

CITY OF CORPUS CHRISTI

87TH REGULAR SESSION LEGISLATIVE WRAP UP

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CORPUS CHRISTI SENATE DELEGATION

Sen. Juan 'Chuy' Hinojosa



- Jurisprudence (Vice-Chair)
- Redistricting, Special (Vice-Chair)
- Criminal Justice
- Natural Resources & Economic Development
- Transportation
- Constitutional Issues, Special
- Ports, Select

Sen. Lois Kolkhorst



- Health & Human Services (Chair)
- Business & Commerce
- Finance
- Natural Resources & Economic Development
- Transportation
- Water, Agriculture & Rural Affairs
- Ports, Select

Sen. Judith Zaffirini



- Natural Resources & Economic Development (Vice-Chair)
- Higher Education
- Local Government
- State Affairs

Sen. Eddie Lucio, Jr.



- Education (Vice-Chair)
- Finance (Vice-Chair)
- Natural Resources & Economic Development
- State Affairs
- Constitutional Issues, Special
- Ports, Select
- Redistricting, Special



CORPUS CHRISTI HOUSE DELEGATION

Rep. Todd Hunter



- Redistricting - Chair
- International Relations & Economic Development
- State Affairs

Rep. Abel Herrero



- Energy Resources (Vice Chair)
- Agriculture & Livestock

Rep. J.M. Lozano



- Public Education (Vice Chair)
- Transportation

Rep. Geanie Morrison



- Appropriations
- Appropriations - S/C on Article III
- Environmental Regulation
- Redistricting



OVERVIEW

- Drivers of the Session
- Leadership Priorities
- What Didn't Pass
- What Did Pass
- Special Session(s)



SESSION DRIVERS

- New Speaker
- COVID-19 Pandemic
- George Floyd death & protests
- Presidential Election Results
- Winter Storm Uri



2021 TEXAS LEGISLATURE: BY THE NUMBERS

Year	Total Bills Introduced	Total Bills Passed	City-Related bills introduced	City-Related bills passed
2021 (87R)	7,148	1,885	2,200+	249
2019 (86R)	7,324	1,429	2,300+	338
2017 (85R)	6,800	1,208	2,500+	294
2015 (84R)	6,476	1,329	1,900+	220+

- **3,593** Bills/JR's filed in last 10 business days before filing deadline (50%)
- Over 30% of all bills filed were city related bills
- 2,246 Total Bills/JR's tracked by Focused Advocacy



BUDGET

- In 2020 during the COVID-19 pandemic, Comptroller projected **\$4.6 B** budget deficit
- In January 2021, the Comptroller projected a **\$1 B** deficit
- **\$248.5 B** total budget for 2022-23 budget cycle
 - Public education: **\$46.5 B**
 - Health care: **\$34.2 B**
- **\$11.6 B** in Rainy Day Fund



- **\$30M** for Defense Economic Adjustment Assistant Grant to benefit Naval Air Station Corpus Christi and the Corpus Christi Army Depot
- **\$4.5M** for air quality planning at the Texas Commission on Environmental Quality
 - Allowed Corpus Christi air shed to remain in attainment even as EPA has tightened National Ambient Air Quality Standards for ozone

WHAT DID NOT PASS





MUNICIPAL BILLS DID NOT PASS

- Community censorship / Taxpayer Funded Lobby
- Sales tax refund transparency
- Sales tax sourcing
- Partisan city elections
- Preemption of city regulation of state licensees
- Expansion of videoconferencing and teleconferencing under TOMA
- Land development shot clock expansion
- ETJ removal
- SOS review / litigation on municipal ballot language
- Short term rental preemption
- Omnibus disaster authority during pandemic
- Extension of Chapter 313 incentives
- Preemption of city employment regulations



SALES TAX REFUND TRANSPARENCY

- SB 778 (Hinojosa) / HB 4032 (Herrero)
- Would authorize a city to access the comptroller's audit reports and audit working papers that are included and identified by the city or local governmental entity relating to a sales tax reallocation or refund
- Both bills received a hearing but were left pending in committee



CITY/COUNTY ADVOCACY BAN

- As passed by Senate:
 - Applied only to cities and counties
 - Justification: “because that’s how we did SB 2” (revenue caps)
 - Prohibited cities from:
 - joining organizations (TML / NTC) if it paid a registered lobbyist, and
 - hiring an outside consultant
- Created private cause of action
 - any taxpayer/citizen could file
 - injunctive relief
 - loser pays attorney fees



