



Legislative UPDATE

April 6, 2018
Number 10

Get Involved: **Volunteer to Develop the TML Legislative Program**

Texas Municipal League advocacy efforts are based on a “legislative program” that is developed by member city officials. The program is essential to the legitimacy of the League’s advocacy efforts. To develop the program, city officials provide input in primarily two ways.

First, a member city, TML region, or TML affiliate may submit a resolution for consideration at the League’s annual conference. At the 2018 annual conference, the “resolutions committee” will consider submissions and make recommendations for the entire membership to consider at the annual business meeting. The resolutions committee is appointed by the TML president in advance. The business meeting consists of one representative from each city, designated by that city prior to the meeting.

For 2019, the resolutions committee will be eliminated in favor of a more streamlined process wherein resolutions go directly to the entire membership at the annual business meeting. The implementation of this change will require a transition year in 2018. In 2018, the Resolutions Committee and Business Meetings will take place in one room, as consecutive meetings, at the TML annual conference on October 11, 2018.

Second, member city officials can participate in a policy committee process during each interim. In 2018, the committee process will be slightly different than in years past. In lieu of multiple committees, recommendations will come from the participants in the League's "Municipal Policy Summit." The Summit will meet on August 23-24 in Austin and will be an intensive, two-day workshop during which League staff will brief the participants on the myriad legislative issues faced by cities. After each subject-matter briefing, the participants will make recommendations on the issues. Those recommendations will be in the form of a resolution that is submitted for consideration to the TML Resolutions Committee.

The process starts in earnest in late Spring, and TML President Holly Gray-Moore, Mayor Pro Tem of the City of Roanoke, is seeking volunteers to provide input. No particular expertise is needed. Volunteers need only have a willingness to learn and the ability to come to Austin for the Municipal Policy Summit or Resolutions Committee.

If you have questions or would like to volunteer for service on a legislative committee, please email JJ Rocha, TML Legislative Liaison, at jj@tml.org.

- The deadline to apply to be a delegate to the Municipal Policy Summit is **April 25, 2018**.
- The deadline to apply to serve on the Resolutions Committee **July 13, 2018**.

Please include your full contact information and whether you wish to be a delegate to the Municipal Policy Summit or serve on the Resolutions Committee. Due to space limitations and other considerations, not all those who apply will be appointed to a committee, but will certainly be considered for future volunteer opportunities.

City Priorities Shine Through in FY18 Omnibus Spending Bill*

On March 22, 2018, the U.S. House and Senate reached a deal on the omnibus appropriations bill ([H.R. 1625](#)). The bill is a \$1.3 trillion spending package that maintains or increases funding for key programs that cities use to fund infrastructure, economic development, and public safety, among others. It comes after more than 1,000 city leaders lobbied Congress over the past year to save Community Development Block Grants (CDBG), Transportation Investment Generating Economic Recovery (TIGER) grants, workforce development and education programs, and energy efficiency and renewable energy programs. (Editor's note: many Texas officials participated in the effort at the National League of Cities conference last month.)

"The spending bill before Congress shows that our federal partners have heard the thousands of city leaders urging them to reject the severe budget cuts proposed by the administration and that were required under sequestration," said National League of Cities (NLC) President Mark Stodola, mayor of Little Rock, Arkansas. "This bill makes clear that city leaders are part of the solution to our country's greatest challenges. It's a victory not only for America's 19,000 cities, towns, and villages, but for the more than 250 million residents that rely on safe and reliable infrastructure and strong local economies that contribute 91 percent of the nation's GDP."

The bill also includes additional funding for water infrastructure through the U.S. Environmental Protection Agency, including money for lead testing and lead reduction in schools, which NLC has been calling for in its [Rebuild With Us](#) infrastructure campaign. NLC also supports the bill's reauthorization of the [brownfields redevelopment program](#) (which helps cities clean up contaminated property), the expansion of low-income housing tax credits to make up for losses in affordable housing stemming from tax reform, and the extension of the National Flood Insurance Program until July 31, 2018.

