



# Legislative UPDATE

January 15, 2021  
Number 2

## 87th Legislative Session Bills to Watch

The Legislature has until March 12 to file bills to be considered during the 140-day legislative session. We will continue to summarize all city-related bills filed and you can find a comprehensive list of those bills [here](#). However, here are a few bills worth noting. We ask all city officials to begin conversations with your state representative and state senator on these important issues.

**H.B. 749 (Middleton) – Community Advocacy:** would: (1) prohibit a political subdivision from spending public funds to: (a) hire an individual required to register as a lobbyist for the purpose of lobbying a member of the Texas legislature; or (b) pay a nonprofit state association or organization that: (i) primarily represents political subdivisions; and (ii) hires or contracts with an individual required to register as a lobbyist; (2) provide that if a political subdivision engages in activity prohibited by (1), above, a taxpayer or resident of the political subdivision is entitled to injunctive relief to prevent any further prohibited activity or any further payments of public funds; and (3) provide that a taxpayer or resident who prevails in an action under (2), above, is entitled to recover reasonable attorney’s fees and costs from the political subdivision. (Companion bill is **S.B. 234** by **Hall**.)

**H.B. 233 (Murr) – Building Materials and Methods:** would provide that the prohibition on city regulation of building products, materials, or methods passed by H.B. 2439 in 2019 does not apply to a city with a population of less than 25,000.

**H.B. 425 (K. King) – Rural Broadband:** would, among other things: (1) create a rural broadband service program; and (2) require the Public Utility Commission to provide financial assistance

from the universal service fund for broadband service providers who elect to participate in the rural broadband service program for the purpose of offering retail broadband service in underserved rural areas of the state at rates comparable to the benchmark rates established by the Federal Communications Commission.

**S.B. 154 (Perry)** – **Broadband Office**: would, among other things: (1) establish the broadband office within the Texas Public Utility Commission to: (a) facilitate and coordinate the efforts of state agencies and local units of government, including regional planning commissions, in connection with the planning and deployment of broadband projects; (b) develop broadband investment and deployment strategies for rural communities and other areas of this state that are underserved and unserved with respect to broadband; (c) promote and coordinate public sector and private sector broadband solutions in support of statewide broadband development goals; (d) assist and promote local and regional broadband planning; (e) pursue and obtain federal sources of broadband funding; (f) develop a framework to measure broadband access in and designate areas of this state that are underserved and unserved with respect to broadband; (g) develop statewide goals for broadband deployment in rural communities and other underserved and unserved areas; (h) manage and award funds allocated to the broadband office for broadband projects; and (i) serve as an information clearinghouse in relation to federal programs providing assistance to local entities with respect to broadband; and (2) provide that the broadband office shall establish a program to provide grants to private sector broadband providers for projects to provide broadband service in an unserved area.

## **House Research Organization Issues 87th Session Report**

The House Research Organization (HRO), a non-partisan independent department of the Texas House of Representatives, has issued their report on the issues the Texas Legislature is expected to consider during the 87<sup>th</sup> session. That report can be found [here](#).

## **Comptroller Hegar Releases Biennial Revenue Estimate (BRE)**

Texas Comptroller Glenn Hegar released his Biennial Revenue Estimate (BRE) this week outlining how much the 87th Legislature will have for general-purpose spending. The BRE shows the state is projected to have \$112.5 billion in revenue available to spend during the 2022-2023 biennium representing a 0.4 percent decrease from funds available for the 2020-2021 biennium. This decline is directly attributed to the Covid-19 pandemic, which has caused revenue collections to fall close to \$1 billion short of what was projected when the legislature approved the current 2020-2021 budget. This is a much better scenario than the \$4.6 billion shortfall that the comptroller projected during the summer of 2020.

You can find the comptroller's press release [here](#), and the comptroller's presentation [here](#).