CITY/COUNTY ADVOCACY BAN

- **House version:**

- Applies to ALL political subdivisions (city, county, schools, hospital districts, MUDs, transit/mobility authority, special purpose district, etc.); similar to SB 1879
- Banned political subdivisions from hiring a lobbyist unless certain conditions are met (legislative agenda and contracts posted, council approval of contract in explicit vote, etc.)
- Banned lobbyists from:
 - advocating on revenue caps (3.5%), and
 - seeking reimbursing from a political subdivision for meals or entertainment expenses
- Complaints about violations to be filed at TEC

- **SB 10 was set on House calendar**

- certain House members were poised to amend the bill
- author elected to kill the bill by never taking it up (procedural action)



HB 4640/SB 2186: PORT OF CORPUS CHRISTI

- Would have provided broad, unprecedented economic development authority to the Port of Corpus Christi (an appointed body that is not directly accountable to voters)
- Would have allowed the Port to divert tariff proceeds to other projects instead of maintaining the waterway, improving docks, freight equipment, etc.
- Would have allowed the Port to buy land and remove it from the tax rolls in direct competition with private developers who generate revenue for the region
- Would have granted exceptions to building codes, fees, taxation, and zoning laws
- Ultimately, HB 4640 died because it failed to receive an affirmative vote in House Transportation



ECONOMIC DEVELOPMENT

HB 1556 (Murphy) – did not pass

- Would extend the expiration date of the Texas Economic Development Act from December 31, 2022, to December 31, 2032

HB 4242 (Meyer) – did not pass

- Would extend the expiration date of the Texas Economic Development Act from December 31, 2022, to December 31, 2024
- Lawmakers had renewed the program three times by wide margins since its initial passage in 2001
- For the first time since Chapter 313 was created, the Texas Legislature declined to extend the controversial program
- Possible special session item



ETJ REMOVAL

- Concerted effort to limit the city's ability to regulate in their ETJ
 - **HB 3476 (Bettencourt)**: an amendment was added in the Senate (and later stripped by the House) which would have allowed a landowner in the ETJ to petition to be released
 - **SB 1992 (Bettencourt)**: would force a city to release the area from the ETJ by petition or election, depending on the population of the area – *did not pass*
 - **SB 1500 (Buckingham)**: authorize voters to petition for release of the ETJ or petition for disannexation of the area – *did not pass*

WHAT DID PASS

FOCUSED  ADVOCACY



SB 1448: TWIA

- Relating to the powers and duties of the Texas Windstorm Insurance Association and the windstorm insurance legislative oversight board
- Extends the sunset dates of both select interim committees until 2023
- Requirement that two-thirds of the TWIA Board of Directors must vote to approve any rate increase.



HB 3807 – the Je’Sani Smith Act

- Requires cities, counties, and the Parks and Wildlife Department to add signs and lifeguards in certain areas to improve the safety of public beaches during the summer months
- Towers must be occupied by lifeguards during reasonable daylight hours from March – November
- Require posted signs within 100 yards of each structure describing the dangerous water conditions that could occur near the structure

HCR 36

- designates April as Beach Safety and Rip Current Awareness Month
- Raise public awareness of the potential dangers of swimming in the ocean



HB 1869: DEBT

- As originally filed, bill would force a city to count certificates of obligations (CO) debt on the M&O side of the 3.5% cap unless the CO was voter approved
- As finally passed, allows cities to issue COs without voter approval for a wide array of purposes outlined in the statute
- Exemptions include water, sewer, streets, vehicles, equipment, public safety, parks, renovating existing buildings, TIFs, etc.
- Basically requires voter approval for issuing debt to construct city buildings



LAW ENFORCEMENT DEFUNDING

- Requires voter approval to reduce “law enforcement budgets” in **counties** with a population of more than one million (only applies to five counties: Harris, Dallas, Tarrant, Bexar, and Travis)
- If county reduces the budget without voter approval, county's property tax revenue will be frozen
- Provides a disaster exemption to the election requirements,



LAW ENFORCEMENT DEFUNDING

- Applies to

- **cities** over 250,000 in population (only applies to 11 cities: Houston, San Antonio, Dallas, Austin, Fort Worth, El Paso, Arlington, Corpus Christi, Plano, Laredo, and Lubbock)
- that “reduces the appropriation to the municipality’s police department” (by comparing last years appropriation to the “police department” to current year.

