

**LESSONS LEARNED
FROM
THE 86TH TEXAS LEGISLATURE**

**AND
NEXT STEPS
CITY OF CORPUS CHRISTI
NOVEMBER 12TH, 2019**

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A full-service public affairs firm delivering modern solutions to traditional challenges



OVERVIEW

- Local strategies
- State strategies
- 2019 Session Summary:
 - Leadership agendas
 - SB 2 / SB 29
 - TWIA
 - Coastal Erosion (CEPRA)
 - Hotel and lodging
 - Other municipal issues (ROW, finance/debt, development and preemption)
 - Port of Corpus Christi
 - Annexation
 - Defense Economic Adjustment Assistance Grants (DEEAG)
 - Near non-attainment communities
 - Preemption bills that passed
- Local strategies
- State strategies
- Next steps



LOOKING TOWARDS THE 87TH LEGISLATURE: LOCAL STRATEGIES

- **Legislative delegation outreach**
 - Invite them to be a part of the agenda setting process
 - Invite them to be a part of budget / implementation
 - Elevate issues during elections
- **Engage supporters to elevate issues / demonstrate community support**
 - Chambers of Commerce
 - Community advocates (issue specific)
 - Vendors who do business with City
 - Other local governments (school, POCCA, county, etc.)
- **Engage legislative stakeholders**
 - Builders
 - Realtors
 - Cable / Telecom



LOOKING TOWARDS THE 87TH LEGISLATURE: STATE STRATEGIES

- **Re-engage with state leadership**
 - Emphasize message of state/local partnership and symbiotic relationship
 - Discuss approach with community/business leaders
- **Participate / lead similarly situated “city coalition” efforts**
 - Telecom / cable litigation
 - SB 29
 - Texas Mayors of Military Communities
- **Enhanced coordination with TML / BCL**
 - Greater strategic planning / communication during interim
 - Leadership and participation in regional TML meetings
 - Organize / host regional advocacy meetings



2019 LESSONS LEARNED

- Very challenging session for cities; coordinating local support and building municipal partnerships is how to achieve success at the state level
- Concentrated effort to interfere with city finances (revenue caps & issuance of debt) and municipal regulatory authority
- In addition, there was a very strong push to silence your ability to petition (lobby) the state that fortunately failed
- But we also experienced some successes this session



2019 TEXAS LEGISLATURE: BY THE NUMBERS

Year	Total Bills Introduced	Total Bills Passed	City-Related bills introduced	City-Related bills passed
76 th -1999	5,813	1,622	1,230+	130+
...
84 th -2015	6,476	1,329	1,900+	220+
85 th -2017	6,800	1,208	2,500+	294
86th-2019	7,324	1,429	2,300+	338

- **3,970** Bills/JR's filed in last 10 business days before filing deadline (54%)
- Over 31% of all bills filed were city related bills, up from 17% from last session
- 2,740 Total Bills/JR tracked by Focused Advocacy



THE LEADERSHIP AGENDAS

- **Abbott**

Property tax reform, school finance reform, school safety, mental health, and disaster response

- **Patrick**

Property tax reform, school finance reform, free market protection, and taxpayer funded lobbying

- **Bonnen**

Property tax reform, school finance reform, school safety, and combating human trafficking



- ***City of Corpus Christi Legislative Priority***
- Reduces the rollback rate (which is now referred to as the “voter approved” rate) from 8% to 3.5% (or “de minimus” rate) + unused increment rate (3-year “banking” provision)
- Does not affect rates for debt
- Rate that increase revenue by more than 3.5% trigger automatic election
- Applies to cities with populations greater than 30,000 (about 100 cities); this application was strategic to gain the support of the majority of rural Texas cities—cities much smaller than Corpus Christi