## **Department of Labor Adopts New Independent Contractor Rule**

On January 7, 2021, the U.S. Department of Labor published a [final rule](#) clarifying the standard for determining whether an individual is an employee or an independent contractor. Specifically, the rule provides the following:

- Reaffirms an “economic reality” test to determine whether an individual is economically dependent on a potential employer for work.
- Identifies and explains that the nature and degree of control over work and the worker’s opportunity for profit or loss based on initiative and/or investment are the two “core factors” that are most probative to the question of whether a worker is economically dependent on someone else’s business or is in business for him or herself.
- Identifies the following three other factors that may serve as additional guidelines:
  - The amount of skill required for the work;
  - The degree of permanence of the working relationship between the worker and the potential employer; and
  - Whether the work is part of an integrated unit of production.
- The actual practice of the worker and the potential employer is more relevant than what may be contractually or theoretically possible.
- Provides six fact-specific examples applying the factors.

The DOL has published a [fact sheet](#) with more detailed information. The rule will be effective on March 8, 2021.

## **Applications for Financial Assistance from the Texas Water Development Board’s State Water Implementation Fund for Texas Program Are Due February 1**

The application period for the 2021 funding cycle of the State Water Implementation Fund for Texas (SWIFT) program will close at **midnight on Monday, February 1**. Funding is available to political subdivisions in the state, which includes cities.

The SWIFT program, managed by the Texas Water Development Board (TWDB), helps communities develop and optimize water supplies at cost-effective rates. The program provides low-interest financing, extended repayment terms, deferral of repayments, and incremental repurchase terms for projects with state ownership aspects. It also includes additional interest rate subsidies for rural and agricultural projects.

Abridged applications may be submitted via the TWDB's [online application system](#) or by [paper copy](#). More information on the SWIFT program is available on [TWDB's website](#).

## **Stay Engaged During the Legislative Session: Grassroots Involvement Program**

During the upcoming Texas legislative session, Texas cities will face many challenges and opportunities. TML will need to mobilize our membership at key points during session. The Grassroots Involvement Program (GRIP) is one way to do so. Our GRIP survey focuses on a variety of items including your areas of expertise and involvement with other professional organizations. Most importantly, the GRIP survey asks how well you know various state legislators and if you are willing to communicate with those legislators during the session. With many unknowns on how the capitol will operate during a pandemic, TML's grassroots approach will be crucial to our efforts.

If you have a relationship with your legislator(s) or want to be more involved during session, please take the time to complete the [GRIP survey](#). Past efforts have proven that such participation is a highly effective tool.

We ask that you complete the survey as soon as possible.

## **Don't Forget: Mandatory Hotel Occupancy Tax Reporting**

The 50-day window for reporting local hotel occupancy tax information opened January 1, 2021. The reporting deadline is February 20, 2021.

Tax Code Section 351.009 requires cities to file an annual report with the comptroller that includes the city's hotel occupancy tax rate, the amount of revenue generated by the tax, and the amount and percentage of the revenue spent for each of the following purposes:

- Convention or information centers
- Convention delegates registration
- Advertising to attract tourists
- Arts promotion and improvement
- Historical restoration and preservation projects
- Signage directing the public to sights and attractions

Cities have two reporting options: (1) use the comptroller's online reporting form to submit all required information; or (2) clearly post and maintain all required information on the city's website and provide the comptroller's office with a link to the information. For cities selecting the second option, the comptroller provides an [optional format template](#) to post on the city's website.

For more information and access to the online reporting form, see the comptroller's hotel occupancy tax reporting [webpage](#). City officials with questions about the new requirements can also contact the comptroller's transparency team by email at [transparency@cpa.texas.gov](mailto:transparency@cpa.texas.gov) or (844) 519-5676.

## **Don't Forget: Mandatory Eminent Domain Reporting**

Legislation passed in 2015 requires cities to annually fill out a [web-based form](#) with the comptroller relating to each city's statutory eminent domain authority. The three-month reporting period began on November 1, 2020 and closes on February 1, 2021. However, reports may be updated at any time throughout the year. The failure to fill out the form could result in a \$2,000 penalty against a city.

The entry should be, for almost every city, just an update of previously filed information, including whether the city exercised its eminent domain authority in the preceding calendar year by filing a condemnation petition under Section 21.012, Property Code.

Of course, any city that never filled out the form as required should do so now. City officials with questions about the new requirements can also contact the comptroller's transparency team by email at [transparency@cpa.texas.gov](mailto:transparency@cpa.texas.gov) or (844) 519-5676.

## **City-Related Bills Filed**

(Editor's Note: You will find all of this session's city-related bill summaries online at <https://www.tml.org/319/Legislative-Information>.)

