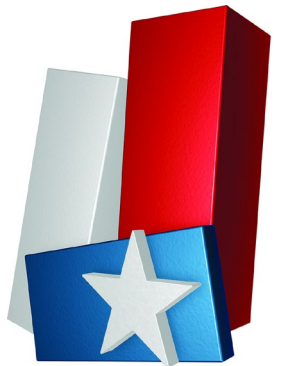
# City Finance

- **S.B. 379** – Family care product sales tax exemption
- **S.B. 543** – City transfer of real property in 380 agreements
- **S.B. 1340** – Expands comptroller’s 380 agreement database and reporting requirements for cities
- **H.B. 4082** – Defines “public work” for CO and anticipation note purposes; Limits COs or TANs for new stadiums, arenas, convention centers, or hotels
- **H.B. 1922** – Mandatory 10-year renewal of city building permit fees
- **H.B. 3492** – Prohibits value-based city permit fees



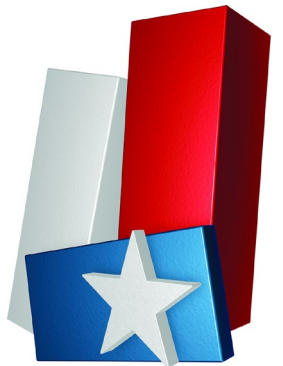
# Public Safety and Other Admin

- **H.B. 3** – School safety officers
- **H.B. 471** – Paid illness and injury leave for first responders
- **H.B. 1819** – Prohibits local juvenile curfews
- **H.B. 3186** – Mandatory youth diversion programs
- **H.B. 3660** – Trap-Neuter-Release program affirmative defense
- **S.B. 12** – Prohibiting sexually-oriented performances
- **S.B. 29** – Ban on local COVID-19 orders
- **S.B. 1893** – Tik-Tok ban on city devices



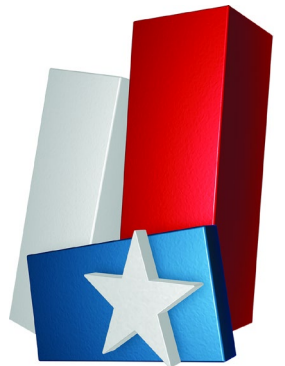
# Open Government and Elections

- **H.B. 3033** – PIA request reforms (business days, vexatious requestors, electronic submission)
- **S.B. 943** – Requires newspaper to place notice on newspaper’s website, use notice clearinghouse (if available)
- **H.B. 1434** – Staggering Type A alderman terms
- **H.B. 2626** – Reporting city official political contributions
- **H.B. 3613** – Unifying single member district councilmember terms after apportionment



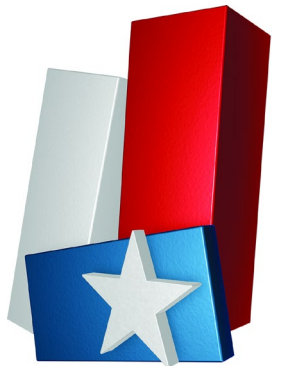
# Utilities and Environment

- **H.B. 9/H.J.R. 125** – Creates Broadband Infrastructure Fund
- **S.B. 1238** – Broadband Infrastructure Fund eligibility
- **S.B. 2119** – Creating statewide broadband service maps
- **S.B. 28/S.J.R. 75** – Texas Water Fund and New Water Supply for Texas Fund
- **S.B. 784** – State has exclusive jurisdiction over greenhouse gas regulations
- **S.B. 1017** – Local engine and energy source regulations
- **S.B. 1397** – TCEQ sunset
- **S.B. 1860** – No city charter climate provisions



# Stay Informed – TML Legislative

- TML *Legislative Update*
- Post-Session Update articles
- Full list of passed bills:  
[https://www.tml.org/DocumentCenter/View/3820/LU2023\\_23](https://www.tml.org/DocumentCenter/View/3820/LU2023_23)
- Call/email TML Legislative or Legal department with questions





# Questions?

