

City of Highland Haven - Bills in 89th Texas Legislative Session

Forward

The City of Highland Haven is committed to ensuring the well-being, sustainability, and self-determination of our community. As the Texas Legislature convenes, it is imperative to articulate the city's stance on legislative priorities that will directly impact our residents, infrastructure, and local governance. The following issues, drawn from the city's soon-to-be adopted resolution, underscore our priorities and concerns:

1. **Local Control:** Our city values its ability to respond effectively to the unique needs of our community. We support legislation that respects and upholds local authority and oppose any effort to preempt municipal autonomy, including regulations affecting housing density, accessory dwelling units, zoning, and building permits. Highland Haven believes in preserving its character and making land-use decisions that reflect the will of its residents.
2. **Water Management:** As a community with limited groundwater resources, we advocate for policies and funding that promote sustainable water use and conservation, particularly during drought conditions. We support state funding for water infrastructure projects, innovative technologies, and partnerships to enhance our community's resilience.
3. **Tax and Revenue Policy:** Property tax caps and revenue restrictions disproportionately affect smaller municipalities with historically low tax rates like ours. We oppose measures that undermine our ability to fund essential services and advocate for revenue tools that allow cities to address local needs without burdensome mandates.
4. **Economic Development and Infrastructure:** We support increased funding for transportation, water, and sewer projects and favor raising competitive bidding thresholds to reflect the rising costs municipalities face. Legislative tools enabling "pay-as-you-go" financing for capital expenditures will help our city address infrastructure needs without unnecessary debt.
5. **Open Government and Elections:** The city remains committed to transparent governance but opposes partisan mandates on municipal elections, which could undermine local decision-making and community trust. Additionally, changes to public notice requirements should allow for modern alternatives to costly newspaper notices.
6. **Community Advocacy and Legislative Communication:**
Highland Haven strongly supports the ability of municipalities to communicate with legislators and engage in advocacy through organizations like the Texas Municipal League (TML). These organizations are invaluable in helping cities navigate the complexities of the legislative process, keeping us informed of developments at the Capitol, and ensuring that local governments have a collective voice.

Efforts to limit lobbying by cities and counties unfairly target local governments while allowing the state to fund its own lobbying efforts in Washington, D.C., and permitting private-sector lobbyists to operate without similar restrictions. This creates an uneven playing field where small cities like ours are left at a disadvantage, unable to effectively advocate for their needs or respond to legislative proposals that may have significant consequences for their operations.

Restricting taxpayer-funded advocacy undermines local governments' ability to protect their communities' interests, particularly when those interests may differ from state-level priorities. It is critical that cities retain the tools and partnerships necessary to engage with lawmakers on issues ranging from water infrastructure to tax policy, ensuring that the voices of local residents are heard and represented.

The legislative decisions made during this session will significantly affect our city's future. We urge lawmakers to consider the unique challenges faced by small, rural communities like Highland Haven and craft policies that respect local autonomy, promote sustainability, and ensure fair and equitable treatment for cities of all sizes. This document serves as a guide to the key legislative priorities and positions of the City of Highland Haven as we engage with our state representatives and advocate for our community.

City of Highland Haven Bills in 89th Legislature

Click on Bill Number to read entire bill as filed, click on Bill Title to read summary of bill provided by TML

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Land Use

Housing Density, Accessory Dwelling Units, Density Preemption

[H.B. 369 \(Tepper\)](#) – **Housing Density**: would (1) prohibit a city from adopting or enforcing an ordinance, zoning variance, or other regulation that allows for the construction of more than one single-family dwelling on a lot that: (a) was zoned for single-family dwellings on September 1, 2023; and (b) is located in a subdivision with at least one developed lot; (2) prohibit a city from changing a zoning classification, regulation, boundary, or an allowed use under a zoning classification for the purpose of allowing more than one single-family dwelling on a lot described by (1), above; (3) create an exception to (1) and (2), above, to allow a city to adopt or enforce a regulation if the city: (a) sends certain written notice to each owner of real property zoned for single-family dwelling within 200 feet of each property affected by the proposed ordinance or regulation described in (1) or (2),

above; and (b) obtains an affidavit from each owner consenting to the ordinance or regulation; and (4) provide that any person who has sustained an injury in fact, actual or threatened, from a city ordinance, order, or rule adopted or enforced by a city in violation of (1)-(3), above, or a trade association representing the person, has standing to bring an action against the city.

H.B. 878 (Vasut) – Density Preemption & Accessory Dwelling Units: This bill addresses, among other things, both density preemption in certain cities, and the regulation of accessory dwelling units (ADUs) in all cities. The density preemption components of the bill apply to a city with a population of 85,000 or more that is wholly or partly located in a county with a population of one million or more, and would provide, among other things, that:

1. a city may not adopt or enforce a regulation that requires a residential lot to be: (a) larger than 2,500 square feet; (b) wider than 16 feet; or (c) deeper than 30 feet;
2. if regulating the density of dwelling units on a residential lot, a city may not adopt or enforce a regulation that requires a ratio of dwelling units per acre that results in fewer than 31.1 units per acre;
3. on certain defined “small lots,” which are residential lots that are 4,000 square feet or less, a city may not adopt or enforce a regulation that requires a small lot to have: (a) a setback greater than five feet from the front, back, or side of the property; (b) covered parking; (c) more than one parking space per unit; (d) off-site parking; (e) more than 30 percent open space or permeable surface; (f) fewer than three full stories not exceeding 10 feet in height; (g) a maximum building bulk; (h) wall articulation requirement; or (i) certain other zoning restrictions;
4. a city may require with respect to a small lot: (a) the sharing of a driveway with another lot; or (b) permitting fees equivalent to the fees charged for the development of a lot the use of which is restricted to a single-family residence;
5. a property owner may apply for a special exception from the lot or building requirements in Numbers 1-4, above, if they: (a) propose to exempt an area contiguous to an area subject to these regulations; and (b) demonstrate the approval of a certain percentage of owners of property in certain areas of the contiguous property; and
6. a property owner may bring court action against a city that violates the requirements in Numbers 1-4, above, and seek damages and attorney fees;

The bill addresses ADU regulation by providing, among other things, that:

1. on a lot zoned for single-family home or duplex, a city may not adopt or enforce a regulation that: (a) prohibits an owner of a lot from building an ADU; (b) prohibits an owner from selling or leasing an ADU; (c) requires owner occupancy; (d) requires parking for an ADU; (e) requires a minimum lot size for an ADU larger than the minimum lot size required by the city for: (i) a single-family home or duplex; or (ii) an ADU on September 1, 2025, if certain conditions apply; (f) requires setbacks larger than five feet for an ADU; (g) prevents an owner of a lot zoned for single-family or duplex from converting an existing structure to an ADU through certain setbacks; (h) applies growth, density, or bulk restrictions to an ADU; (i) provides a limitation on the square footage of an ADU that is less than 50 percent of the square footage of the primary dwelling unit or 800 square feet; (j) regulates certain aspects of ADU design; (k) requires the height of a room in an ADU to be more than 14 feet; (l) charges an impact fee on an ADU under 800 square feet or that conflicts with the state statute on impact fees; (m) charges any additional fee specific to ADUs including parkland or right-of-way dedication; (n) imposes any restriction on ADU occupancy based on age or employment; (o) prohibits an owner of a lot that is at least 10,000 square feet from building two ADUs; or (p) prohibits an ADU based on open space or permeable surface restrictions;
2. a city may: (a) apply its generally applicable height limitations, front setback limitations, site plan review, and other zoning requirements to ADUs; (b) publish ADU plans, building codes, and design standards, which may include height, setback, landscape, aesthetics standards, and maximum size of an ADU; (c) authorize an ADU on a lot that: (i) contains a historic structure; (ii) is located in an area used to implement a water conservation plan; or (iii) is located in an area subject to a certain standard for a plumbing product imposed by the Texas Water Development Board; (d) apply its short-term rental regulations to an ADU; (e) prohibit the sale of an ADU separately from the primary dwelling unit;
3. a city that requires a permit to construct an ADU shall: (a) process the permit application ministerially without discretionary review or a hearing; (b) consider only whether the application satisfies the applicable building codes,

design standards, and fire codes; and (c) approve or deny the application not later than the 60th day after the date the applicant submits the completed application;

4. a permit application described in Number 3, above, is considered approved if the city does not approve or deny the application on or before the 60th day after the applicant submits the application; and

5. a city found by the attorney general to have violated these regulations may not adopt a tax rate that exceeds the city's no-new-revenue tax rate for the tax year that begins on or after the date of the determination.