### **Property Tax**

**H.B. 299 (Vasut) – Appraisal Cap:** would reduce the property tax appraisal cap on homesteads from ten to 3.5 percent, and apply the new appraisal cap to all real property. (See **H.J.R. 64**, below.)

**H.B. 984 (White) – Property Tax Appraisal:** would: (1) for real property omitted from the tax roll in any one of the five preceding tax years, provide that the chief appraiser may, or shall if otherwise required by law, appraise the property as of January 1 of each tax year that it was omitted and enter the property and its appraised value in the appraisal records; and (2) provide that if the chief appraiser enters the property in the appraisal records under (1), above, the entry must show that the appraisal is for the property that was omitted from an appraisal roll in a prior year and must indicate the year and the appraised value for each year. (Companion bill is **H.B. 494** by **White**.)

**H.B. 986 (Shine) – Appraisal Review Boards:** would, among other things: (1) authorize the board of directors of an appraisal district established in a county with a population of less than 120,000 to elect to allow the local administrative district judge to appoint the members of the appraisal

review board under certain circumstances; and (2) authorize the board of directors of an appraisal district established in a county with a population of 120,000 or more to appoint appraisal review board members if: (a) each member of the appraisal district board other than the county assessor-collector serves as a member of the governing body of a taxing unit that participates in the appraisal district on the date the members of the board are appointed; and (b) the appraisal district board by resolution elects to appoint the members of the board.

**H.B. 987 (Shine) – Property Tax Exemption:** would provide that: (1) a person is entitled to a property tax exemption for tangible personal property the person owns that is held or used for the production of income if the property is listed in a single account maintained by the appraisal district and the total table value of all property listed in the account is less than \$5,000; (2) a person is entitled to a property tax exemption of a portion of the value of the tangible personal property the person owns that is held or used for the production of income if the property is listed in a single account maintained by the appraisal district and the total value of all property in the account is \$5,000 or more and less than \$500,000; (3) the amount of the exemption in (2), above, is equal to 20 percent of the total taxable value of all property listed in the account; and (4) a person may receive more than one exemption under (1) and (2), above. (See **H.J.R. 53**, below.)

**H.B. 988 (Shine) – Property Tax Appraisal:** would, among other things, authorize a property owner to bring suit to compel an appraisal district, chief appraiser, or appraisal review board to comply with a procedural requirement applicable to a property tax protest.

**H.B. 989 (Shine) – Property Tax Appraisal:** would authorize a property owner to file a motion with the appraisal review board to change the appraisal roll to correct an error regarding the unequal appraisal or excessive market value of a property at any time prior to the date the taxes become delinquent.

**H.B. 990 (Shine) – Delinquent Property Taxes:** would repeal the penalty on delinquent property taxes for a residence homestead.

**H.B. 991 (Shine) – Property Tax Discounts:** would, among other things: (1) provide that a person is entitled to a discount for the early payment of property taxes on the amount of tax due on real property that is the person's residence homestead as follows: (a) if a taxing unit mails its property tax bills on or before September 30, the following discounts apply: (i) three percent if the tax is paid in October or earlier; (ii) two percent if the tax is paid in November; and (iii) one percent if the tax is paid in December; and (b) if a taxing unit mails its tax bills after September 30, the following discounts apply: (i) three percent if the tax is paid before or during the next full calendar month following the date on which the tax bills were mailed; (ii) two percent if the tax is paid during the second full calendar month following the date on which the tax bills were mailed; and (iii) one percent if the tax is paid during the third full calendar month following the date on which the tax bills were mailed; (2) authorize the governing body of a taxing unit to adopt discounts for the early payment of property taxes on properties other than residence homesteads; and (3) require a mortgage servicer who pays property tax on behalf of a borrower to, on the written request of the borrower, pay the property tax on a property occupied by the borrower as the borrower's residence homestead early enough for the borrower to qualify for the three percent discount provided in (1), above, as applicable.

**H.B. 992 (Shine) – Property Tax Installment Payments:** would authorize an individual to pay a taxing unit’s property taxes imposed on the individual’s residence homestead in four equal installments.

**H.B. 993 (Shine) – Property Tax Freeze:** would establish a mandatory property tax freeze for city, county, and junior college district property taxes on the residence homesteads of individuals who are disabled or over 65 and their surviving spouses. (See **H.J.R. 54**, below.)