WITNESSES/SUPPORTERS

SB 2

1. Bates, Tray
Texas Realtors,
1. Berlanga, Michael
(Chamber of San Antonio)
2. Bohnert, Henry
(Convention of States)
3. Caso, Kathleen (**Lost Pines Republican Women, Bastrop Co Republican Precinct Chair 2009**)
4. Dorsch, Barry (**NE Tarrant TEA Party**)
5. Fabry, Thomas (**Frisco Tea Party**)
6. Falk, Roger (**Travis County Taxpayers Union**)
7. Gilley, Rockie
Kennedale city council
8. Ginn, Vance (**Texas Public Policy Foundation**)
9. Hale, Darrell **Collin County Commissioner**
10. Hill, Chris (**Judge Collin County**)
11. Johnson, Cheryl
(Galveston County Tax Office)
12. Kecseg, Ross (**Texans for Fiscal Responsibility**)
13. LeBas, James (**TXOGA**)
14. Newton, Chris (**Texas Apartment Association**)
15. Ramos, Gilbert (**Texas Patriots Tea Party**)
16. Troxclair, Ellen **Fmr. Austin City Council Member**



PREEMPTION BILLS THAT DID NOT PASS

- The City of Corpus Christi voted to defeat municipal preemption legislation as a part the council-approved legislative agenda
- No “super-preemption” bills
- No preemption of short term rentals
- No preemption of workplace bills passed (paid sick leave, etc.)
- No bill passed preempting cities from petitioning their state government/participating in the legislative process (SB 29)



SB 29: NO TAXPAYER FUNDED LOBBYING

- “The governing body of a political subdivision may not spend public money to ***directly or indirectly*** influence ***or attempt*** to influence the outcome of any legislation...”
- Created a private cause of action wherein ***anybody*** could sue the city
- **Senate version:** Applied to ALL political subdivisions; prohibited spending of money to join organizations that lobby (TML, TMCA, etc.) or spending money on lobbyists; all issues.
- **House version:** Applies to cities, counties and toll authorities; prohibited spending of money to join organizations that lobby (TML, TMCA, etc.) or spending money on lobbyists; certain issues (taxes, bonds, ethics)



WITNESSES/SUPPORTERS

SB 29

1. DeVore, Chuck, Vice President **Texas Public Policy Foundation**
2. Harper, Terry State **Republican Party Executive Committee** 21 Chair
3. Key, Todd H. (**Northeast Tarrant Tea Party**)
4. Baggett, Donnis Executive Vice President (**Texas Press Association**)
5. Belsick, Michael S. (**Fredericksburg Tea Party**)
6. Carter, David Election Judge (**Republicans United for the Republican Party Platform & Priorities**)
7. Gaines, Jimmy President (**Texas Landowners Council**)
8. Heimlich, Ed Executive Director (**Citizens United 4 Accountable Government**)
9. Hudgens, Nicole Senior Policy Analyst (**Texas Values Action**)
10. Keener, Justin Consultant (**Americans for Prosperity**)
11. Smith, Mary Virginia North Texas Director (**Concerned Women for America**)



SB 2 & SB 29: SPKR. BONNEN / CHR. BURROWS QUOTES

- **SPEAKER BONNEN:** *"...Let me tell you something: In this office and in the conference room on that end, any mayor, county judge that was dumb ass enough to come meet with me, I told them with great clarity, my goal is for this to be the worst session in the history of the legislature for cities and counties."*
- **CHAIRMAN BURROWS:** *"I hope the next session's even worse."*
- **SPEAKER BONNEN:** *"And I'm all for that..."*



SB 2 & SB 29: CHAIR BURROWS QUOTES

- Burrows: *"So taxpayer funded lobby is the benchmark next session."* (44:09)(page 42 line 21)
- Burrows: *"...we hate cities and counties."* (50:35)(page 47 line 18)
- Burrows: *"I just want the local governments to have a worse session next session, by ending taxpayer funded lobby and **stealing** their two pennies..."* (51:41)(page 48 line 15)



TEXAS WINDSTORM INSURANCE ASSOCIATION (TWIA)