H.B. 1779 (Bucy) – **Accessory Dwelling Units:** would:

1. define "accessory dwelling unit" (ADU) to mean a residential housing unit that is: (a) located on any lot that is either not zoned or is zoned for single-family or duplex homes; (b) independent or detached from the primary dwelling unit; and (c) a complete and independent living facility for at least one individual;

2. prohibit a city from adopting or enforcing a regulation that: (a) prohibits an owner from building, selling, or leasing an ADU; (b) requires owner occupancy of the primary dwelling unit; (c) requires parking for an ADU; (d) requires a minimum lot size for an ADU larger than that required for: (i) a single-family home or duplex; or (ii) an ADU on September 1, 2025, if notice of ADU construction is required by the city; (e) requires setbacks larger than five feet for an ADU; (f) prevents an owner from converting an existing structure into an ADU due to the current structure's setbacks; (g) applies the city's growth, density, or bulk limitations to an ADU; (h) limits ADU square footage to either: (i) 50 percent of the square footage of the primary dwelling unit; or (ii) 800 square feet; (i) regulates certain design aspects of the ADU; (j) requires the height of a room in an ADU to be more than 14 feet; (k) charges an impact fee: (i) in any amount for an ADU that is less than 800 square feet or (ii) that conflicts with the state statute on impact fees; (l) charges any additional fee or exaction, including a parkland or right-of-way dedication; (m) imposes ADU occupancy restrictions based on age or employment relationship with the primary dwelling unit owner; (n) prohibits an owner of a lot that is at least 10,000 square feet from building two accessory dwelling units before, after, or concurrently with the primary dwelling unit; or (o) prohibits construction of an ADU under applicable open space or permeable surface restrictions;

3. authorize a city to: (a) generally apply its height and front setback limitations, site plan review, and other generally applicable zoning requirements to ADU construction; (b) publish ADU plans, building codes, and design standards, including height, setback, landscape, aesthetic standards, and maximum size of an ADU; (c) allow ADUs on a lot: (i) containing a historic structure; or (ii) that is located in an area that is used to implement a water conservation plan or subject to a certain Texas Water Development Board standard; (d) apply the city's short term rental regulations to an ADU; and (e) prohibit sale of the ADU separately from the primary dwelling unit;

4. require a city that requires a permit to construct an ADU to: (a) process the permit application ministerially without discretion or a hearing; (b) consider only whether the application satisfies applicable building codes, design standards, and fire codes; and (c) approve or deny the application not later than the 60th day after submission;

5. deem an application to be automatically approved if it is not denied on or before the 60th day after submission; and

6. allow a person to submit a complaint to the attorney general of a suspected violation of the law; and

7. provide that if the attorney general determines that a political subdivision has violated the law; the political subdivision may not adopt a property tax rate that exceeds the political subdivision's no-new-revenue tax rate for the following tax year.

S.B. 673 (Hughes) – **Accessory Dwelling Units:** would:

8. define "accessory dwelling unit" (ADU) to mean a residential housing unit that is: (a) located on any lot that is either not zoned or is zoned for single-family or duplex homes; (b) independent or detached from the primary dwelling unit; and (c) a complete and independent living facility for at least one individual;

9. prohibit a city from adopting or enforcing a regulation that: (a) prohibits an owner from building or leasing an ADU; (b) requires owner occupancy of the primary dwelling unit; (c) requires additional parking for ADUs on a lot that: (i) was platted before 1965; (ii) is less than 7,000 square feet; or (iii) is located within 1,320 feet of a public transit line; (d) requires a minimum lot size for an ADU larger than that required for: (i) a single-family home or

duplex; or (ii) an ADU on September 1, 2025, if notice of ADU construction is required by the city; (e) requires setbacks larger than five feet for an ADU; (f) prevents an owner from converting an existing structure into an ADU due to the current structure's setbacks; (g) applies the city's growth, density, or bulk limitations to an ADU; (h) limits ADU square footage to either: (i) 50 percent of the square footage of the primary dwelling unit; or (ii) 800 square feet; (i) regulates certain design aspects of the ADU; (j) limits ADU height to 14 feet; (k) charges an impact fee for the ADU unless the ADU requires a: (i) larger meter or connection to serve the primary dwelling unit; or (ii) new meter or connection for the ADU; (l) charges any additional fee or exaction, including a parkland or right-of-way dedication; (m) imposes ADU occupancy restrictions based on age or employment relationship with the primary dwelling unit owner; (n) prohibits construction of an ADU: (i) due to open space or impervious cover restrictions; or (ii) in accordance with the current residential building code; or (o) prohibits an ADU based on its physical orientation on the lot with respect to the primary dwelling if space allows for that orientation;

10. authorize a city to: (a) generally apply its height and front setback limitations, site plan review, and other generally applicable zoning requirements to ADU construction; (b) publish ADU plans, building codes, and design standards; (c) allow ADUs on a lot: (i) containing a historic structure; or (ii) that is located in an area that is used to implement a water conservation plan or subject to a certain Texas Water Development Board standard; (d) apply the city's short term rental regulations to an ADU; (e) prohibit sale of the ADU separately from the primary dwelling unit, except under certain circumstances; (f) apply parking regulations which do not require more than one parking space per ADU or regulate the placement or adequacy of parking;

11. require a city that requires a permit to construct an ADU to: (a) process the permit application ministerially without discretion or a hearing; (b) consider only whether the application satisfies applicable building codes, design standards, and fire codes; and (c) approve or deny the application not later than the 60th day after submission;

12. deem an application to be automatically approved if it is not denied on or before the 60th day after submission; and

13. allow a property owner to bring a cause of action against a city for violations.

Corporate Ownership of Single-Family Homes

S.B. 443 (J. Hinojosa) – **Corporate Ownership of Single-Family Homes**: would, among other things, provide that:

1. the Texas A&M University Real Estate Research Center: (a) shall annually compile information related to certain corporate buyers' purchases and sales of single-family homes in this state for the calendar year including: (i) the number of purchased by each corporate buyer in the calendar year; (ii) the number in which each corporate owner owned an interest; (iii) the city and county in which each home is located; (iv) the appraised value of each home; (v) certain corporate details related to corporate owners; (vi) the number of homes acquired through foreclosure; (vii) the number sold by each corporate owner during the same year; and (viii) the number used as rental properties during the same year along with certain landlord-related contact information; (b) may compile additional information: (i) at the recommendation of the legislature; or (ii) that the Center deems relevant based on market conditions; (c) shall by June 1 of each year submit a report to certain state officials containing: (i) a summary of the information compiled under (1)(a), above, for the preceding calendar year; (ii) an assessment of any trends or patterns relating to the relative number of purchases by corporate buyers, including whether they fall into any readily observable groups based on number of purchases or other appropriate criteria; and (iii) an analysis of the impact of corporate buyers on the cost of housing and the advantages, if any, that corporate buyers have over individual buyers in the real estate market; and (d) shall: (i) create and maintain a public statewide database that retains and shows the information from (1)(a), above; and (ii) update the database monthly;

2. certain defined "corporate owners" may not: (i) own or hold an interest in more than 10 single-family homes in Texas that are used or offered for use as a rental property at any time; or (ii) enter into an executory contract to purchase or obtain an interest in a singlefamily home if, at the time the contract is entered into, the corporate owner has an interest in 10 or more single-family homes that have a residential tenant, are available for rent, or have been offered as rental properties within the preceding 12 months; 12

3. the attorney general, a county or district attorney, or an appropriate agency of an affected city, may investigate an alleged violation of Number 2, above, if there is reason to believe that a corporate owner is in violation or has taken substantial steps that would put it in violation; and
4. a corporate owner who violates Number 2, above, is liable for a civil penalty of \$100,000 for each single-family home offered or used as rental property in excess of the amount allowed, along with certain other fees and costs of prosecution.