**H.B. 994 (Shine) – Property Tax Exemption:** would: (1) provide that an individual is entitled to an exemption from property taxation by a taxing unit other than a school district of a portion of the appraised value of the individual’s residence homestead in an amount equal to five percent, or a greater percentage not to exceed 25 percent specified by the governing body of the taxing unit before July 1, of the average appraised value in the current tax year of all residence homesteads that are located in the same county as the individual’s homestead and that qualify for an exemption; and (2) require the chief appraiser to determine the average appraised value of the residence homesteads referenced in (1), above, according to the appraisal records as of August 1. (See **H.J.R. 55**, below.)

**H.B. 1022 (Murphy) – Property Tax Exemption:** would exempt from property taxation the portion of real property owned by a person that is leased to an open-enrollment charter school if: (1) the portion of the real property that is leased to the school is: (a) used exclusively by the school for the operation or administration of the school or the performance of other educational functions; and (b) reasonably necessary for the operation of the school; and (2) the owner of the portion of real property that is leased to the school certifies by affidavit to the school that: (a) if the lease agreement requires the school to pay the taxes imposed on the real property as a portion of the total consideration paid to the property owner under the agreement, the owner will reduce the consideration required to be paid by the school under the lease agreement by an amount equal to the amount by which the taxes on the real property are reduced as a result of the exemption by providing a monthly or annual credit against the total consideration due under the agreement; or (b) if the lease agreement requires the school to pay the taxes imposed on the real property directly to the collector for the applicable taxing unit or to the owner or the property manager separately from the payment of rent to the property owner under the agreement, the school is no longer required to pay the taxes to the collector, owner, or property manager, as applicable, and the rent charged to the school under the agreement is not affected unless a term of the agreement specifically provides for a change in the amount of the rent (See **H.J.R. 57**, below.)

**H.B. 1053 (C. Bell) – Appraisal Cap:** would reduce the property tax appraisal cap on homesteads from ten to five percent, and apply the new appraisal cap to all real property. (See **H.J.R. 61**, below.)

**H.B. 1061 (Bucy) – Property Tax Freeze:** would expand the existing law authorizing cities to adopt a property tax freeze on the residence homestead of individuals who are elderly or disabled and their surviving spouses to all taxing units other than school districts. (See **H.J.R. 62**, below.)

**H.J.R. 53 (Shine) – Property Tax Exemption:** would amend the Texas Constitution to authorize the legislature to exempt from property taxes 20 percent of the taxable value of a person’s tangible personal property that is held or used for the production of income if the property is listed in a single account maintained by the appraisal district and the total taxable value of all property listed in the account is \$5,000 or more and less than \$500,000. (See **H.B. 987**, above).

**H.J.R. 54 (Shine) – Property Tax Freeze:** would amend the Texas Constitution to establish a mandatory property tax freeze for city, county, and junior college district property taxes on the residence homesteads of individuals who are disabled or over 65 and their surviving spouses. (See **H.B. 993**, above.)

**H.J.R. 55 (Shine) – Property Tax Exemption:** would amend the Texas constitution to authorize the legislature to provide that an individual is entitled to an exemption from property taxation by a taxing unit other than a school district of a portion of the appraised value of the individual’s residence homestead in an amount equal to five percent, or a greater percentage not to exceed 25 percent specified by the governing body of the taxing unit before July 1, of the average appraised value in the current tax year of all residence homesteads that are located in the same county as the individual’s homestead and that qualify for an exemption. (See **H.B. 994**, below.)

**H.J.R. 57 (Murphy) – Property Tax Exemption:** would amend the Texas Constitution to authorize the legislature to exempt from property taxation any real property that is leased for use as an open-enrollment charter school. (See **H.B. 1022**, above.)

**H.J.R. 61 (C. Bell) – Appraisal Cap:** would amend the Texas Constitution to reduce the property tax appraisal cap on homesteads from ten to five percent and apply the new appraisal cap to all real property. (See **H.B. 1053**, above.)