- ***City of Corpus Christi Legislative Priority***
- **HB 1900 (Bonnen/ Taylor) – Omnibus TWIA Reform Bill.** Requires replacement cost to be determined at the time of policy issuance and/or renewal
- Creates a TWIA Legislative Funding and Funding Structure Oversight Board to (1) assess TWIA's current funding and funding structure, (2) evaluate catastrophic risk pools in other states, (3) identify problems and recommendations regarding TWIA's funding structure and sustainability; and (4) submit report by November 15, 2020
- **TWIA Rate Hike Withdrawn.** TWIA proposed a 10% rate increase to both residential and commercial policies in early August 2018. While the Legislature failed to enact any legislation specific to the rate increase, at the May 24 board meeting, TWIA withdrew the rate increase



- SB 615 (Buckingham/ Paddie) - TWIA Sunset Review
- HB 1902 (Bonnen/Taylor) - TWIA liability limits
- HB 1940 (Lucio III/Creighton) - Surplus Lines Coverage
- HB 1944 (Lucio III/Hancock) – Deadline Extensions for claims and related settlement disputes



COASTAL EROSION

- HB 6 - first time Coastal Erosion Planning & Response Act (CEPRA) received a dedicated funding source (since 1999); Approximately \$92M in 2020-21
- Applies to coastal communities
- Comptroller dedicated two percent from state Hotel Occupancy Tax located in coastal counties during the preceding state fiscal year and transfer that amount to the coastal erosion response account
- Expires September 1, 2031



HOTELS, CONVENTION CENTERS AND TOURISM

- 
- **Full funding for state tourism promotion** - record-high amount of state funding of \$110 million for the 2020-21 biennium (increase of **223%** from the 2017 Session)
 - The **Convention Center and Hotel Program** is an option that has been maintained for the City Corpus Christi
 - ***City of Corpus Christi Legislative Agenda***

- **SB 1152** – Cable & telecom providers no longer required to pay both cable and telecom ROW rental fees -- only pay the highest of the two; city currently collects both fees
- **\$1.7 Million loss to City of Corpus Christi revenues**
- A coalition of cities have filed a lawsuit challenging this bill on a constitutional basis (the suit amends existing lawsuit challenging the 2017 “small cell” bill)



- **HB 477** by Murphy - Requires a disclosure on ballot that “taxes will be used to pay the debt” and requires a voter guide plus a new notice requirements
- **SB 30** by Birdwell – Requires specific description for each bond proposition
- ***City of Corpus Christi Legislative Priority***



DEVELOPMENT BILLS

- **HB 2439** – Cities cannot adopt or enforce a regulation that restricts the use of a building product or material approved for use by a national code or establish a standard for a product, material, or aesthetic method in construction that is more stringent than the national code; **the City of Corpus Christi can no longer enforce the island overlay requirements that were developed in response to island residents concerns**
- **HB 852** - Building permit fees must be cost based - may not be tied to value, size or cost of construction
- **HB 3167** – Requires cities to approve/disapprove (vs. “act on”) subdivision plat applications within 30 days or it is considered approved



WITNESSES/SUPPORTERS

HB 2439

1. Summers, Trey (**Coastal Bend Home Builders Association**)
2. Bulla, Cindi (**Texas Realtors**)
3. Chick, Craig (**Safe Building Materials Association of Texas**)
4. MacDonald, T. Justin (**Texas Association of Builders**)
5. Rodriguez, James (**Fox Energy**)
6. Bettis, William (**Greater Ft Worth Builders Association**)
7. Biggerstaff, Michael (**HBA of San Angelo**)
8. Bowling, Randy (**El Paso Association of Builders**)
9. Carlyle, Joe (**City of Troup**)
10. Carlyle, Joseph (**Carlyle Homes**)
11. Carothers, Jason (**Carothers Executive Homes**)
12. Christian, George (**American Forest and Paper Association**)
13. Dover, Alicia (**Plumbing-Heating-Cooling Contractors Association of Texas**)
14. Fairbanks, Lauren (**Texas Association of Manufacturers**)
15. Fisher, Jon (**Associated Builders and Contractors of Texas**)
16. Jackson, Tim (**Dallas Builders Association**)
17. Kercheval, Todd (**Texas Affiliation of Affordable Housing Providers**)
18. Lacy, Sarah (**Texas Building Owners and Managers Association (Texas BOMA)**)
19. Longacre, Rhett (**Longacre construction**)
20. McCarty, Austin (**Texas Chemical Council**)
21. McCord, Mia (**Texas Conservative Coalition**)
22. Mintz, David (**Texas Apartment Association**)
23. Morgan, Todd (**International Paper Corp.**)
24. Oswald, Bill (**Koch Companies**)
25. Pepper, Bradley (**Greater Houston Builders Association**)
26. Pilkington, Michael (**Temple Area Builders Assoc.**)
27. Townsend, Stewart (**West Texas Home Builders Association**)
28. Womack, Daniel (**Dow Chemical**)
29. Zapata, Mireya (**Lumbermen's Association of Texas**)