Zoning, Building Permits, Other Land Use Issues

H.B. 327 (Bernal) – **Zoning Protest Supermajority**: would provide that the ability to protest a proposed change to a zoning regulation or boundary by petition and force a supermajority vote of the city council to approve the proposed change does not apply to a property on which a development is located that has applied for or received credits under the Low Income Housing Tax Credit Program.

H.B. 987 (Toth) – **Building Permit Shot Clock**: would, among other things, reduce the amount of time permitted for a city to grant or deny a building permit application from 45 days to 30 days.

H.B. 993 (Toth) – **Building Permit Application Process**: would, among other things: (1) require a city to provide certain notice to an applicant for a building permit, if the city is unable to grant or deny a building permit within 45 days of application; (2) provide that a city may reach a written agreement with an applicant providing for a deadline for granting or denying a building permit that goes beyond the 45 day limit only for a commercial building permit; and (3) prohibit a city from: (a) denying a building permit solely because the city is unable to grant or deny the application within 45 days of the date of application; or (b) requiring an applicant to waive certain requirements.

H.B. 1228 (Gates) – **Emergency Repairs to Residential Buildings**: would provide, among other things that: (1) a city shall allow an owner of a damaged residential building to immediately begin to repair to the building if: (a) the owner applies for an emergency permit; and (b) the repairs are necessary to protect public safety, prevent further damage to the building, or protect the overall structural integrity of the building; (2) an owner of a residential building may apply for an emergency permit to conduct repairs by filing an application not later than the third business day after the later of the date the repairs commence or the date the city is able to accept the application; (3) the governor may not exempt a city from (1), above, by an executive order related to a declared disaster; (4) an owner of a residential building who is prohibited from conducting repairs by a city in violation of (1), above, may bring an action against the city for damages, including litigation costs and reasonable attorney's fees; and (5) governmental immunity to suit and from liability is waived.

H.B. 1322 (Hopper) – **Small Cities Platting Shot Clock**: would provide that for cities with populations under 10,000: (1) the municipal authority responsible for approving plats shall approve, approve with conditions, or disapprove a plat within 90 days after the date the plat is filed; (2) if the city requires a plat be approved by the city council in addition to the planning commission, the city council shall approve, approve with conditions, or disapprove a plat within 90 days after the plat is approved by the planning commission; (3) if the city receives a response following a previous conditional approval or disapproval of a plat, the city shall determine whether to approve or disapprove the plat no later than the 45th day after the date the response was submitted.

Property Tax

Elimination of Property Taxes

H.B. 165 (Vasut) – **Elimination of Property Tax**: would, among other things: (1) eliminate property taxes by 2035; and (2) create a joint interim committee to conduct a comprehensive study of alternative methods of taxation to replace local tax revenue that will be lost when property taxes are eliminated.

H.B. 698 (Harrison) – **Abolition of Property Tax**: would, among other things: (1) repeal the Property Tax Code; (2) prohibit a political subdivision from imposing a property tax beginning in the year 2031; and (3) convene a

committee to determine how property tax revenue could be replaced by local sales and use tax revenue. (See H.J.R. 64, below.)

[H.J.R. 64 \(Harrison\)](#) – **Abolition of Property Tax**: would amend the Texas Constitution to: (1) prohibit a political subdivision from imposing a property tax on or after January 1, 2031; and (2) provide that the state takes full responsibility for the guarantee of all bonds: (a) issued by a school district before November 4, 2025; and (b) secured by the revenue from the ad valorem taxes imposed by those entities before January 1, 2031. (See H.B. 698, above.)

Property Tax Deadlines

[H.B. 416 \(Tepper\)](#) – **Property Tax Deadlines**: would:

1. extend the deadline for the chief appraiser to prepare and certify the appraisal roll to the taxing units from July 25 to August 25;
2. extend the date past which the chief appraiser is authorized to provide an estimate of the taxable value of property in the taxing unit if the appraisal district has not yet approved the appraisal records from July 20 to August 2;
3. extend the deadline for the assessor to submit the appraisal roll to the governing body of the taxing units from August 1 to September 1;
4. extend the deadline by which the collector should certify the anticipated collection rate to the governing body from August 1 to September 1;
5. extend the deadline by which the designated officer or employee should submit tax rates to the governing body from August 7 to September 7;
6. change the date on which the chief appraiser must publish notice about the appraisal district's property tax database from August 7 to September 7;
7. reduce the time period after the date the certified appraisal roll is received by the governing body during which the governing body may adopt a tax rate from 60 days to 30 days;
8. extend the deadline for the county assessor-collector to post on the website the tax rate calculation forms from August 7 to September 7;
9. extend the date by which the appraisal review board must finalize all challenges from July 20 to August 20;
10. change the date a board of directors of an appraisal district established for a county with a population of at least one million may postpone the deadline in (9), above, from August 30 to September 15;
11. extend the deadline for a property owner to initiate a protest after the owner received notice of the appraised value from 30 days after to 60 days after; and 57
12. change the deadline for an appraisal review board to schedule a protest hearing from 90 days after the protest is initiated to 60 days after.

Tax Rate Legislation

[H.B. 217 \(Harrison\)](#) – **Voter Approval of Tax Rates**: would require a 60 percent majority of voters to approve a property tax rate for which an automatic election is required.

[H.B. 250 \(Harrison\)](#) – **Tax Rate Calculation**: would, among other things: (1) remove the revenue multiplier from the voter-approval tax rate calculation to require an election for any revenue increase; and (2) eliminate the concepts of special taxing units, the de minimis property tax rate, the unused increment rate, and the special tax rate calculation in tax years following a disaster declaration.

[H.B. 763 \(Cain\)](#) – **Tax Rate Elections**: would repeal the provision authorizing cities to adopt an ad valorem tax rate that exceeds the voter-approval tax rate without holding an election in the year following the year in which a disaster occurs.

[H.B. 774 \(Harrison\)](#) – **Tax Rate Limitation**: would: (1) define "surplus revenue" as the total amount of money received by a city in excess of the amount determined by multiplying the amount of the city's adopted budget for the preceding fiscal year by the inflation rate and population growth rate; (2) require a city to use its total amount

of surplus revenue to provide property tax relief in a manner that reduces the amount of property tax a property owner would otherwise be required to pay; (3) limit a city's tax rate to a rate calculated by multiplying total revenue from all sources for the preceding year by the inflation rate, subtracting the amount of estimated revenue from all sources other than property tax for the current year, and dividing that amount by the total taxable value of property in the city; and (4) provide that a city may exceed the tax rate described in (3), above, if before the adoption of the tax rate the city pledged the tax revenue for payment of a debt and adopting a lower rate would impair the obligation of the contract creating the debt.

[H.B. 1131 \(Oliverson\)](#) – **Tax Rate Elections:** would repeal the provision authorizing cities to adopt an ad valorem tax rate the exceeds the voter-approval tax rate without holding an election in the year following the year in which a disaster occurs.

[H.B. 1767 \(Landgraf\)](#) – **Tax Rate Notices:** would: (1) require the designated officer or employee required to post tax rate information on an Internet website to publish a summary of the information and the URL address of the location of the information in a newspaper of general circulation in each county in which the taxing unit is located; and (2) provide that the requirement described in (1), above, does not apply if: (a) the taxing unit is located wholly or partly in a county with a population of one million or more; or (b) if no part of the taxing unit is located in a county in which a newspaper of general circulation is published.