**H.J.R. 62 (Bucy) – Property Tax Freeze:** would amend the Texas Constitution to authorize a political subdivision other than a school district to adopt a property tax freeze on the residence homestead of individuals who are elderly or disabled and their surviving spouses. (Note: Cities already have this authority. H.J.R. 62 would expand the authority to additional political subdivisions that levy property taxes.) (See **H.B. 1061**, above.)

**H.J.R. 64 (Vasut) – Appraisal Cap:** would amend the Texas Constitution to reduce the property tax appraisal cap on homesteads from ten to 3.5 percent and apply the new appraisal cap to all real property. (See **H.B. 299**, above.)

**S.B. 300 (Hinojosa) – Property Tax Exemption:** would: (1) for purposes of the property tax exemption on the residence homestead of the surviving spouse of a first responder, expand the definition of “first responder” to include: (a) a special agent of United States Immigration and Customs Enforcement; (b) a customs and border protection officer or border patrol agents of United States Customs and Border Protection; and (c) an immigration enforcement agent or deportation officer of the United States Department of Homeland Security; and (2) in the case of the surviving spouse of a first responder described by (1), above, provide that the surviving spouse is entitled to an exemption if the surviving spouse has not remarried since the death of the first responder and was a resident of this state at the time of the first responder’s death.

**S.B. 329 (Paxton) – Property Tax Credit:** would: (1) provide that a person who owns property that is reasonably necessary for and used by the person to operate a qualifying small business is entitled to a property tax credit from each taxing unit that taxes the property for the number of days the qualifying small business on the property was closed due to a qualifying official order during a disaster; (2) for purposes of the credit in (1), above, a “qualifying official order” is an order, proclamation, or other instrument issued by the governor, another official of the state, or the governing body or an official of a political subdivision of the state in response to a disaster; and (3) for purposes of the tax credit in (1), above, a “qualifying small business” means a business that: (a) has fewer than 100 employees; (b) is required to close by a qualifying official order; and (c) if not for the qualifying official order, would be capable of engaging in normal business activity during the period the business is required to be closed. (See **S.J.R. 23**, below.)

**S.J.R. 23 (Paxton) – Property Tax Exemption:** would amend the Texas Constitution to authorize the legislature to provide a credit against the property taxes imposed on property necessary for and used to operate a business that is required to close by an order, proclamation, or other instrument issued by the governor, another official of the state, or the governing body or an official of a political subdivision of the state in response to a disaster. (See **S.B. 329**, above.)

### **Public Safety**

**H.B. 983 (Holland) – Alcohol To-Go:** would allow for the pickup and delivery of alcoholic beverages for off-premises consumption under certain circumstances.

**H.B. 1024 (Geren) – Alcohol To-Go:** would allow for the pickup and delivery of alcoholic beverages for off-premises consumption under certain circumstances. (Companion Bill is **S.B. 298** by **Hancock**.)

**H.B. 1035 (Dutton) – Use of Force:** would amend current law to provide that the standard for: (1) the justified use of force against a person by a peace officer, a person acting in a peace officer’s presence and at the officer’s direction or a person other than a peace officer is an objectively reasonable standard; (2) the justified use of deadly force against a person by a peace officer or a person acting in a peace officer’s presence and at the officer’s direction is an objectively reasonable standard; and (3) the justified use of any force, including deadly force, by a guard employed by a correctional facility or a peace officer to prevent the escape of a person from a correctional facility is an objectively reasonable standard.

**H.B. 1039 (Goodwin) – Handgun License:** would provide that: (1) a peace officer may seize a license holder’s suspended, revoked, or expired license and return it to the Department of Public Safety; and (2) if a handgun license holder is convicted of or charged with an offense or becomes the subject of a protective order and that conviction, charge, or order disqualifies the person from possessing a firearm or continuing to hold a license, an officer of the court shall accept voluntary surrender of the license or otherwise seize the license.

