

The Legislature is Coming!

A Preview of the 2017 Texas Legislature



SAFE-D Last Monday Webinar
December 12, 2016



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Important Legislative Dates

- **November 14, 2016**
 - Prefiling Bills for 85th Session Began
- **January 10, 2017**
 - 85th Session Begins
- **Friday, March 10, 2017 (60th day)**
 - Deadline for filing bills and joint resolutions other than local bills, emergency appropriations, and bills that have been declared an emergency by the governor
- **Monday, May 29, 2017 (140th day)**
 - 85th Session Ends



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Legislative Statistics

- **84th Legislature (2015)**
 - **6276 House and Senate Bills Filed**
 - **1323 Bills Passed (~21%)**
 - **43 Bills Vetoed**
- **85 Legislature (2017)**
 - **852 Bills filed as of December 10, 2016**



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Membership Changes

- **House**
 - 26 Freshmen
 - Democrats gained 5 seats
 - 55 Democrats
 - 95 Republicans
- **Senate**
 - 3 Freshmen
 - No change in party seats
 - 11 Democrats
 - 20 Republicans



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Legislative Changes

New House Members

- Lance Gooden (R) H-4
 - Def. Spitzer
- Cole Hefner (R) H-5
 - Hughes
- Jay Dean (R) H-7
 - Simpson
- Ernest Bailes (R) H-18
 - Otto
- Terry Wilson (R) H-20
 - Def. Farney
- Justin Holland (R) H-33
 - Turner, Scott
- Gina Hinojosa (D) H-49
 - Naishtat
- Scott Cospers (R) H-54
 - Aycock



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Legislative Changes

New House Members

- Hugh Shine (R) H-55
 - Def. M.White
- Mike Lang (R) H-60
 - Keffer
- Lynn Stucky (R) H-64
 - Crownover
- Stan Lambert (R) H-71
 - S. King
- Kyle Biederman (R) H-73
 - Defeated D. Miller
- Lina Ortega (D) H-77
 - Marquez
- Victoria Neave (D) H-107
 - Def. Sheets
- Diana Arevalo (D) H-116
 - Martinez-Fischer



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Legislative Changes

New House Members

- Philip Cortez (D) H-117
 - Def. Galindo (R)
- Tomas Uresti (D) H-118
 - Farias
- Barbara Gervin-Hawkins (D) H-120
 - McClendon
- Kevin Roberts (R) H-126
 - Harless
- Briscoe Cain (R) H-128
 - Def. W. Smith
- Tom Oliverson (R) H-130
 - Fletcher
- Jarvis Johnson (D) H-139
 - Turner
- Mary Ann Perez (D) H-144
 - Def. Pena (R)
- Shawn Thierry (D) H-146
 - Miles
- Valoree Swanson (R) H-150
 - Def. Riddle



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Legislative Changes

New Senators

- Bryan Hughes (R) S-1
(replacing Kevin Eltife (R))
- Dawn Buckingham (R) S-24
(replacing Troy Fraser)
- Borris Miles (D) S-13
(replacing Rodney Ellis)



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Relationships with Legislators

- Initiate
 - Reach Out
 - Introduce
- Educate
 - Invite to Facilities
- Cultivate
 - Keep them informed of activities



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HOT LEGISLATIVE ISSUES



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Hot Issues

- Tax Relief
- Election Reform
 - Voter Registration
 - Voter ID
 - Electoral College Issues
- Immigration Reform
- Firearms
- Municipal Annexation Reform



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Tax Relief

- From Lt. Governor Patrick:
 - “Local property taxes must not be allowed to continue to increase at several multiples of the income of taxpayers. Inflation requires some additional revenue to provide the same level of services, but the current 8 percent revenue cap is simply too high and must be reduced...”



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Tax Relief

- S.B. 2 (Bettencourt) – Revenue Cap:
 - lowers the property tax rollback rate from 8 percent to 4 percent, except for a taxing unit located in an area declared a disaster area by the governor or president of the United States during the current tax year;
 - requires taxing unit to hold a ratification election on the November uniform election date of the applicable year in order to adopt a tax rate that exceeds the four-percent rollback rate (as opposed to current law, which only requires an election if a petition is received from the citizens); and
 - makes numerous calendar changes to the property tax appraisal, collection, and ratesetting process in order to have property tax ratification elections on the November uniform election date.
- 35 Other bills related to Property Tax Caps



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Tax Relief

- S.B. 2 (Bettencourt) – Revenue Cap:
 - lowers the rollback rate from 8 percent to 4 percent,
 - except for a taxing unit located in an area declared a disaster area by the governor or president of the United States during the current tax year;
 - requires taxing unit to hold a ratification election on the November uniform election date of the applicable to exceed rollback rate
 - current law only requires an election if a petition is received from the citizens; and
 - makes numerous calendar changes to the property tax appraisal, collection, and ratesetting process in order to have property tax ratification elections on the November uniform election date.
- 35 Other bills related to Property Tax Caps
- 15 Bills related to Sales Tax Exemptions



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Municipal Annexation Reform

- H.B. 299 (Larson) - Rewrites the Municipal Annexation Act to restrict the ability of cities to annex property.
 - City may only annex an area with a population of less than 200 if the city receives a petition signed by: (a) more than 50 percent of the registered voters of the area; and (b) if the registered voters of the area do not own more than 50 percent of the land in the area, more than 50 percent of the owners of land in the area.