Sales Tax

Sales Tax Sourcing

[H.B. 924 \(Schofield\)](#) – **Sales Tax Sourcing:** would, among other things, generally provide that for purposes of city sales and use taxes, sales of taxable items are consummated at the location in the state where the item was stored immediately before shipment, delivery, or transfer of possession to the customer.

Open Government

Open Meetings Notice

[H.B. 1522 \(Gerdes\)](#) – **Open Meetings Notice:** would, among other things, provide that, with the exception of a notice of an emergency meeting: (1) the notice of a meeting of a governmental body must be posted in a place readily accessible to the general public at all times for at least three business days before the scheduled date of the meeting; and (2) the notice of the meeting required under (1), above, at which a governmental body will discuss or adopt a budget for the governmental body must include a physical copy of the budget.

Utilities and Environment

State Water Funds, Water Fees, and Drought Plans

[H.B. 310 \(Guillen\)](#) – **Texas Water Fund:** would require that the Texas Water Development Board to ensure that a portion of the money transferred from the Texas Water Fund is used for water infrastructure projects, prioritized by risk or need, for: (1) rural political subdivisions; (2) cities with a population of less than 20,000; and (3) cities with a population of 20,000 or more but less than 150,000.

[H.B. 1245 \(Goodwin\)](#) – **Drought Plans:** would: (1) require wholesale and retail public water suppliers' and irrigation districts' drought contingency plans to prohibit the use of water on nonresidential property to irrigate nonfunctional turf during periods of water shortages and drought; and (2) include methods for enforcing compliance with the prohibition.

[H.B. 1400 \(Harris\)](#) – **Groundwater Science, Research, and Innovation Fund:** would, among other things: (1) create the groundwater science, research, and innovation fund as a special fund in the state treasury to be administered by the Texas Water Development Board (TWDB) to be used only to provide financial assistance in the form of grants to finance groundwater conservation district programs and projects that will further groundwater science, research, and innovation in this state, including local research, data, modeling, and

innovative programs and projects designed to: (a) improve understanding of local groundwater conditions; (b) develop or improve groundwater models relied on for planning and decision-making; (c) improve groundwater use efficiency and increase water conservation efforts; (d) increase groundwater recharge; or (e) protect groundwater quality; (2) provide that when evaluating an application for financial assistance from a district, the TWDB shall consider: (a) the expected benefit of the program or project in informing the management, planning, or decision-making of the district; (b) whether the program or project meets any science, data, and modeling objectives of the TWDB; (c) the extent to which the program's or project's outcome may benefit the state and regional water planning processes; and (d) the district's need for financial assistance based on the district's available revenue or other sources of financial assistance available to the district; and (3) provide that the TWDB shall ensure that at least 35 percent of the money transferred from the fund is used to fund programs or projects by districts with: (a) populations of not more than 100,000; and (b) annual revenues of not more than \$250,000, as determined at the close of the previous fiscal year. (Companion bill is S.B. 718 by Kolkhorst.)

[H.B. 1424 \(Goodwin\)](#) – **Water Conservation Fees:** would, among other things, provide that the governing body of a city may by ordinance: (1) structure the city's rates for water service in a manner that promotes water conservation by all of the city's water customers so that customers in a class who consume greater amounts of water pay a higher rate per unit volume than customers in a class who consume lesser amounts of water; and (2) establish an excessive use fee for water customers whose water usage is greater than the water usage of a percentage of the city's other customers.

[S.B. 718 \(Kolkhorst\)](#) – **Groundwater Science, Research, and Innovation Fund:** would, among other things: (1) create the groundwater science, research, and innovation fund as a special fund in the state treasury to be administered by the Texas Water Development Board (TWDB) to be used only to provide financial assistance in the form of grants to finance groundwater conservation district programs and projects that will further groundwater science, research, and innovation in this state, including local research, data, modeling, and innovative programs and projects designed to: (a) improve understanding of local groundwater conditions; (b) develop or improve groundwater models relied on for planning and decision-making; (c) improve groundwater use efficiency and increase water conservation efforts; (d) increase groundwater recharge; or (e) protect groundwater quality; (2) provide that when evaluating an application for financial assistance from a district, the TWDB shall consider: (a) the expected benefit of the program or project in informing the management, planning, or decision-making of the district; (b) whether the program or project meets any science, data, and modeling objectives of the TWDB; (c) the extent to which the program's or project's outcome may benefit the state and regional water planning processes; and (d) the district's need for financial assistance based on the district's available revenue or other sources of financial assistance available to the district; and (3) provide that the TWDB shall ensure that at least 35 percent of the money transferred from the fund is used to fund programs or projects by districts with: (a) populations of not more than 100,000; and (c) annual revenues of not more than \$250,000, as determined at the close of the previous fiscal year. (Companion bill is H.B. 1400 by Harris.)

Elections

Elections, Propositions and Petitions

[H.B. 631 \(Swanson\)](#) – **Voter-Initiated Petitions:** would, among other things, provide that:

1. a proposition proposing an amendment to a city charter or a voter-initiated initiative or referendum, as requested by a petition, must use wording identical to the caption of any corresponding petition and identify the measure by its chief features, describing its character and purpose with such definiteness and certainty that voters are not misled;
2. a qualified voter of a home-rule city may seek a writ of mandamus from a court to compel the city council to comply with the requirements of Number 1, above, and the court must give absolute priority for such writ and make its determination without delay and prior to the deadline for printing ballots;
3. governmental immunity to suit and liability is waived and abolished to the extent of liability created by Number 2, above;

4. a petition authorized or required to be filed with a city, regardless of whether a petition is authorized by state law or a city charter, must contain or have attached a caption for the proposed measure and identify the proposed measure by its chief features, describing its character and purpose with such definiteness and certainty that voters are not misled;
5. the city council of a home-rule city or a qualified voter of the city may file a complaint with the secretary of state alleging that a caption is invalid under Number 4, above, and if the secretary determines that the complaint is invalid, the secretary shall modify the caption and provide the modified caption to the home-rule city for use as a ballot proposition;
6. the illegibility of a signature on a petition submitted to a home-rule city is not a valid basis for invalidating the signature if the information provided with the signature provides enough information to demonstrate that the signer: (a) is eligible to have signed the petition; and (b) signed the petition on or after the 180th day before the date the petition was filed; 97
7. a city secretary: (a) shall determine the validity of a petition submitted to the city by verifying the petition signatures, not later than the 30th day after the date the city receives the petition; (b) may not invalidate a petition on grounds of an inadequate caption but may file a complaint with the secretary of state as described under Number 5, above; and (c) shall modify the caption as directed by the secretary of state as described under Number 5, above;
8. a city may repeal a charter amendment adopted by a petition-initiated election only by a petition-initiated election held for the specific purpose of repealing the amendment, and a repeal petition may not include any other measure, including the repeal of multiple charter amendments;
9. a city may not repeal a charter amendment adopted by a petition-initiated election by adopting a new or revised city charter, and a new or revised charter must include each charter amended adopted by a petition-initiated election unless the charter amendment was repealed in accordance with Number 8, above;
10. a city council shall submit a proposed charter amendment to the voters for their approval at an election if the submission is supported by a petition signed by a number of qualified voters of the city equal to at least five percent of the number of qualified voters of the city on the date of the most recent election held throughout the city or 20,000, whichever number is the smaller;
11. repeal the provision that allows a city to verify petition signatures by statistical sample if a petition contains more than 1,000 signatures; and
12. repeal the provision that kept in effect a charter or ordinance provision that addresses the validity or verification of petition signatures that was in place on September 1, 1985.

H.B. 1519 (Schofield) – **Bond and Tax Elections:** would require that an election for the issuance of bonds or a tax increase must be held on the November uniform election date and may not be held as an emergency election. (Companion bill is S.B. 533 by Sparks.)