**H.B. 1050 (Romero) – Mental Health Response Study:** would, among other things: (1) require that the Health and Human Services Commission conduct a study to evaluate the availability, outcomes, and efficacy of using mental health response teams and mental health professionals to assist in reducing the number of incarcerations of individuals with mental illnesses, substance abuse disorders, or intellectual or developmental disabilities; (2) provide that in conducting such study, the commission shall: (a) include an assessment of whether the information suggests that municipalities would benefit from mental health response teams assisting traditional law enforcement officers in efforts to: (i) reduce the incarceration rates of persons with mental illness, substance abuse disorder, and intellectual or developmental disorders; (ii) increase the number of referrals to community resources and treatment for persons described in (2)(a)(i), above; (iii) reduce the use of force when responding to emergency calls that involve persons described in (2)(a)(i), above; and (iv) gain an understanding about persons described by (2)(a)(i), above; (b) evaluate the fiscal and staffing implications to a law enforcement agency for agency use of a mental health response team to respond remotely to emergency calls; and (c) evaluate the impact of certain funding sources on establishing mental health response teams across the state, especially the impact to the establishment, staffing, and maintenance of those teams; and (3) require the commission to gather information from the study from each city with a population greater than 100,000.

**H.B. 1051 (Geren) – Court Program:** would expand the definition of a public safety employee, for the purpose of participating in a public safety employee treatment court program, to include an emergency service dispatcher.

**H.B. 1069 (Harris) – First Responders Carrying Handguns:** would: (1) require the public safety director of the Department of Public Safety to establish a handgun training course for first responders who hold a license to carry a handgun; (2) prohibit a governmental entity from adopting a rule or regulation that prohibits a first responder who holds a license to carry a handgun and has completed the course described in (1) from: (a) carrying a concealed or holstered handgun while on duty; or (b) storing a handgun on the premises of or in a vehicle owned or operated by the governmental entity if the gun is properly secured; (3) provide that a first responder may discharge a handgun while on duty only in self-defense; (4) provide that a governmental entity that employs or supervises a first responder is not liable in civil action arising from the discharge of a handgun by a first responder who is licensed to carry a handgun; (5) provide that the discharge of a handgun by a first responder who is licensed to carry a handgun is outside the course and scope of the first responder's duties; and (6) provide that the new law authorizing the discharge of a firearm by a first responder may not be construed to waive, under any law, immunity from suit or liability of a governmental entity that employs or supervises first responders.

**S.B. 298 (Hancock) – Alcohol To-Go:** would allow for the pickup and delivery of alcoholic beverages for off-premises consumption under certain circumstances. (Companion Bill is **H.B. 1024** by Geren.)

**S.B. 301 (Hinojosa) – Covert Law Enforcement Activity:** would provide that a defendant may not be convicted for an offense under the Texas Controlled Substances Act on the testimony of a person who is acting covertly on behalf of a law enforcement agency, regardless of whether that

person is a licensed peace officer or special investigator, unless the testimony is corroborated by other evidence. (Companion bill is **H.B. 834** by **Thompson**).

**S.B. 311 (Eckhardt) – Public Demonstrations:** would provide that: (1) a person commits the offense of disorderly conduct if the person intentionally or knowingly displays a firearm while attending or within 500 feet of a public demonstration; and (2) it is a defense to prosecution for an offense described in (1) if the person displays the firearm in discharging the person’s official duties as a peace officer, a member of the armed forces, or a security officer. (Companion bill is **H.B. 791** by **Goodwin**.)

### **Sales Tax**

**S.B. 313 (Huffman) – Sales Tax Exemption:** would exempt firearm safety equipment from sales taxes. (Companion bill is **H.B. 524** by **Rosenthal**.)

### **Community and Economic Development**

**H.B. 1048 (Anchia) – City Parks Funding:** would authorize local hotel occupancy taxes and short-term motor vehicle rental tax associated with a venue project to be used to finance a venue project expenditure relating to a city parks and recreation system.

**S.B. 291 (Schwertner) – Commercial Construction:** would require a developer, as soon as practicable after beginning construction of a commercial building project, to visibly post the following information at the entrance to the construction site: (1) the name and contact information of the developer; and (2) a brief description of the project.

### **Elections**

**H.B. 1056 (Fierro) – Temporary Branch Polling Places:** would provide that early voting by personal appearance at certain temporary branch polling places may be conducted on any one or more days and during any hours of the period for early voting by personal appearance, as determined by the authority establishing the branch.

**S.B. 303 (Eckhardt) – Early Voting by Mail:** would, among many other things, authorize early voting by mail for any qualified voter and provide for implementing procedures.

