

Texas Municipal League (TML) Municipal Policy Summit Recap

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August 20, 2024



TML Municipal Policy Development Process

The TML Municipal Policy Summit was held in Austin, TX, on August 11th and 12th. City delegates reviewed upcoming policy initiatives for the 89th Texas Legislative Session.

The TML Policy Summit is a midpoint in the League's policy adoption process. Summit attendees reviewed resolutions submitted in the previous year's TML annual business meeting and TML staff recommendations.





TML Municipal Policy Development Process

October 2023 - The TML membership considered resolutions at the 2023 Annual Conference at the annual business meeting.

August 2024 - The Municipal Policy Summit, a two-day policy briefing at which the members made recommendations for the League's 2025-2026 legislative program, meets.

October 2024 - The Municipal Policy Summit report, along with any other resolutions, will proceed to the annual business meeting at the 2024 Annual Conference.

December 2024 - The TML Board will finalize the League's 2025-2026 legislative program based on resolutions passed in both 2023 and 2024.



TML Municipal Policy Summit

Discussion Panel: 2025 Texas Legislative Landscape

- The Legislature is expected to have another large surplus, more than \$20 billion dollars
- Property tax relief will continue to be a major priority for statewide elected officials
- School finance expected to be the major policy focal point
- At least 32 new State Representatives in the Texas House; 10 non-returning House Chairman indicates unknown policy preferences
- Ongoing House Speaker race may shift policy orientation of the House

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General TML Positions Recommended

SUPPORT

Protect or expand local options on policy decisions

Protect existing incentives tools available to cities

Support additional state funding for infrastructure, including transportation, water, and police

OPPOSE

Presumption of local authority

Mandatory erosion of revenue options or the tax base

Increases to unfunded mandates

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Policy Highlight: State Preemption of Local Authority

The League should oppose legislation that would:

- (1) erode municipal authority in any way, impose an unfunded mandate, or otherwise be detrimental to cities, and/or
- (2) provide for state preemption of municipal authority in general

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Policy Highlight: Regulation of Development

The League should oppose legislation that would erode municipal authority related to development matters, including with respect to the following issues:

- (1) annexation;
- (2) eminent domain;
- (3) zoning;
- (4) regulatory takings;
- (5) building codes;
- (6) tree preservation;
- (7) short-term rentals;
- (8) the extraterritorial jurisdiction (ETJ)
- (9) HUD-Code Manufactured Homes

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Policy Highlight: Economic Development Incentives

The League should:

- (1) oppose legislation that would limit the type of incentives available to the city or that would limit any use of incentives by a city
- (2) support legislation that would allow for the expenditure of municipal hotel occupancy tax revenue for the construction of improvements in municipal parks and trails/sidewalks that connect parks, lodging establishments, other tourist attractions, and related public facilities
- (3) oppose legislation that would limit or eliminate the current flexibility of the Major Events Reimbursement Program, which is a tool for cities to attract or host major events and conventions



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Policy Highlight: Community Advocacy Limitations

The League should oppose legislation that would:

- (1) limit or prohibit the authority of city officials to use municipal funds to communicate with legislators; or
- (2) limit or prohibit the authority of the Texas Municipal League to use any revenue, however derived, to communicate with legislators

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Policy Highlight: Competitive Bidding for Professional Services

The TML Legislative Program provides that the League:

- (1) seek the introduction and passage of legislation that would increase the competitive bidding threshold to account for increased costs to cities
- (2) support legislation that would allow for competitive procurement of the professional services enumerated in the Professional Services Procurement Act by home rule and general law municipalities

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Policy Highlight: Housing Finance Corporation Reform

A new position was recommended for the League to:

- (1) require city consent for a housing finance corporation to operate within the city;
and
- (2) prohibits housing finance corporations from taking action that would remove property from the tax rolls without approval of the governing body of the jurisdiction in which the property is located.

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Two subcommittees were appointed to potentially develop policy proposals:

(1) Institutional Investor-Owned Homes & Short-Term Rental (STR) Regulations

- The committee will review the growing trend of institutional investors purchasing significant numbers of single-family residences, potentially shorting the availability of homes. Additionally, the committee will analyze recommendations for directing Hotel Occupancy Tax funds to city services responsive to STRs

(2) Sales Tax Incentives and Sourcing

- The committee will review the policy position regarding destination versus origination sales tax sourcing, particularly the effect on business compliance and local revenue impacts.



TML Municipal Policy Development

Next Steps:

October 2024 - The Municipal Policy Summit report, along with any other resolutions, will proceed to the annual business meeting at the 2024 Annual Conference.

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December 2024 - The TML Board will finalize the League's 2025-2026 legislative program based on resolutions passed in both 2023 and 2024.