S.B. 506 (Bettencourt) – **Ballot Propositions and Petitions:** with regard to a city's ballot proposition language, the bill would: 112

1. require that a ballot proposition substantially submit a question with such definiteness and certainty that the voters are not misled;
2. provide that if a court orders a new election to be held after a contested election is declared void, a person may seek from the court a writ of mandamus to compel the governing body of a city to comply with the requirement that a ballot proposition substantially submit the question with such definiteness and certainty that the voters are not misled;
3. allow a religious organization to circulate or submit a petition in connection with a recall election;
4. provide that, not later than the seventh day after the date that a home rule city publishes ballot proposition language proposing an amendment to the city charter or another city law as requested by petition, a registered voter eligible to vote in the election may submit the proposition for review by the secretary of state (SOS);
5. require the SOS to review the proposition not later than the seventh day after the date the SOS receives the submission to determine whether the proposition is misleading or inaccurate;
6. provide that if the SOS determines that the proposition is misleading or inaccurate, the city shall draft a

proposition to cure the defect and give notice of the new proposition;

7. authorize a proposition drafted by a city under Number 6, above, to be submitted to the SOS under the process outlined in Number 4, above;

8. provide that if the SOS determines that the city has on its third attempt drafted a proposition that is misleading or inaccurate, the SOS shall draft the ballot proposition;

9. require, in an action in a district court seeking a writ of mandamus to compel the city to comply with the provision described in Number 1, above, the court to make a determination without delay and authorize the court to: (a) order the city to use ballot proposition language drafted by the court; and (b) award a plaintiff or relator who substantially prevails reasonable attorney's fees, expenses, and court costs;

10. waive and abolish governmental immunity to suit to the extent of the liability created by Number 9(b), above;

11. provide that, following a final judgment that a proposition failed to comply with the provision described in Number 1, above, a city must submit to the SOS any proposition to be voted on at any election held by the city before the fourth anniversary of the court's finding; and

12. require a city to pay fair market value for all legal services relating to a proceeding regarding ballot proposition language enforcement. 113

In addition, with regard to petitions, the bill would:

1. provide that the illegibility of a signature on a petition submitted to a home-rule city is not a valid basis for invalidating the signature if the information provided with the signature legibly provides enough information to demonstrate that the signer is eligible to sign the petition and signed the petition on or after the 180th day before the date the petition was filed;

2. require the SOS to prescribe the form, content, and procedure for a petition and prohibit a home-rule city that uses a form that is different than the SOS form from invalidating a petition because it doesn't contain information that the petition form failed to provide for or required to be provided;

3. provide that a person who circulates or submits a petition is not required to use a petition form prescribed by the SOS or a home-rule city, but that a petition that does not use an officially prescribed form must contain the substantial elements required to be provided on the officially prescribed form;

4. require that the city secretary determine the validity of a petition, including verifying the petition signatures, not later than the 30th day after the date the city receives the petition;

5. prohibit a city from restricting who may collect petition signatures;

6. provide that the provisions described by Numbers 4 and 5, above, preempt home-rule charter procedures requiring the city council to hold an election on receipt of a petition;

7. in regard to a charter amendment election petition: (a) provide that at least five percent of the registered voters of the city on the date of the most recent election held in the city or 20,000, whichever number is smaller, may submit a petition; and (b) require the notice of election include a substantial copy of the proposed amendment in which language sought to be deleted by the amendment is bracketed and stricken through and language sought to be added by the amendment is underlined; and

8. repeal the state law providing that any requirements for the validity or verification of petition signatures beyond those prescribed by state statute that are prescribed by a home-rule charter or city ordinance are effective only if the charter provision or ordinance was in effect on September 1, 1985.

S.B. 533 (Sparks) – Bond and Tax Elections: would require that an election for the issuance of bonds or a tax increase must be held on the November uniform election date and may not be held as an emergency election. (Companion bill is H.B. 1519 by Schofield.)

Personnel

Salary Cap

H.B. 901 (Harrison) – Salary Cap: would, among other things, provide that the taxpayer funded salary of an officer or employee of a political subdivision, including a city, may not exceed the amount of the salary set by the state law for the governor.

E-Verify Program

[H.B. 323 \(Spiller\)](#) – **E-Verify**: would: (1) require a political subdivision, including a city, to register and participate in the E-verify program to verify information of all new employees; and (2) provide that an employee of a political subdivision who is responsible for verifying information of new employees of the political subdivision as required by (1), above, is subject to immediate termination of employment if the employee fails to comply with (1), above.

[H.B. 1019 \(Shaheen\)](#) – **E-Verify**: would: (1) require a political subdivision, including a city, to register and participate in the E-verify program to verify information of all new employees; and (2) provide that an employee of a political subdivision who is responsible for verifying information of new employees of the political subdivision as required by (1), above, is subject to immediate termination of employment if the employee fails to comply with (1), above.

[H.B. 1308 \(Tepper\)](#) – **E-Verify Program**: would provide that: (1) a governmental entity, including a city: (a) shall register and participate in the E-verify program to verify information of all new employees; and (b) may not knowingly hire, employ, recruit or refer for a fee a person not lawfully present in the United States; (2) a person who has reasonable belief that a governmental entity violated (1), above, may report the allegation to the attorney general; (3) a governmental entity is ineligible to receive state grant funding if: (a) the entity fails to submit to the attorney general required information in response to the attorney general's investigation; or (b) the attorney general determines that required corrective action taken in response to the attorney general's investigation did not cure the entity's violation; (4) the comptroller shall maintain a list of governmental entities identified by the attorney general for purposes of ensuring that an entity included in the list does not receive grant funding from the state; and (5) any verification form or electronic process used by an employer to report wages paid by the employer for purposes of unemployment compensation shall require the employer to certify the employer's compliance with (1), above.

[S.B. 324 \(Kolkhorst\)](#) – **E-Verify Program**: would, among other things, provide that: (1) a political subdivision, including a city, shall register and participate in the E-verify program to verify the information of all new employees; and (2) an employee of a political subdivision who is responsible for verifying information of new employees as required by (1), above, and who fails to verify such information is subject to immediate termination of employment.

Other Finance and Administration

General Law Cities

[H.B. 303 \(Vasut\)](#) – **Type C General Law Cities**: would allow a Type A general city with 4,999 or fewer inhabitants or a Type B general law city with 999 or fewer inhabitants to change to a Type C general law city.

Community Advocacy and Lobbying

[H.B. 309 \(Leo Wilson\)](#) – **Community Advocacy**: would: (1) prohibit a political subdivision from spending public funds to: (a) hire an individual required to register as a lobbyist for the purpose of lobbying a member of the Texas legislature; or (b) pay a nonprofit state association or organization that: (i) primarily represents political subdivisions; and (ii) hires or contracts with an individual required to register as a lobbyist; (2) provide that if a political subdivision engages in activity prohibited by (1), above, a taxpayer or resident of the political subdivision is entitled to injunctive relief to prevent any further prohibited activity and any further payments of public funds; and (3) provide that a taxpayer or resident who prevails in an action under (2), above, is entitled to recover reasonable attorney's fees and costs from the political subdivision. (Companion bill is S.B. 239 by Middleton.)

[H.B. 571 \(Cain\)](#) – **Community Advocacy**: would: (1) except as provided by (2), below, prohibit a political subdivision from spending public funds to: (a) hire an individual required to register as a lobbyist for the purpose of lobbying a member of the Texas legislature; or (b) pay a nonprofit state association or organization that: (i) primarily represents political subdivisions; and (ii) hires or contracts with an individual required to register as a lobbyist; (2) provide that the prohibition in (1), above, does not prevent: (a) a city or county from spending public

funds to compensate or contract with an individual required to register as a lobbyist for the purpose of influencing or attempting to influence the outcome of legislation related to the military, military service members, or military veterans; or (b) a full-time employee of a nonprofit state association or organization that primarily represents political subdivisions from: (i) providing legislative services, including services related to bill tracking, bill analysis, and legislative alerts; (ii) communicating directly with a member of the legislature to provide information; or (iii) testifying for or against legislation before a legislative committee; (3) provide that if a political subdivision engages in activity prohibited by (1), above, a taxpayer or resident of the political subdivision is entitled to injunctive relief to prevent any further prohibited activity and any further payments of public funds; and (3) provide that a taxpayer or resident who prevails in an action under (3), above, is entitled to recover reasonable attorney's fees and costs from the political subdivision.