PORT OF CORPUS CHRISTI

- Legislation was filed to change the governance structure of the Port of Corpus Christi
- All legislation filed to affect the Port of Corpus Christi failed to pass
- The Port of Corpus Christi agreed to voluntarily adopt ethics provisions similar to filed legislation



ANNEXATION

- ***City of Corpus Christi Legislative Priority***
- HB 347 passed; which ended annexation for all purposes in Texas except for the allowance of annexations where cities had already instructed the city manager to develop a service plan
- Thus, Corpus Christi's annexations in San Patricio County were allowed to be completed



DEFENSE ECONOMIC ADJUSTMENT ASSISTANCE GRANTS

- General Appropriations Act (GAA; a.k.a. the state budget) includes a 50% increase in funding
- “...\$30,000,000 in General Revenue in fiscal year 2020 for DEAG to military defense impacted communities” (GAA 2019)
- The grant allows Corpus Christi to partner with the NAS and CCAD to make infrastructure improvements
- ***City of Corpus Christi Legislative Priority***



FUNDING FOR NEAR NONATTAINMENT CITIES

- ***City of Corpus Christi Legislative Priority***
- The General Appropriations Act restored funding for air quality monitoring in near nonattainment communities
- Programs funded by this program are instrumental for Corpus Christi's compliance with Federal Clean Air Standards



PREEMPTION BILLS THAT PASSED

- However, the state passed city preemption of:
 - **building materials** (HB 2439 by Phelan, 9/1/19)
 - **“adverse” government** action against a person for religious reasons (Chick fil A) (SB 1978 by Hughes, 9/1/19)
 - hire **contingent fee** attorneys without AG approval subject to appeal to SOAH (HB 2826 by Bonnen, 9/1/19)
 - new **red light camera** contracts (HB 1631 by Stickland, immediate effect)
 - **weapons** of any type (HB 3231 by Clardy, 9/1/19)
 - lemonade stand ordinances, (HB 234 by Krause, 9/1/19)
 - rabbit carcasses (HB 410 by White, 9/1/19)
 - farmers markets (HB 1694 by Lambert, 9/1/19)
 - most cottage food operations (SB 572 by Kolkhorst, 9/1/19)
 - electric bikes (HB 2188 by Frullo, 9/1/19)
 - dogs in outdoor portions of restaurants (SB 476 by Hancock, 9/1/19)
 - chickens



INTERIM CHARGES

- On October 30th, 2019, Lieutenant Governor Patrick issued 116 charges to be studied by the 13 senate committees before the 2021 legislative session
- Notable items include the review of SB 1004, HB 3, local economic development incentives, water supply and utility rate-making, SB 2, taxpayer lobbying and veteran affairs.
- The Speaker of the House has not issued interim charges.



NEXT STEPS

- Develop a plan to engage:
 - community and neighborhood leadership
 - regulatory stakeholders (i.e. – business/trade associations/etc.)
 - vendors who do business with city hall
 - TML
 - regional city (neighboring cities)
 - claw – back proposals
- Local engagement is the key; we are most successful when we have partners with us.

THANK YOU

QUESTIONS?

FOCUSED  **ADVOCACY**