For specific funding level changes, please [click here](#). Selected provisions from the bill include:

- **CDBG:** First meaningful increase since 2010, from \$3 billion to \$3.3 billion.
- **TIGER:** Increased by \$1 billion.
- **Airport Discretionary Grants Targeting Small and Rural Airports:** Increased by \$1 billion.
- **Clean Water and Drinking Water State Revolving Loan Funds:** Increased by \$300 million each.
- **Transit Infrastructure Grants:** Increased by \$834 million (including \$400 million to help communities modernize their bus systems and \$400 million for capital assistance to transit systems).
- **Rural Broadband Infrastructure:** \$600 million in new funds.
- **State and Local Law Enforcement Grants:** Increased by \$1.2 billion for a total of \$2.9 billion in 2018. This includes a total of \$446.5 million, an increase of \$299.5 million more than fiscal year 2017, in DOJ grant funding to help State and local communities respond to the opioid crisis.
- **State Opioid Response Grants:** \$1 billion in new funding for grants to states to address the opioid crisis (this funding is in addition to the \$500 million provided in the 21st Century Cures Act).
- **National Pre-Disaster Mitigation Fund:** Pre-disaster mitigation funding increased from \$149 million to \$249 million to build infrastructure that prevents loss of life and mitigates risks, reduces damage from future disasters, and lowers flood insurance premiums.
- **HUD-VA Supportive Housing (HUD-VASH) Vouchers:** Increase funding of \$40 million for new vouchers, while also protecting VA resources providing case management for homeless veterans.

**Reprinted from the National League of Cities.*

STR Owners Appeal Austin Court's Decision

Last November, a trial court in Austin upheld the city's Short Term Rental (STR) ordinance. The plaintiffs have appealed that order.

Some cities have experienced problems with Short Term Rentals (STRs) recently, largely due to the proliferation of websites such as AirBNB and VRBO. Those problems range from uncollected hotel taxes to out of control parties. Some cities have enacted ordinances in an attempt to address these problems.

The City of Austin, in particular, has been at the forefront of short term rental regulations. After revamping its STR ordinance in February 2016, a number of short term rental owners, represented by attorneys from the Texas Public Policy Foundation (TPPF), sued the City of Austin. The attorney general then intervened in the lawsuit in support of TPPF. The following appeared in a statement issued last week:

“City governments do not have the authority to trample Texas constitutional rights and protections for property owners and their guests,” Attorney General Paxton said. “The city of Austin’s short-term rental ordinance is not only bad policy, but also unlawful and must be struck down.”

Noticeably absent from the statement is any mention of the property rights of other property owners and residents who live near STRs. An STR ordinance is a perfect example of a local decision that is best made at the local level.

The Austin city council didn’t adopt the STR ordinance on a whim. It did so after numerous complaints and after hours of deliberation and testimony from STR owners, renters, and neighbors alike. This included testimony from citizens about de-facto hotels in the form of STRs locating in otherwise quiet family neighborhoods. The ordinance that was ultimately adopted was a tailored response to a uniquely local issue.

The League will follow and report on the progress of the lawsuit.

Special District Reporting Requirements Could Include City-Affiliated Entities

In 2017, the Texas Legislature passed [S.B. 625](#), which requires certain special purpose districts to annually report financial and tax rate data to the comptroller. Cities are expressly excluded from these new reporting requirements, as they already are required to report the information included in S.B. 625. Nevertheless, certain entities that were created by cities or are otherwise affiliated with cities could be required to report their finances under the new law.

An entity fits the definition of “special purpose district” and is required to annually report if meets the following test:

- The district is a political subdivision of the state with geographic boundaries that define its territorial jurisdiction;
- The district is authorized by the state pursuant to general or special law to impose a property tax or a sales tax, to impose an assessment, or to charge a fee;
- The district, during the most recent fiscal year, had bonds outstanding, gross receipts in excess of \$250,000, or had cash and temporary investments in excess of \$250,000; and
- The district is not a municipality, county, junior college district, independent school district, or political subdivision with statewide jurisdiction.

Using the above test, there are certain city-related districts that should consider reporting, or else the city should consider reporting for those districts. Amongst the entities included on the comptroller's online reporting form are crime control and prevention districts, municipal development districts, municipal management districts, public improvement districts, and sports and community venue districts. While there may be a legal question as to whether all of these districts fit the definition of "special purpose district" in the new statute, the absolute safest approach for a city with any such district would be to complete the reporting requirements. That's because failure to comply with the reporting requirements could subject an entity to a \$2,000 penalty.

The reporting period began on January 31st and remains open until May 1st. For more information, visit the comptroller's [online reporting webpage](#).

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