H.B. 671 (Shaheen) – **Community Advocacy:** would: (1) except as provided by (2), below, prohibit a political subdivision from spending public funds to: (a) hire an individual required to register as a lobbyist for the purpose of lobbying a member of the Texas legislature; or (b) pay a nonprofit state association or organization that: (i) primarily represents political subdivisions; and (ii) hires or contracts with an individual required to register as a lobbyist; (2) provide that the prohibition in (1), above, does not prevent: (a) a city or county from spending public funds to compensate or contract with an individual required to register as a lobbyist for the purpose of influencing or attempting to influence the outcome of legislation related to the military, military service members, or military veterans; or (b) a full-time employee of a nonprofit state association or organization that primarily represents political subdivisions from: (i) providing legislative services, including services related to bill tracking, bill analysis, and legislative alerts; (ii) communicating directly with a member of the legislature to provide information; or (iii) testifying for or against legislation before a legislative committee; (3) provide that if a political subdivision engages in activity prohibited by (1), above, a taxpayer or resident of the political subdivision is entitled to injunctive relief to prevent any further prohibited activity and any further payments of public funds; and (3) provide that a taxpayer or resident who prevails in an action under (3), above, is entitled to recover reasonable attorney's fees and costs from the political subdivision.

H.B. 755 (Spiller) – **Community Advocacy:** would: (1) prohibit the governing body of a public entity, including a city, from spending public money or providing other compensation to a lobbyist to communicate directly with one or more members of the legislative branch to influence legislation pending before the legislature unless the expenditure is: (a) authorized by a majority vote of the governing body of the entity in an open meeting of the governing body; and (b) voted on by the governing body as a stand-alone item on the agenda at the meeting; (2) require a public entity that contracts with a lobbyist to publish on the entity's Internet website: (a) the amount of money authorized for the purpose of contracting with the person; (b) the name of the person, (c) a copy of the contract; (d) the amount of money, if any, spent by the entity for membership fees or dues to a nonprofit state association or organization of similarly situated entities that contracts with a lobbyist; and (e) a copy of any current legislative agenda or resolution adopted by the entity; (3) prohibit a lobbyist that contracts with a public entity from communicating directly with a member of the legislative branch on behalf of the entity regarding legislation pending before the legislature that specifically proposes to amend state statutes dealing with the calculation of property tax rates; (4) prohibit a public entity from providing reimbursement to a lobbyist for an expenditure made by the person for food, beverages, or entertainment; (5) provide that if a public entity does not comply with (1) - (4), above, a resident of or person receiving services from the entity may file a sworn complaint with the Texas Ethics Commission against the entity; (6) provide that an officer or employee of a public entity is not prevented from: (a) providing information for a member of the legislative branch; (b) appearing before a legislative committee; or (c) communicating directly with one or more members of the legislative branch to influence legislation pending before the legislature; and (7) repeal the requirement that a political subdivision prominently display on its website a disclosure and itemization of certain expenditures relating to lobbying activities after entering into a consulting services contract. 139

H.B. 1189 (Troxclair) – **Community Advocacy:** would: (1) prohibit a political subdivision from spending public funds to: (a) hire an individual required to register as a lobbyist for the purpose of lobbying a member of the Texas legislature; or (b) pay a nonprofit state association or organization that: (i) primarily represents political

subdivisions; and (ii) hires or contracts with an individual required to register as a lobbyist; (2) provide that if a political subdivision engages in activity prohibited by (1), above, a taxpayer or resident of the political subdivision is entitled to injunctive relief to prevent any further prohibited activity and any further payments of public funds; and (3) provide that a taxpayer or resident who prevails in an action under (2), above, is entitled to recover reasonable attorney's fees and costs from the political subdivision. (Companion bill is S.B. 239 by Middleton.)

H.B. 1294 (Patterson) – **Community Advocacy:** would: (1) prohibit a political subdivision from spending public funds to: (a) hire an individual required to register as a lobbyist for the purpose of lobbying a member of the Texas legislature; or (b) pay a nonprofit state association or organization that: (i) primarily represents political subdivisions; and (ii) hires or contracts with an individual required to register as a lobbyist; (2) provide that if a political subdivision engages in activity prohibited by (1), above, a taxpayer or resident of the political subdivision is entitled to injunctive relief to prevent any further prohibited activity and any further payments of public funds; and (3) provide that a taxpayer or resident who prevails in an action under (2), above, is entitled to recover reasonable attorney's fees and costs from the political subdivision. (Companion bill is S.B. 239 by Middleton.)

S.B. 239 (Middleton) – **Community Advocacy:** would: (1) prohibit a political subdivision from spending public funds to: (a) hire an individual required to register as a lobbyist for the purpose of lobbying a member of the Texas legislature; or (b) pay a nonprofit state association or organization that: (i) primarily represents political subdivisions; and (ii) hires or contracts with an individual required to register as a lobbyist; (2) provide that if a political subdivision engages in activity prohibited by (1), above, a taxpayer or resident of the political subdivision is entitled to injunctive relief to prevent any further prohibited activity and any further payments of public funds; and (3) provide that a taxpayer or resident who prevails in an action under (2), above, is entitled to recover reasonable attorney's fees and costs from the political subdivision. (Companion bills are H.B. 309 by Leo Wilson, H.B. 1189 by Troxclair, and H.B. 1294 by Patterson.)

S.B. 345 (Eckhardt) – **Lobbying:** would provide that: (1) a person who is required to register as a lobbyist under state law may not be eligible to be a candidate for, or elected or appointed to, a public elective office in Texas; (2) the provision in (1), above, does not apply to: (a) an office of a political subdivision with a population of 150,000 or less, other than the office of presiding officer of the governing body of the political subdivision, provided that the officer does receive a salary or wage for that office; or (b) the office of the presiding officer of the governing body of a political subdivision with a population of 50,000 or less, provided that the presiding officer does not receive a salary or wage for that office; (3) for purposes of (2), above, a presiding officer or other 161 officeholder is not considered to have received a salary or wage if the officeholder refuses to accept a salary or wage offered or budgeted for that office; (4) an individual may not register to be a lobbyist under state law if the individual is: (a) a member of Congress; (b) a member of the legislature; or (c) statewide officeholder; and (5) the lobby registration of an individual described in (4), above, expires on the date the individual takes office.

Community Finance, Debt, Budget

H.B. 325 (Cain) – **Expenditure Limit:** would provide that: (1) a city or county's total expenditures from all available sources of revenue in a fiscal year may not exceed the greater of statewide changes in population and inflation, according to a formula provided in the bill, or the previous year's expenditures; (2) a city or county may exceed the limit in (1), above, if the voters approve the additional expenditure at an election held on a uniform election date or the city or county is located in an area in which the governor declares or renews a disaster declaration; and (3) revenue received from the issuance of bonds approved by the voters or from a grant, donation, or gift is not considered an available source of revenue for the purposes of the bill.

H.B. 1433 (Hickland) – **Efficiency Audits:** would, among other things, require: (1) a political subdivision other than a school district, including a city, that adopts a property tax rate that exceeds the no-new-revenue tax rate for five consecutive years to conduct an efficiency audit; (2) the political subdivision to pay for the costs associated with the efficiency audit; (3) the governing body of the political subdivision conducting an efficiency audit to hold an open meeting to discuss the results of the efficiency audit; (4) the results of an efficiency audit to be posted on the political subdivision's website not later than 30 days after the date of the open meeting described by (3),

above; and (4) the political subdivision to provide all documents, records, and personnel requested by an auditor conducting an efficiency audit as needed to conduct the audit in an efficient manner.

