

86th Legislature Legislative Review



SAFE-D
Webinar
June 3, 2019



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Where are we?

- House and Senate have adjourned Sine Die
 - “without assigning a day for a further meeting or hearing”
- 7325 Bills filed; 1426 passed (19.5%)
 - 1050 more bills than 2017, and 201 more passed
 - Governor has vetoed 6 to date
- 105 Joint Resolutions filed; 8 passed (7.6%)
 - Constitutional Amendment Elections in November



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Session Statistics

Bill Type	Range	Democrat		Republican	
		Filed	Passed	Filed	Passed
House Bills	HB 1 - HB 4765	2287	311	2478	656
House Concurrent Resolutions	HCR 6 - HCR 193	56	17	130	85
House Joint Resolutions	HJR 3 - HJR 153	71	0	76	6
Senate Bills	SB 1 - SB 8888	1215	171	1345	288
Senate Concurrent Resolutions	SCR 1 - SCR 68	13	8	55	15
Senate Joint Resolutions	SJR 1 - SJR 80	34	1	36	2



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Important Legislative Dates

- **Sunday, June 16, 2019** (20th day following final adjournment)
 - Last day governor can sign or veto bills passed during the regular legislative session
- **Monday, August 26, 2019** (91st day following final adjournment)
 - Date that bills without specific effective dates (that could not be effective immediately) become law



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SAFE-D Legislative Agenda



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SAFE-D Legislative Agenda

- SAFE-D will oppose property tax reform proposals that restrict Emergency Services Districts from accomplishing the mission given to them by voters — protecting Texans’ lives and property.



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Property Tax Reform

- SB 2 Passed Both Chambers by adoption of a Conference Committee Report
 - 3.5% “Voter-Approval Tax Rate,” unless a Special Taxing Unit or certain Water Districts
 - 8% “Voter-Approval Tax Rate” if:
 - a Special Taxing Unit, which includes Hospital Districts, Community College Districts and entities with tax rate of \$0.025/\$100 or less;
 - Water District with tax rate of \$0.025/\$100 or less; or
 - Water District that is not fully developed (95% or more of build-out)(voters can petition for election).



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Property Tax Reform

- SB 2 Passed Both Chambers by adoption of a Conference Committee Report
 - “Effective Rate” is now “No-New-Revenue Tax Rate”
 - “Rollback Rate” is now “Voter-Approval Tax Rate”



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Property Tax Reform

- **Deadlines in New Tax Process**
 - August 1 deadline for Certified Appraisal Roll
 - August 7 deadline for tax rate calculations **AND posting on taxing unit website**
 - September 30 deadline to adopt tax rate at or below Voter-Approval Tax Rate
 - **BUT** must adopt tax rate and call election to exceed Voter-Approval Tax Rate by mid-August!



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Property Tax Reform

- **Changes to Notice Requirements**
 - No published notice of “No-New-Revenue Tax Rate” or “Voter-Approval Tax Rate”.
 - Notice required for **ALL** meetings to adopt tax rate
 - Only **ONE** hearing required and may not be before **5th** day after notice, if tax will exceed No-New-Revenue Tax Rate
 - Board may vote on tax rate at hearing
 - Simplified Notice Requirement and Hearing Exemption still available (\leq \$0.50 tax rate and \leq \$500,000 revenue)
 - **Required** to post on website if publish notice



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Property Tax Reform

- SB 2 Passed Both Chambers by adoption of a Conference Committee Report
 - Automatic Election Required for Special Taxing Units or Cities with more than 30,000 population if Exceed “Voter-Approval Tax Rate”
 - Petition Election possible for Water District not fully developed.
 - Automatic Election Required for ALL others if Exceed Greater of “Voter-Approval Tax Rate” or “De Minimis Tax Rate”



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Property Tax Reform

- Calculation of De Minimis Tax Rate
 - means the rate equal to the sum of:
 - a taxing unit's no-new-revenue maintenance and operations rate;
 - the rate that, when applied to a taxing unit's current total value, will impose an amount of taxes equal to **\$500,000**; and
 - a taxing unit's current debt rate.