- As determined by the Governor’s office

- If Governor declares a city a “defunding municipality”:

- city loses their annexation powers for 10 years
- any area annexed in the past 30 years can vote to dis-annex from the city
- freezes city property tax revenues
- state withholds sales taxes and gives it to the DPS to pay for the cost of state resources used to protect residents of a defunded municipality

- Exceptions if percentage of reduction did not exceed percentage of reduction to total budget

- Additional exceptions:

- any sales and use tax revenue received by the city for the purpose of financing a crime control and prevention district does not count toward the total budget
- does not apply to a “defunding municipality” annexing all or part of an area that was designated an industrial district as of January 1, 2021.



EMERGENCY PREPAREDNESS

SB 3 (Schwertner/Paddie) – passed

- Weatherizes electric generation
- Improves load-shed planning
- Power outage alert system
- Weatherizes critical natural gas facilities
- Better coordination among agencies



HB 1929: ETJ AGREEMENTS

HB 1929 (Wilson/Buckingham) – passed

- except in the ETJ of a city with a population of 1.9 million or more, provide that:
 - a city that enters into an ETJ development agreement waives immunity from suit for the purpose of adjudicating a claim for breach of contract
 - actual damages, specific performance, or injunctive relief (but not consequential or exemplary damages) may be granted in an adjudication brought against a city for breach of an ETJ development agreement



SUMMER SPECIAL SESSION(S)

- Governor has announced a special session to begin **July 8, 2021**
 - Special sessions cannot last more than 30 days
- **Special Session agenda:**
 - Bail Reform
 - Election Integrity
 - Border Security
 - Social Media Censorship
 - Article X Funding
 - Family Violence Prevention
 - Youth sports
 - Abortion-inducing Drugs
 - Thirteenth Check (TRS)
 - Critical Race Theory
 - Legislation providing appropriations for the following purposes:
 - property-tax relief
 - foster-care system providers
 - cybersecurity



FALL SPECIAL SESSION(S)

- A second special session expected September/October for:
 - **Redistricting**
 - Due to pandemic, the census data not available until September 2021
 - **Federal funds**
 - Governor compromised with lawmakers to give them bigger say in determining allocation of \$16B for COVID-19 recovery

THANK YOU

QUESTIONS?

FOCUSED  **ADVOCACY**

APPENDIX: CITY-RELATED BILLS





GOVERNOR ABBOTT PRIORITY ITEMS

**Broadband
(HB 5)**

**Protecting Law
Enforcement Budgets
(SB 23 / HB 1900)**

**Bail Reform
(SB 21)**

**Election Integrity
(SB 7)**

**Liability Protection
from COVID-19
related lawsuits
(SB 6)**

**ERCOT reform
(SB 2)**

**Correcting ERCOT
Billing Error
(SB 2142)**

**Winterization of
Power Generators
(SB 3)**



SPEAKER PHELAN PRIORITY ISSUES

BILL #	SUBJECT	PASSED
HB 1	State Budget	No
HB 2	State Budget – Supplemental Appropriations	Yes
HB 3	Pandemic Response Act	No
HB 4	Telehealth & Telemedicine	Yes
HB 5	Broadband Internet Expansion	Yes
HB 6	Election & Ballot Security	No
HB 7	Employer's Unemployment Compensation Tax Rate	Yes
HB 8	Request for Law Enforcement Employment Records	No
HB 9	Criminal Punishment for Obstructing Highway	Yes
HB 10	Reforming ERCOT	No



SPEAKER PHELAN PRIORITY ISSUES

BILL #	SUBJECT	PASSED
HB 11	Weatherization and Hardening Power Generation	No
HB 12	Alerting Texans During Emergencies	No
HB 13	Disaster Coordination	No
HB 14	Weatherizing Natural Gas Infrastructure	No
HB 15	Establishing a Brain Institute of Texas	No
HB 16	Defending Utility Ratepayers	Yes
HB 17	Protecting Homeowner Rights	Yes
HB 18	Lowering Drug Costs for the Uninsured	Yes
HB 19	Procedure, Evidence, and Remedies in Civil Actions	Yes
HB 20	Release of Defendants on Bail	No