H.B. 1453 (Tepper) – **Local Debt:** would, among other things:

1. prohibit the governing body of an issuer, including a city council, from authorizing an anticipation note to pay a contractual obligation to be incurred if a bond proposition to authorize bonds for the same purpose was submitted to the voters during the preceding five years and failed to be approved;
2. allow the governing body of an issuer to authorize an anticipation note that the governing body is otherwise prohibited from authorizing under Number 1, above, if the note is issued: (a) to mitigate the impact of a public health emergency in the jurisdiction of the issuer that poses an imminent danger to the physical health or safety of the residents of the issuer; or (b) to finance the cleanup, mitigation, or remediation of a natural disaster in the jurisdiction 148 of the issuer subject to a state of disaster declared by the governor or the presiding officer of the governing body of an issuer;
3. prohibit a city from issuing a certificate of obligation (CO) for the following types of public improvements: (a) a public safety facility, including a police station, fire station, emergency shelter, jail, or juvenile detention facility; (b) a judicial facility; (c) an administrative office building housing the governmental functions of the city or county; (d) an animal shelter; (e) a library; (f) a park or recreation facility that is generally accessible to the public and is part of the city or county park system; (g) the rehabilitation, expansion, reconstruction, or maintenance of an existing stadium, arena, civic center, convention center, or coliseum that is owned and operated by the city or county or by an entity created to act on behalf of the city or county; (h) constructing or equipping a jail; and (i) constructing a bridge that is part of or connected to a county road or an approach to such a bridge;
4. allow the governing body of an issuer to authorize a CO only as necessary to pay a contractual obligation, or professional services associated with an obligation, to be incurred for the construction, renovation, repair, or improvement of a public work that the governing body determines is necessary to: (a) comply with a state or federal law or rule, but only if the issuer has been officially notified of noncompliance with the law or rule; (b) to mitigate the impact of a public health emergency in the jurisdiction of the issuer that poses an imminent danger to the physical health or safety of the residents of the issuer, so long as the governing body adopts a resolution describing the conditions and circumstances of the public health emergency and makes a determination that the emergency exists; (c) to finance the cleanup, mitigation, or remediation of a natural disaster in the jurisdiction of the issuer subject to a state of disaster declared by the governor or the presiding officer of the governing body of an issuer; or (d) to comply with a court order;
5. provide that, if necessary because of a change order for a contractual obligation incurred for the construction, renovation, repair, or improvement of a public work, the governing body of an issuer may authorize the issuance of COs in an amount not to exceed 15 percent of the contractual obligation;
6. require the governing body of an issuer that authorizes the issuance of COs to enter into a contract for the construction, renovation, repair, or improvement of a public work for which the issuance is authorized not later than the 180th day after the date the governing body authorizes the issuance;
7. prohibit a city from issuing a CO for the payment of contractual obligations to be incurred in restoring historic structures;
8. reduce the maturity period of a CO from 40 years to 30 years;
9. prohibit the governing body of an issuer from authorizing certificate of obligation to pay a contractual obligation to be incurred if a bond proposition to authorize the issuance of 149 bonds for the same purpose was submitted to the voters during the preceding five years and failed to be approved;
10. allow the governing body of an issuer to authorize a CO that the governing body is otherwise prohibited from authorizing under Number 9, above, if the note is issued: (a) to mitigate the impact of a public health emergency in the jurisdiction of the issuer that poses an imminent danger to the physical health or safety of the residents of the issuer; or (b) to finance the cleanup, mitigation, or remediation of a natural disaster in the jurisdiction of the issuer subject to a state of disaster declared by the governor or the presiding officer of the governing body of an issuer; and
11. lower the protest petition threshold to force an election on the issuance of a CO from five percent of the qualified voters of the issuer to two percent of the registered voters of the issuer.

H.B. 1673 (Schatzline) – **Annual Financial Statements:** would: (1) require a city's governing body to prepare an annual financial statement showing, for each fund subject to the governing body's authority during the city's fiscal year: (a) the total receipts of the fund, itemized by the source of revenue; (b) the total disbursements of the fund, itemized by the nature of the expenditure; and (c) the fund's balance at the close of the fiscal year; (2) require a city's governing body to submit the financial statement described in (1), above, to the comptroller not later than 151 two months after the end of the city's fiscal year; and (3) require the comptroller to post the financial statement described in (1), above, on its website on a webpage that is easily located by searching the city's name on the Internet.

S.B. 393 (Sparks) – **City Debt:** would prohibit a political subdivision, including a city, from issuing a public security to purchase or lease tangible personal property if the expected useful life of the property for the purpose of calculating depreciation deductions ends before the maturity date of the public security. (Companion bill is H.B. 1514 by Schofield.)

S.B. 414 (Middleton) – **Debt Ballot Propositions:** would provide that the ballot for a measure seeking voter approval of the issuance of debt obligations by a political subdivision must specifically state: (1) the estimated interest for the debt obligations to be authorized; and (2) the estimated combined principal and interest required to pay on time and in full to maturity the debt obligations to be authorized.

S.B. 470 (Sparks) – **Certificates of Obligation:** would, among other things:

1. prohibit an issuer of a certificate of obligation (CO), including a city, from issuing a CO for the following types of public improvements: (a) a public safety facility, including a police station, fire station, emergency shelter, jail, or juvenile detention facility; (b) a judicial facility; (c) an administrative office building housing the governmental functions of the city or county; (d) an animal shelter; (e) a library; (f) the rehabilitation, expansion, reconstruction, or maintenance of an existing stadium, arena, civic center, convention center, or coliseum that is owned and operated by the city or county or by an entity created to act on behalf of the city or county; (g) constructing or equipping a jail; and (h) constructing a bridge that is part of or connected to a county road or an approach to such a bridge;
2. authorize the issuance of a CO for: (a) a telecommunications, wireless communications, or information technology system and any computer application hardware or software; and (b) a cybersecurity system;
3. allow the governing body of an issuer to authorize a CO only as necessary to pay a contractual obligation, or professional services associated with an obligation, to be incurred for the construction, creation, renovation, repair, or improvement of a public work that is necessary to: (a) comply with a state or federal law or rule, but only if the issuer has been officially notified of noncompliance with the law or rule; (b) to mitigate the impact of the following, as determined by the governing body: (i) a public health emergency in the jurisdiction of the issuer that poses an imminent danger to the physical health or safety of the residents of the issuer, so long as the governing body adopts a resolution describing the conditions and circumstances of the public health emergency; or (ii) a natural disaster in the jurisdiction of the issuer subject to a state of disaster declared or renewed by the governor or the presiding officer of the governing body of an issuer; or (c) to respond to a court decision that requires the issuer to construct, create, renovate, repair, or improve a public work;
4. provide that, if necessary because of a change order for a contractual obligation incurred for the construction, renovation, repair, or improvement of a public work, the governing body of an issuer may authorize the issuance of COs in an amount not to exceed 15 percent of the contractual obligation;
5. require the governing body of an issuer that authorizes the issuance of COs to enter into a contract for the construction, creation, renovation, repair, or improvement of a public work for which the issuance is authorized not later than the 90th day after the date the governing body authorizes the issuance;
6. prohibit a city from issuing a CO for the payment of contractual obligations to be incurred in restoring historic structures;
7. reduce the maturity period of a CO from 40 years to 30 years; 164
8. prohibit the governing body of an issuer from authorizing certificate of obligation to pay a contractual obligation to be incurred if a bond proposition to authorize the issuance of bonds for the same purpose was submitted to the voters during the preceding five years and failed to be approved; and

9. lower the protest petition threshold to force an election on the issuance of a CO from five percent of the qualified voters of the issuer to two percent of the registered voters of the issuer.