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- **Calculation of Voter-Approval Tax Rate**
 - Operations & Maintenance Rate X 1.035 (or 1.08 for Special Taxing Units and some Water Districts), plus
 - Current Debt Rate, plus
 - Unused Increment Rate (does not apply to Special Taxing Units), minus
 - Sales Tax Revenue Rate (does not apply to ESDs)
- Takes effect January 1, 2020.



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- **Calculation of Maintenance & Operations Rate**
 - 1.035 X Last year's maintenance & operations expense
 - Means amount spent for maintenance and operations from property tax and additional sales and use tax revenues in the preceding year (ESDs do not have additional sales and use tax)
 - 1.08 for Special Taxing Units and some Water Districts
 - Divided by Current Total Value less New Property Value
 - Current Total Value means total taxable value of property listed on the appraisal roll for the current year, including all appraisal roll supplements and corrections as of the date of the calculation, less the taxable value of property exempted for the current tax year for the first time
 - New Property Value generally means the total taxable value of property added to the appraisal roll in the current year by annexation and improvements listed on the appraisal roll that were made after January 1 of the preceding tax year



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- Calculation of Current Debt Rate
 - "Debt" means a bond, warrant, certificate of obligation, or other evidence of indebtedness owed by a taxing unit that is:
 - payable solely from property taxes in installments over a period of more than one year,
 - NOT budgeted for payment from maintenance and operations funds, and secured by a pledge of property taxes, or
 - a payment made under contract to secure indebtedness of a similar nature issued by another political subdivision on behalf of the taxing unit.



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- Calculation of Current Debt Rate
 - Current Debt Service Less Excess Collections
 - Debt Service means “total amount expended or to be expended by a taxing unit from property tax revenues to pay principal of and interest on debts”
 - Excess Collections means “the amount, if any, by which debt taxes collected in the preceding year exceeded the amount anticipated in the preceding year's calculation of the rollback rate”
 - Divided by Current Total Value X Collection Rate



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- Calculation of Unused Increment Rate
 - means the greater of:
 - zero; or
 - the tax rate per \$100 calculated according to the following formula:
 - Year 1 Voter-Approval Tax Rate less Year 1 Actual Tax Rate (3rd preceding tax year), plus
 - Year 2 Voter-Approval Tax Rate less Year 2 Actual Tax Rate (2nd preceding tax year), plus
 - Year 3 Voter-Approval Tax Rate - Year 3 Actual Tax Rate (preceding tax year)
 - Unused increment rate is set to \$0 for each tax year before 2020.
 - Does NOT apply to Special Taxing Units



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Property Tax Reform

- Calculation of Sales Tax Revenue Rate
 - Sales Tax Revenue Rate means the tax rate calculated by dividing the revenue that will be generated by the **additional sales and use tax** in the current year as calculated under Subsection (d) by the current total value.
 - "**Additional sales and use tax**" means an additional sales and use tax imposed by:
 - a city under Section 321.101(b);
 - a county under Chapter 323; or
 - a hospital district, other than a hospital district created on or after September 1, 2001, that:
 - imposes the sales and use tax under Subchapter I, Chapter 286, Health and Safety Code; or
 - imposes the sales and use tax under Subchapter L, Chapter 285, Health and Safety Code.
 - DOES NOT APPLY TO ESDS



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SAFE-D Legislative Agenda

- SAFE-D will strive to preserve emergency services districts' access to sales tax revenues to assure resources necessary for the safety of their citizens.
- Nothing passed that limits sales tax authority of ESDs



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SAFE-D Legislative Agenda

- SAFE-D will propose and support legislation to allow emergency services districts to provide Mobile Integrated Healthcare/Community Paramedicine to reduce the taxpayers' cost of emergency medical services.