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Municipal Annexation Reform

- H.B. 299 (Larson) - Rewrites the Municipal Annexation Act to restrict the ability of cities to annex property.
 - City may not annex an area with a population of less than 200 without approval of a majority of the voters voting at an election if a petition protesting the annexation is signed by a number of registered voters of the municipality equal to at least 50 percent of the number of voters who voted in the most recent municipal election and is received by the secretary of the city.



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Municipal Annexation Reform

- **H.B. 299 (Larson) - Rewrites the Municipal Annexation Act to restrict the ability of cities to annex property.**
 - City may only annex an area with a population of 200 or more if :
 - the city holds an election in the area proposed to be annexed at which the qualified voters of the area may vote on the question of the annexation, and a majority of the votes received at the election approve the annexation; and
 - if the registered voters of the area do not own more than 50 percent of the land in the area, the city receives petition signed by more than 50 percent of the owners of land in the area.



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Municipal Annexation Reform

- **H.B. 299 (Larson) - Rewrites the Municipal Annexation Act to restrict the ability of cities to annex property.**
 - If each owner of land in the area requests the annexation the city must:
 - first negotiate and enter into a written agreement for the provision of services in the area with the owners of land in the area, and
 - conduct at least two public hearings.
 - Beginning September 1, 2017, no limited purpose annexation or strategic partnership agreements requiring limited purpose annexation.



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SAFE-D Policy Statement on Annexation

- SAFE-D is interested in providing more clarity and certainty for Emergency Services District residents facing municipal annexation.
- SAFE-D has concern for both the residents of the area being annexed by the municipality and the effects on the remaining portion of the ESD post-annexation.



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SAFE-D Policy Statement on Annexation

- SAFE-D will seek a constructive dialogue with municipal interests toward creating a solution that includes:
 - at least one-year notice to the ESD about any annexation of its jurisdiction
 - requirement of an Annexation Impact Study on the effect of the annexation on both annexed and unannexed portions of the ESD
 - in the event that the Impact Study shows certain established benchmark effects that result from annexation, triggering an Alternative Dispute Resolution process with the aim of creating an Annexation Impact Agreement between the two jurisdictions to resolve conflicting issues.



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TML Positions

- “Authorize cities—in relation to annexation, planned annexation, voluntary annexation, or negotiated annexation—to replace some or all emergency services district (ESD) sales taxes in an area with city sales taxes, provided an ESD’s existing sales tax debt is proportionately and reasonably provided for in some manner.”
– From TML Legislative Program for 2017-2018



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TML Positions

- “Permit a municipal development district’s sales tax, notwithstanding a competing emergency services district (ESD) sales tax, to apply in the extraterritorial jurisdiction, as current law allows, provided an ESD’s existing sales tax debt is proportionately and reasonably provided for in some manner.”
– From TML Legislative Program for 2017-2018



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TML Positions

- “Allow cities to remove themselves from an ESD if the city is capable of providing services to the area.”
- “Require city council approval for an ESD to expand into a city’s corporate limits or ETJ”
 - From TML Legislative Program for 2017-2018



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Other Players

- Texas Association of Counties
- Conference of Urban Counties
- Texas Municipal League
- State Firemen and Fire Marshals Association
- Texas Fire Chiefs Association
- Texas State Association of Firefighters
- Texas Commission on Fire Protection



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SAFE-D Ongoing Legislative Issues

- Protection of Sources of Revenue
- ESDs must be able to provide services desired by residents and property owners.
 - Oppose Reduction or Limits on Property Tax
 - Improve and Protect Access to Sales Tax



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SAFE-D Ongoing Legislative Issues

- Protection from City Takings of Revenue
- ESDs have an obligation to residents that might be left behind after unilateral annexation and revenue grab by a City
 - Reform City Annexation Process
 - Protection from City Attempts to Withdraw from ESD
 - Promote City/ESD Cooperation
 - Reduce Sales Tax Competition



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SAFE-D Ongoing Legislative Issues

- Clarification that ESD may determine how emergency services will be provided within its boundaries.
- Access to Unappropriated Special Funds
- Maintain Education Requirements
- Clean up unintended impacts of 776 repeal



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Texas Legislature Online

<http://www.capitol.state.tx.us/>



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SAFE-D Website Resources

<http://www.safe-d.org/>



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Questions?

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