



Legislative UPDATE

May 1, 2020
Number 18

2020 City Tax and Budget Deadline Memos Now Available

Every year, TML posts a memo containing the annual calendar deadlines for the budget adoption and tax rate setting process. Following the passage of Senate Bill 2 in 2019, the process for 2020 has changed significantly.

Because the tax rate adoption procedure now varies depending on the size of the city, two memos are available this year: one for [cities under 30,000 population](#), and the other for [cities with 30,000 population or more](#). Further, within each document, there are two sets of deadlines depending on whether the city's adopted tax rate will exceed the voter-approval tax rate or not.

Whatever the case may be, the deadlines in the document represent the last possible dates for a city to take certain actions related to the budget or tax rate in 2020. Cities should act well in advance of the deadlines in the calendar, if possible.

For more detailed information about S.B. 2, city officials are encouraged to read the [S.B. 2 Explanatory Q&A](#) posted on the TML website. Those with questions about S.B. 2 or the budget and tax rate setting process can purchase a [previously-recorded webinar](#) on the bill and are encouraged to contact Bill Longley, TML Legislative Counsel, at bill@tml.org.

Boycott Israel Lawsuit Dismissed

On Monday, April 27, 2020, the Fifth Circuit dismissed the appeal of the “boycott Israel” lawsuit. The lawsuit, titled [Amawi, et al. v. Paxton, et al.](#), is based on H.B. 89 from the 2017 legislative session.

H.B. 89 provides that a governmental entity may not enter into a contract with a company for goods or services, unless the contract contains a written verification from the company that it does not boycott Israel, and will not boycott Israel during the term of the contract. The term “company” included “a for-profit sole proprietorship.”

The plaintiffs in the case, all sole proprietors, claimed that the requirement to state they do not and would not boycott Israel violated their First Amendment rights. The district court judge granted their preliminary injunction because he believed that the plaintiffs were likely to succeed in the case. (The league [previously reported on the district court’s decision](#) in 2019.) The defendants and the Texas attorney general appealed to the U.S. Court of Appeals for the Fifth Circuit.

During the appeal, in 2019 (12 days after the district court’s injunction), H.B. 793 became effective. That new legislation amended H.B. 89’s [definition of “company”](#) by excluding sole proprietorships from its coverage. The new legislation [further amended H.B. 89](#) by providing that the anti-boycott certification requirement is now limited to government contracts with “compan[ies] with 10 or more full-time employees” and that “ha[ve] a value of \$100,000 or more.”

On appeal, the Fifth Circuit found that the plaintiffs’ claims had been resolved by the 2019 amendments to the original bill. That rendered the case moot because the Fifth Circuit had no further controversy to decide.

Working from Home? **Knock out Your Mandated Cybersecurity Training** **Update: DIR Online Compliance Form Now Available**

As promised, the Texas Municipal League Intergovernmental Risk Pool (TML IRP) has released a [free cybersecurity training program](#), including an online video. TML IRP did so in response to a new [state law](#) mandating that most city officials and employees complete cybersecurity training by June 14, 2020, and annually thereafter.

The Texas Department of Information Resources (DIR) has also certified other programs, with more information available on the agency’s cybersecurity awareness training certification [web page](#).

DIR has launched an online tool called Texas by Texas (TxT) to help local governments track compliance. By using TxT, city employees can self-report their training compliance, and DIR

will later send a detailed report from the TxT application to each city verifying their compliance. Cities that wish to use TxT for employee self-reporting must fill out the [TxT Self Reporting Form](#).

If the city chooses not to use TxT, DIR has created an [acknowledgement form](#) to document compliance. Cities are not required to use either application and can track their compliance in any method they chose. Cities will not submit training records or employee certificates of completion to DIR. Cities also do not have to report their audits to DIR. Cities should retain documentation with their training and auditing records.

City officials and employees who have completed the training requirement can also individually certify their training compliance [here](#). The compliance form can be submitted by whomever the local government authorizes. The authorized individual submitting the form will need access to their email account as they will be required to enter a confirmation code to finalize submission. The form is due by June 15, 2020.

City officials with questions should contact DIR at TxTrainingCert@dir.texas.gov.

City-Related News from Other Organizations

In this new and occasional feature of the *Legislative Update*, the League may include articles and other information from city-related organizations, law firms, and others, when they have good information for city officials. For example:

- Last week, we [reported](#) on the EPA's final Waters of the U.S. Rule. It turns out that the U.S. Supreme Court issued an opinion just before the rule publication that may affect cities and others. According to an [alert](#) issued by the Austin law firm of Lloyd Gosselink Rochelle & Townsend, P.C., the Court created a "direct discharge or functional equivalent of a direct discharge" test, as further described in the alert. Interested city officials should check it out.

Coronavirus (COVID-19) Updates

The Texas Municipal League is open for business. The building is closed to all but essential personnel and most staff is working remotely, but the League remains open for business and is fully ready to serve. Cities are encouraged to call or email for legal assistance, help with ordinances, or for general advice or assistance. Let us know how we can assist you and your city.

Call TML staff at 512-231-7400, or email Scott Houston for legal assistance at SHouston@tml.org; Rachael Pitts for membership support at RPitts@tml.org; and the training team for questions about conferences and workshops at training@tml.org.

The League has prepared a coronavirus clearinghouse [web page](#) to keep cities updated. In addition, everyone who receives the *Legislative Update* should receive a daily email update each afternoon with information on new developments. The daily email updates will be our primary means of communication during the pandemic. Those emails are being archived [chronologically](#) as well as by [subject matter](#).

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