LT. GOV. PATRICK PRIORITY ISSUES

BILL #	SUBJECT	PASSED
SB 1	State Budget	Yes
SB 2	ERCOT Reform	Yes
SB 3	Power Grid Stability	Yes
SB 4	Star Spangled Banner Protection Act	Yes
SB 5	Broadband Access	No
SB 6	Pandemic Liability Protection Act	Yes
SB 7	Election & Ballot Security	No
SB 8	Heartbeat Bill	Yes
SB 9	Abortion Ban Trigger	No
SB 10	Stop Taxpayer Funded Lobbying	No
SB 11	Appellate Court Reorganization	No
SB 12	Protect Free Speech on Social Media	No
SB 13	Oil & Gas Investment Protection	Yes
SB 14	Business Freedom and Uniformity Act	No
SB 15	Ban Sale of Personal Data from Certain State Agencies	Yes



LT. GOV. PATRICK PRIORITY ISSUES

BILL #	SUBJECT	PASSED
SB 16	Protect State-held Personal Data	No
SB 17	Protect Texas Trucking	No
SB 18	Protect Second Amendment Businesses	No
SB 19	Stop Corporate Gun Boycotts	Yes
SB 20	Second Amendment Protections for Travelers	Yes
SB 21	Bail Reform	No
SB 22	First Responders Pandemic Care Act	Yes
SB 23	Stop Local Police Defunding	Yes
SB 24	Law Enforcement Transparency Act	Yes
SB 25	Family Nursing Home Visitation Rights	Yes
SB 26	Freedom to Worship	No
SB 27	Expanding Virtual Learning Options	No
SB 28	Charter School Equity Act	No
SB 29	Fair Sports for Women & Girls	No
SB 30	Remove Racist Restrictions from Real Estate Deeds	Yes



HB 4447: SHOT CLOCK

HB 4447 (Oliverson) – did not pass

- define "land development application" to mean an application or other document relating to land development that was required to be approved by a municipal body or county commissioners court or the court's designee before the land development could commence.
- would include a title or description used by cities and counties to refer to those applications or other documents, including, among other terms, "plat" and "plan." The term would not include:
 - an application or other document for which approval by a municipal body or commissioners' court or designee did not authorize the land development to commence; or
 - a subdivision construction plan, subdivision engineering plan, or similar or related plan.



SB 1090: BUILDING MATERIALS

SB 1090 (Bettencourt/Murr) – passed

- Provides exemption from HB 2439, the building materials legislation passed last session for
 - “Dark Sky Communities”
 - Horseshoe Bay



ANNEXATION ACROSS R.O.W.

SB 374 (Seliger/Shine) – passed

- a city annexing an area on request of the owners, an area with less than 200 population by petition, an area with at least 200 population by election, or certain special districts may also annex with the area:
 - the right-of-way of a street, highway, alley or other public way or of a railway line spur, or roadbed that is contiguous to the city's boundaries and the area being annexed
 - the right-of-way of a public road or highway connecting the area being annexed to the city by the most direct route
- a city may only annex a right-of-way if the city:
 - provides written notice of the annexation to the owner of the right-of-way not later than the 61st day before the date of the proposed annexation
 - the owner of the right-of-way does not submit a written objection to the city before the date of the proposed annexation



SB 58: CLOUD COMPUTING

SB 58 (Zaffirini/Turner) – passed

- add cloud computing services to the definition of the term “personal property” for purposes of the Public Property Finance Act




SB 19: FIREARMS

- Prohibits a governmental entity from entering into a contract of \$100,000 or more with a company unless the contract contains a written verification that the company:
 - does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association
 - will not discriminate during the term of the contract against a firearm entity or firearm trade association



PANDEMIC RESPONSE LEGISLATION



HB 3 (Burrows) – did not pass

- would create the Texas Pandemic Response Act to establish the roles of the governor, state agencies, the judicial branch and political subdivisions of the state in the prevention of, preparation for, response to and recovery from a pandemic disaster.
- Would also create the Pandemic Disaster Legislative Oversight Committee to oversee pandemic disaster declarations.