### **Emergency Management**

**S.B. 328 (Lucio) - Disaster Identification System:** would, among other things, provide that: (1) the Texas Division of Emergency Management may include in its state emergency plan provisions for the use of a disaster identification system; (2) in an area subject to a state of disaster declaration, a person may elect to participate in a disaster identification system activated for that area; (3) such

system shall authorize the use of a device that is capable of displaying a flashing light and continuous light in either the color white or the colors blue, green, red, and yellow (an “illuminated display”) to communicate with disaster relief personnel; and (4) an executive order or proclamation declaring a state of disaster activates for the area subject to the declaration the disaster identification system described above. (Companion bill is **H.B. 671** by **Martinez**.)

### **Municipal Courts**

**H.B. 1071 (Harris) – Animals in Court:** would allow a qualified facility dog or qualified therapy animal in certain court proceedings.

### **Open Government**

No Open Government bills were filed this week.

### **Other Finance and Administration**

**H.B. 173 (Rosenthal) – False Report Liability:** would provide that: (1) a person who submits a false report to a law enforcement agency or emergency service provider, with the intent that the law enforcement agency or emergency service provider take action against a falsely accused person, is liable to the falsely accused person for an amount not to exceed \$250 if the report was submitted due to bias or prejudice against the falsely accused person’s race, color, disability, religion, national origin or ancestry, age, gender, sexual orientation or gender identity; and (2) a falsely accused person who prevails in an action described in (1), above, may recover attorney’s fees and costs incurred in bringing the action.

**H.B. 997 (Fierro) – Motor Vehicle Inspection:** would increase the identification number inspection fee for a motor vehicle from \$40 to \$65.

**H.B. 1004 (Gates) – Municipal Management Districts:** would provide for the election of directors of a municipal management district created by the Texas Commission on Environmental Quality.

**H.B. 1030 (Shaheen) – Newspaper Notice:** would: (1) allow a political subdivision to satisfy any law that requires notice to be published in a newspaper by publishing the notice in the following locations: (a) social media, free newspapers, school newspapers, a homeowners’ association newsletter or magazine, utility bills, direct mailings, or any other form of media authorized by the comptroller; and (b) the internet websites maintained by the political subdivision and the comptroller; (2) provide that before providing notice under (1), a political subdivision must hold a public meeting about the alternative notice under (1)(a) and demonstrate that the circulation will be greater than the circulation of the newspaper with the greatest circulation in the political subdivision; (3) authorize the comptroller to grant a city’s request for a waiver from (1)(b) if the city provides sufficient proof that Internet access is limited in the city, and if the comptroller grants

the waiver, the city must provide additional notice on a public agenda board within the city; (4) require a city using alternative media described in (1)(a) to submit notice to the comptroller describing the alternative notice method in (1)(a) and certain other information; (5) authorize the comptroller to require a political subdivision to provide notice in a newspaper if the comptroller determines that the means under (1)(a) do not have greater circulation than a newspaper with the greatest circulation in the political subdivision; and (6) require the comptroller to prepare a report identifying and comparing the effectiveness of different methods of notice publication used by political subdivisions and provide the report to the governor, lieutenant governor, and the speaker of the house.

**H.B. 1034 (Goodwin) – County Fire Code and Building Permits:** would: (1) authorize any county to adopt a fire code and/or a wildland-urban interface code, and allow a county and a city in the county to contract with one another for the administration and enforcement of the codes; and (2) provide that a code adopted in (1) applies only to an unincorporated area of the county.

**S.B. 315 (Huffman) – Sexually Oriented Businesses:** would, among other things: (1) provide that an individual younger than 18 years of age may not be on the premises covered by permit or license issued by the Texas Alcoholic Beverage Commission if a sexually oriented business operates on the premise; (2) provide that the holder of a license or permit covering a premises described in (1), above, may not knowingly or recklessly allow an individual younger than 18 years to be on the premises; (3) provide that if a permit or license holder is found to violate (1), above, the commission shall suspend the permit or license for the first and second violation, and cancel the permit or license for the third violation; (4) prohibit a sexually oriented business from allowing an individual younger than 18 years of age to enter the premises of the business; (5) provide that a sexually oriented business commits an offense if it violates (4), above; (6) amend current law to provide that it is a common nuisance to: (i) employ or enter into a contract for the performance of work or the provision of services with an individual younger than 21 years of age for work or services performed at a sexually oriented business; or (ii) permit an individual younger than 18 years of age to enter the premises of a sexually oriented business; (7) amend current law to provide that a sexually oriented business may not hire or enter into a contract with an individual younger than 21 years of age for the performance of work or the provision of services other than a contract to perform repairs, maintenance or construction services at the business; and (8) amend current law to provide that a child is a person younger than 21 years of age for purposes of the criminal offense of employing, authorizing, or inducing a child to work in a sexually oriented commercial activity or in any place of business permitting, requesting or requiring a child to work nude or topless.

