



TEXAS MUNICIPAL LEAGUE

Empowering Texas cities to serve their citizens

President **David Rutledge**, Mayor, Bridge City
Executive Director **Bennett Sandlin**

March 27, 2023

The Honorable Jeff Leach
Chairman, Judiciary and Civil Jurisprudence
Texas House of Representatives
P.O. Box 2910
Austin, TX 78768-2910

Dear Chairman Leach,

I am writing on behalf of the Texas Municipal League to express our opposition to **H.B. 2266**. While the League can understand your interest in streamlining certain licensing procedures, the bill's broad application and reduced standing threshold will unintentionally result in a flood of litigation to prevent enforcement of city ordinances and regulations, such as local health, building, and fire code amendments, designed to protect the health, safety, and welfare of city residents.

As currently drafted, H.B. 2266 would authorize a person who, or entity that, holds a state license in order to practice the individual's occupation or conduct the entity's business to bring legal action against a city to enjoin the enforcement of a local law that: (1) establishes requirements for, imposes restrictions on, or otherwise regulates the occupation or business activity of the license holder in a manner that is more stringent than the requirements, restrictions, and regulations imposed on the license holder under state law; or (2) results in an adverse economic impact on the license holder.

The Texas Department of Licensing and Regulation alone licenses over 25 individual occupations. Several other state agencies (such as the Texas Commission on Environmental Quality) also require licenses to operate in Texas. Under H.B. 2266, almost any of these state-licensed individuals (e.g., realtors) or businesses (e.g., pest control) can bring suit against a city by simply claiming that a city regulation (e.g., parking) has an adverse impact on their business or is somehow more stringent than state law requirements.

For example, under H.B. 2266, a Texas Alcoholic Beverage Commission-licensed restaurant could file suit seeking to prevent a city from enforcing local health code regulations solely because they cost more to comply with. A state-licensed daycare could seek to prevent a city from enforcing local building and fire codes than provided under state law.

Even if the bill were narrowed to focus on so-called "dual licensing requirements," it would still present serious public health and safety concerns. For example:

1. Sexually oriented businesses could seek to prevent enforcement of “no touch” ordinances, if the business also obtains a license from the Texas Alcoholic Beverage Commission.
2. State-licensed contractors could seek to prevent enforcement of city contractor registration programs that protect elderly residents from unscrupulous contractors that sometimes descend upon a city after a disaster.
3. Businesses that obtain a license from the Texas Alcoholic Beverage Commission to sell alcohol could seek to prevent enforcement of a city ordinance prohibiting alcohol sales near churches and schools that are designed to protect youth.

For these reasons, the League respectfully opposes H.B. 2266.

Sincerely,

A handwritten signature in black ink, appearing to read "Monty Wynn". The signature is fluid and cursive, with a large initial "M" and a long, sweeping tail.

Monty Wynn
Director, Grassroots and Legislative Services
Texas Municipal League