HB 1348: ZONING

HB 1348 (Deshotel) – did not pass

- require a city to consider an open-enrollment charter school a school district for purposes of zoning, permitting, code compliance, and development, including land development standards in territory that a city has annexed for limited purposes
- prohibit a city from enacting or enforcing an ordinance or regulation that prohibits an open-enrollment charter school from operating at any location or within a zoning district in the city
- provide that an open-enrollment charter school is not required to pay impact fees unless the school's governing body consents to the payment
- provide that an open-enrollment charter school may be exempt from utility drainage ordinances and regulations, and that any such exemption granted to a school district before the effective date of the bill automatically extends to all open-enrollment charter schools located in a city.



PROPERTY TAX RATE ELECTIONS

HB 1391 (Middleton) – did not pass

- provide that in an election held on a city's proposed tax rate that exceeds the voter-approval tax rate or de minimis tax rate, as applicable, if a majority of the voters reject the proposed tax rate, the tax rate of the city is reduced to the lesser of the no-new-revenue tax rate or the voter-approval tax rate



SOLID WASTE CONTRACTS

HB 753 (Cain) – did not pass

- would prohibit a city from:
 - charging a person granted a franchise to provide solid waste management services in the city franchise fees of more than two percent of the gross receipts of the franchisee for the sale of services in the city
 - restricting the right of an entity to contract with a person other than the city, or an exclusive franchisee of the city, for solid waste management services for commercial, industrial, or multifamily residential waste



HB 610: STATE LICENSE HOLDERS

HB 610 (Swanson) – did not pass

- would authorize a person who, or entity that, holds a state license in order to practice the individual's occupation or conduct the entity's business to bring legal action against a city to enjoin the enforcement of a local law that:
 - establishes requirements for, imposes restrictions on, or otherwise regulates the occupation or business activity of the license holder in a manner that is more stringent than the requirements, restrictions, and regulations imposed on the license holder under state law
 - results in an adverse economic impact on the license holder



REGULATION OF RENTAL PROPERTY

HB 754 (Cain) – did not pass

- preempt a municipality from adopting or enforcing an ordinance that requires a landlord of a multi-unit complex to:
 - obtain a rental license to rent a dwelling
 - pay a change of address fee for the change of the landlord's address
 - pay annual inspection fees totaling more than certain amounts depending on the number of dwelling units



PARTISAN CITY ELECTIONS

HB 2092 (Sanford) – did not pass

- would provide that a candidate must declare a party affiliation to run for a city office



LAND DEVELOPMENT APPLICATIONS

HB 4121 (Guillen) – did not pass

- require a political subdivision to approve, approve with conditions, or disapprove a land development application within 30 days after the date the land development application is filed
- define “land development application” broadly to include an application for a subdivision development plan, subdivision development, construction of subdivision improvements, site plan development, development of on-site or off-site improvements, and any endeavor over which a regulatory agency exerts its jurisdiction and for which one or more permits are required to initiate, continue, or complete the endeavor
- provide various circumstances in which a court could award a person court costs and attorney’s fees against a city and a city officer



HB 664: LOCAL DEBT ELECTIONS

HB 664 (Landgraf) – did not pass

- an election for the issuance of bonds or other debt shall be held on the November uniform election date



MUNICIPAL PREEMPTION

HB 3909 (Harris) – did not pass

- if an individual is required to possess an occupational license issued by a state licensing authority to engage in an occupation, a political subdivision may not adopt or enforce any ordinance, order, rule, regulation, law, or policy that requires the individual to: (a) possess an occupational license issued by the political subdivision to engage in that occupation; or (b) meet any other requirement or precondition to engage in that occupation



VACANT RESIDENTIAL BUILDING

HB 1878 (Gates) – did not pass

- prohibit a city or county from adopting or enforcing an order, ordinance, or other regulation that requires an owner of a vacant residential building to obtain a permit to conduct repairs to the building if the repairs are necessary to: (a) protect public safety; or (b) prevent further damage to the building
- prohibit the governor to exempt a county or municipality from this prohibition by an executive order issued under the Texas Disaster Act
- provide that an owner of a vacant residential building who is required to obtain a permit in violation of this prohibition may: (a) bring an action against the county or municipality that violated state law for damages incurred due to the violation; and (b) recover reasonable attorney's fees and litigation costs if the owner prevails in the action
- waives governmental immunity of the city or county to suit and from liability to the extent of liability created by this prohibition.