Alternative to Newspaper Notice

H.B. 1028 (Shaheen) – **Alternative to Newspaper Notice:** would, among other things, provide that for cities with a population of 75,000 or less and in which there is no newspaper of general circulation: (1) the city may satisfy a requirement to provide notice by publication in a newspaper by publishing the notice: (a) using the following forms of alternative media: (i) social media; (ii) free newspapers; (iii) a homeowners' association newsletter or magazine; (iv) utility bills; (v) direct mailings; or (vi) a print or digital newsletter; and (b) for a continuous period of not less than two weeks in a prominent location on an internet website maintained by the city that meets certain search requirements and does not require user registration or payment for access; (2) before providing notice by an alternative method, the city must hold a public meeting about the notice method; and (3) a city providing notice using alternative media must submit notice to the attorney general describing the alternative notice method that includes: (a) a list of the other laws requiring notice by newspaper publication for which notice published under this section is an alternative; (b) a description of the alternative media used for the notice; and (c) a link to the Internet website maintained by the city where the public notice will be posted.

H.B. 1080 (Curry) – **Alternative to Newspaper Notice:** would: (1) allow a political subdivision to satisfy any law that requires notice to be published in a newspaper by publishing the notice in the following locations: (a) social media, free newspapers, school newspapers, a homeowners' association newsletter or magazine, utility bills, direct mailings, or any other form of media authorized by the comptroller; and (b) the internet websites maintained by the political subdivision and the comptroller; (2) provide that before providing notice under (1), above, a political subdivision must hold a public meeting about the alternative notice under (1)(a), above, and demonstrate that the circulation will be greater than the circulation of the newspaper with the 143 greatest circulation in the political subdivision; (3) authorize the comptroller to grant a city's request for a waiver from publishing notice in accordance with (1)(b), above, if the city provides sufficient proof that Internet access is limited in the city, and if the comptroller grants the waiver, the city must provide additional notice on a public agenda board within the city; (4) require a city using alternative media described in (1)(a), above, to submit notice to the comptroller describing the alternative notice method in (1)(a), above, and certain other information; (5) authorize the comptroller to require a political subdivision to provide notice in a newspaper if the comptroller determines that the means under (1)(a), above, do not have greater circulation than a newspaper with the greatest circulation in the political subdivision; and (6) require the comptroller to prepare a report identifying and comparing the effectiveness of different methods of notice publication used by political subdivisions and provide the report to the governor, lieutenant governor, and the speaker of the house.

Miscellaneous

H.B. 563 (Gervin-Hawkins) – **Small City Revenue Recovery Program:** would provide, among other things, that: (1) the comptroller shall establish and administer the small municipal revenue recovery grant program; (2) cities with population of 10,000 or less that experienced a decrease in total revenue of at least 15 percent during the preceding fiscal year as the result of a reduction or termination of contracts with private sector entities may apply for a grant from the program; (3) the comptroller may award a grant to a qualified city in the amount of: (a) not more than \$7 million for economic development programs; and (b) not less than \$100,000 or more than \$7 million to fund one or more specific projects to create or promote the creation of jobs in the city, including the purchase of real and personal property and the construction or improvement of new buildings, facilities, infrastructure, or other improvements.

H.B. 762 (Leach) – **Severance Pay:** would, among other things, provide that: (1) a political subdivision, including a city, that enters into a contract or employment agreement, or renewal or renegotiation of an existing contract or employment agreement, that contains a provision for severance pay with an employee or independent contractor must include: (a) a requirement that severance pay that is paid from tax revenue may not exceed the amount of compensation, at the rate at the termination of employment or the contract, the employee or independent contract

would have been paid for 20 weeks, excluding paid time off or accrued vacation leave; and (b) a prohibition of the provision of severance pay when the employee or independent contractor is terminated for misconduct; (2) a political subdivision shall post each severance agreement in a prominent place on the political subdivision's internet website; and (3) for an action brought against a political subdivision by an employee or independent contractor of the political subdivision arising from the termination of the person's employment or contract, a court may not issue a writ of execution or mandamus in connection with a judgment in the action if the judgment does not comply with (1), above.

H.B. 875 (Spiller) – **Small Municipal Construction Projects**: would provide that: (1) for a construction project for an amount that is less than one percent of the total amount of a municipality's most recently adopted budget, the municipality is not required to: (a) ensure that the contractor is covered by workers' compensation insurance coverage; or (b) require the contractor to obtain a performance bond; (2) for the purpose of determining the contracted amount of a construction project under (1), above, a municipality may not aggregate work from more than one project; and (3) a project in (1), above, includes all work to be completed on a construction project for a municipality at one location within 12 months of the date the work begins.

H.B. 1783 (Paul) – **Ballot Propositions and Petitions**: with regard to a city's ballot proposition language, the bill would:

1. require that a ballot proposition substantially submit a question with such definiteness and certainty that the voters are not misled;
2. provide that if a court orders a new election to be held after a contested election is declared void, a person may seek from the court a writ of mandamus to compel the governing body of a city to comply with the requirement that a ballot proposition substantially submit the question with such definiteness and certainty that the voters are not misled;
3. allow a religious organization to circulate or submit a petition in connection with a recall election;
4. provide that, not later than the seventh day after the date that a home rule city publishes ballot proposition language proposing an amendment to the city charter or another city law 153 as requested by petition, a registered voter eligible to vote in the election may submit the proposition for review by the secretary of state (SOS);
5. require the SOS to review the proposition not later than the seventh day after the date the SOS receives the submission to determine whether the proposition is misleading or inaccurate;
6. provide that if the SOS determines that the proposition is misleading or inaccurate, the city shall draft a proposition to cure the defect and give notice of the new proposition;
7. authorize a proposition drafted by a city under Number 6, above, to be submitted to the SOS under the process outlined in Number 4, above;
8. provide that if the SOS determines that the city has on its third attempt drafted a proposition that is misleading or inaccurate, the SOS shall draft the ballot proposition;
9. require, in an action in a district court seeking a writ of mandamus to compel the city to comply with the provision described in Number 1, above, the court to make a determination without delay and authorize the court to: (a) order the city to use ballot proposition language drafted by the court; and (b) award a plaintiff or relator who substantially prevails reasonable attorney's fees, expenses, and court costs;
10. waive and abolish governmental immunity to suit to the extent of the liability created by Number 9(b), above;
11. provide that, following a final judgment that a proposition failed to comply with the provision described in Number 1, above, a city must submit to the SOS any proposition to be voted on at any election held by the city before the fourth anniversary of the court's finding; and
12. require a city to pay fair market value for all legal services relating to a proceeding regarding ballot proposition language enforcement.

In addition, with regard to petitions, the bill would:

1. provide that the illegibility of a signature on a petition submitted to a home-rule city is not a valid basis for invalidating the signature if the information provided with the signature legibly provides enough information to

demonstrate that the signer is eligible to sign the petition and signed the petition on or after the 180th day before the date the petition was filed;

2. require the SOS to prescribe the form, content, and procedure for a petition and prohibit a home-rule city that uses a form that is different than the SOS form from invalidating a petition because it doesn't contain information that the petition form failed to provide for or required to be provided; 154

3. provide that a person who circulates or submits a petition is not required to use a petition form prescribed by the SOS or a home-rule city, but that a petition that does not use an officially prescribed form must contain the substantial elements required to be provided on the officially prescribed form;

4. require that the city secretary determine the validity of a petition, including verifying the petition signatures, not later than the 30th day after the date the city receives the petition;

5. prohibit a city from restricting who may collect petition signatures;

6. provide that the provisions described by Numbers 4 and 5, above, preempt home-rule charter procedures requiring the city council to hold an election on receipt of a petition;

7. in regard to a charter amendment election petition: (a) provide that at least five percent of the registered voters of the city on the date of the most recent election held in the city or 20,000, whichever number is smaller, may submit a petition; and (b) require the notice of election include a substantial copy of the proposed amendment in which language sought to be deleted by the amendment is bracketed and stricken through and language sought to be added by the amendment is underlined; and

8. repeal the state law providing that any requirements for the validity or verification of petition signatures beyond those prescribed by state statute that are prescribed by a home rule charter or city ordinance are effective only if the charter provision or ordinance was in effect on September 1, 1985. (Companion bill is S.B. 506 by Bettencourt.)