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Mobile Integrated Healthcare/ Community Paramedicine

- Rep. James White
 - HB 3307
 - Would have authorized Public Health Services by ESDs
 - While this bill passed the House, it did not move in the Senate due to opposition by Senator Campbell.
 - More work needs to be done in the interim to develop legislation for 2021



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- SAFE-D will propose and support legislation to clarify ESDs' exclusive ability to designate the service providers necessary to accomplish the mission given to the districts by the voters who created them.



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Designation of Service

- Rep. Dwayne Bohac
 - HB 4350 Passed, Awaiting Signature by Governor
 - Clarifies that entities with jurisdiction to serve the area (now including ESDs) determine who is dispatched by Emergency Communications Districts



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SAFE-D Legislative Agenda

- SAFE-D will support efforts to simplify reporting requirements for the mutual benefit of state agencies and ESDs.
- Nothing passed to reduce number of reports



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SAFE-D Legislative Agenda

- SAFE-D will support efforts to increase funding for TIFMAS disaster response.
- Funding is part of budget bills
 - Article III – Texas Forest Service
- TIFMAS funding remained same



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SAFE-D Legislative Agenda

- SAFE-D will support efforts to assure that funds collected from insurance company assessments for the Rural Fire Department Assistance Fund (HB 2604) are fully distributed to address fire department needs.
- Rider filed by Rep. Drew Springer to allocate the unexpended balance (\$23M) adopted



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- SAFE-D will monitor efforts to create or repurpose an agency to oversee statewide firefighting efforts and will work to preserve local control of taxpayer--provided resources.
- Texas Division of Emergency Management transferred to Texas A&M system by HB 2794 (by Morrison) – becomes effective upon signature by Governor.



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Other Bills

- Annexation
 - Adds adjustment for sales tax revenue in compensation to ESD from City. (SB 1083 Passed)
 - Elimination of distinctions between Tier 1 and Tier 2 (applies HB 6 to all cities). (HB 347 Signed)
 - Requirement for cities to keep maps of official city limits and ETJ and post on website. (SB 1303 Passed)



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Other Bills

- **Employees/Volunteers**
 - Higher Education Fee Waivers for Disabled First Responders (HB 766 Passed)
 - Confidentiality of Employee Information for Firefighters and EMS personnel, including volunteers (HB 2446 Passed)



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Other Bills

- **EMS**
 - Telemedicine service by certain trauma facilities (HB 871 Signed)
 - Licensing/Certification Requirements (HB 1418 Signed)
 - Trauma Funding/Driver Responsibility Program Repeal and allocation of funds (HB 2048 Passed)



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Other Bills

- Open Government
 - Emergency Meeting Notice reduced to one hour (SB 494 Passed)
 - Agendas and Minutes on Internet IF already had a website on 1/1/2019 (HB 305 Passed)
 - Municipal Posting of ETJ and City Limits boundaries on Internet (SB 1303 in House)
 - Require districts with a population of more than 500 people to designate a place within the district for conducting all meetings (SB 239 Passed)



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Other Bills

- Miscellaneous
 - Open Burn Pit Registry (HB 306 Signed).
 - Employment protection for Volunteer First Responders (HB 2348 Passed)
 - Reciprocity between air ambulance providers (HB 463 Passed)
 - Motor Fuels Tax Exemption for VFDs (HB 791 Signed)
 - May 4th Designated as Firefighters Day (HB 1064 Signed)



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Future Issues

- Prohibiting Use of Public Funds to Advocate for Legislation (SB 29 failed to pass House)
- Review of ESD laws by Governor
- Grass Roots Relationships with Elected Legislators



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SAFE-D Legislative Reports

- Check www.SAFE-D.org for final reports of bills



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Texas Legislature Website

- Read legislation yourself at <http://www.capitol.state.tx.us/>



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Questions?



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