**S.J.R. 22 (Huffman) - Local Retirement Systems:** would amend the Texas Constitution to provide that the state is not liable and may not appropriate money to pay for any debts or other obligations of a local retirement system.

## **Personnel**

No Personnel bills were filed this week.

## **Purchasing**

No Purchasing bills were filed this week.

## **Transportation**

**H.B. 1054 (Bell) – High Speed Rail:** would, before a private entity begins operation of high-speed rail, require the entity to file with the Texas Department of Transportation a bond to be sufficient to restore real property used for the service to its original condition if the service ceases operation.

## **Utilities and Environment**

**H.B. 1021 (Murphy) – Electric Utility Rates:** would: (1) define “employee compensation and benefits” to include base salaries, wages, incentive compensation, and benefits, but not pension, other postemployment benefits, or incentive compensation; and (2) provide that, when establishing an electric utility’s rates, the regulatory authority (including a city) shall presume that employee compensation and benefits expenses are reasonable and necessary, if the expenses are consistent with recent market compensation studies not earlier than three years before the initiation of the proceedings to establish the rates.

**H.B. 1043 (Anchia) – Safety and Pollution Penalty:** would amend current law to increase the administrative penalty that may be assessed by the Railroad Commission to an amount that does not exceed \$25,000 a day for each non-pipeline safety violation of a provision of: (1) state law that pertains to the safety or the prevention or control of pollution; or (b) a rule, order, license, permit, or certificate that pertains to safety or prevention or control of pollution issued by the commission.

**S.B. 304 (Eckhardt) – Zero-Carbon Electric Generation:** would: (1) define “zero-carbon energy technology” as a technology that relies exclusively on an energy source that does not emit a greenhouse gas in the production of electricity; (2) provide that it is the intent of the legislature that the amount of electric power generated in Texas from zero-carbon energy technology for delivery by a retail electric provider, municipally owned utility, or electric cooperative each year will increase to meet the following percentages on or before the specified dates: (a) by January 1, 2025, not less than 65 percent of the annual total; (b) by January 1, 2030, not less than 85 percent of the annual total; and (c) by January 1, 2035, 100 percent of the annual total; (3) require the Public Utility Commission (PUC) to promulgate rules that: (a) establish the minimum annual zero-carbon energy technology generation requirement for each retail electric provider, municipally owned utility, and electric cooperative operating in this state in a manner designed to produce, on a statewide basis, compliance with the requirement prescribed by (2), above; and (b) specify reasonable standards that zero-carbon energy generation must meet to count toward compliance with the requirement in (2), above; (c) establish a zero-carbon energy generation credits trading program; (d) establish a means for a retail electric provider, municipally owned utility, or electric cooperative to satisfy the requirements of (2), above, by generating electricity using biomass fuel instead of directly owning or purchasing energy generated using zero-carbon energy technologies; and (e) establish a carbon offset alternative payment program; and (4) provide that the PUC may

cap the price of zero-carbon energy credits and may suspend the goal established by (2), above, as necessary to protect the reliability and operation of the grid.

**S.B. 307 (Eckhardt) – Transmission of Water for Wholesale Service:** would provide that a person may transmit potable water by pipeline of more than 24 inches in diameter across two or more county lines for the purpose of providing wholesale water service only if the person is a local government corporation created to aid and act on behalf of the counties through which the pipeline travels.

## **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 the legal department for legal assistance at [legalinfo@tml.org](mailto:legalinfo@tml.org); Rachael Pitts for membership support at [RPitts@tml.org](mailto:RPitts@tml.org); and the training team for questions about conferences and workshops at [training@tml.org](mailto: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 an email update each Tuesday and Thursday with information on new developments. The 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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