



Legislative UPDATE

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THESE SHOULD OFFEND YOU: **Contact Your Legislators Now**

If the [“Man Your Special Session Battle Stations”](#) article last week didn’t get your attention, hopefully this one will.

As reported last week, the governor has been setting up House and Senate “teams” of legislators to move forward an agenda full of items that would limit city authority. Each time a senator and representative agrees to author related legislation, the governor’s office issues a press release on this [website](#). The last edition reported on spending caps and annexation. Since then, several other items have been released. Here are some excerpts from, and comments on, those:

- **Revenue Cap:** “Skyrocketing property taxes in this state are unacceptable, and Texans need reform right now,” said Governor Abbott. “No government should be able to tax residents out of their home, and if we are going to work this summer at the taxpayer’s expense, then let us work on relieving Texas homeowners from out-of-control property taxes. I thank Sen. Bettencourt, Rep. Bonnen and Rep. Raymond for their work to pass meaningful reforms.”

“During the regular session, I was proud to author landmark property tax reforms that increased transparency – so that homeowners could see precisely who was raising their taxes – and dramatically reformed the appraisal protest process. I look forward to resuming this fight during the special session and will introduce comprehensive property tax reform legislation that incorporates the sweeping reforms the Texas House passed last spring, as well as any other meaningful measures that will provide relief to Texas’ overburdened homeowners,” said Rep. Bonnen.

How should city officials respond to those who seek to cap their revenue? Here are some facts that can help:

1. **City Property Taxes are not “out of control.”** Some state leaders have been misleading Texans about city property taxes by making a phony comparison between median household income, which mainly increases due to inflation, and total property tax collections, which mainly increase due to new construction. There is no logical or statistical relationship between them. The truth is the total amount of property taxes levied by Texas cities increased by just 19 percent from 2009 to 2014. During the same period, total state revenues shot up by 46 percent, according to the state comptroller. Over the past decade, total city property tax levies, or collections, have increased at very nearly the same rate as total personal income and the state’s economic output.
2. **The Real Problem Is the State’s School Finance Scheme.** The Legislature depends on high school property taxes to reduce the amount of state funds it has to allocate to schools. A headline from the Texas Tribune tells the real story: “Rising local school property taxes ease state budget woes.” The state’s “Robin Hood” school finance scheme required 230 school districts to send part of their local property tax receipts to the state treasury in 2016.
3. **Capping City Budgets Would Harm Public Safety, Economic Development and Transportation.** Public safety – police, fire and EMS – is the largest item in every city’s budget. A cap would prevent cities from hiring additional personnel, raising salaries and benefits, acquiring new technology (like body cameras) or dealing with underfunded pension systems. A cap would force cities to focus on funding basic, vital services and eliminate non-essential, non-mandated spending like economic development incentives and local participation in state highway projects.
4. **Texas Cities Receive Minimal State Funding.** Unlike other states that have experimented with revenue caps, Texas state government provides almost no funding for the provision of city services. In fact, Texas ranks 47th out of the 50 states in the amount of general revenue it receives from state government. Caps might make more sense in a state where cities are also receiving appropriations of revenue from state government as a safety net. In Texas, city governments are tasked with generating and spending revenue, and welcome that responsibility.
5. **Local Decisions Should Be Made by Local Officials.** State officials have no responsibility to provide local services or to meet unfunded state and federal mandates on cities. Elected city officials have constituents to represent. If an elected city councilmember acts contrary to the will of the citizens, that councilmember is not reelected. City officials interact with city residents everyday, spend hours reviewing city budgets, and are personally familiar with the priorities of their communities. In short, city officials are in a far superior

position to determine the appropriate tax rate in their cities than are the politicians in Austin.

6. **Unprecedented Population Growth.** Not only do the vast majority of Texans live in cities, but Texas cities are among the fastest growing in the entire country. Many Texas cities have seen their populations grow by more than 10 percent since 2010, some experiencing upwards of 30 percent growth. The state demographer recently estimated the state's population will double by 2050. In other words, more than 25 million *more* people will be living in Texas in 35 years, and cities will experience the lion's share of that population growth. Given this reality, now is the exact wrong time for the state to further limit cities' financial flexibility when it comes to providing essential transportation infrastructure and public safety protections (among other things) to a rapidly growing population.
- **Talking-While-Driving:** "Now that Texas has passed a statewide texting while driving ban, I am calling for legislation that fully preempts cities and counties from any regulation of mobile devices in vehicles," said Governor Abbott. "We do not need a patchwork quilt of regulations that dictate driving practices throughout the state. Sen. Huffines and Rep. Goldman have stepped up to author legislation to fix this issue, and I am grateful for their leadership."

"Across the state of Texas, we're currently micromanaging drivers with a confusing and inconsistent mix of local ordinances," said Sen. Huffines. "The rules of the road should be consistent across our great state, which is why we must get local regulators' hands off of hands-free ordinances. This is an important step to finish the job we started by banning texting while driving."

Around 50 cities have some version of a "hands-free" talking while-driving-ordinance. Cities that have passed these ordinances have received overwhelming support from law enforcement officers in doing so. In fact, the Chief of Police in Bee Cave speaking in support of their ordinance stated, "There are no text messages or phone calls more important than your safety. So have a talk with your family and help save a life. Wearing seat belts for most people is now second nature and hands free will become second nature if you set the example."

Not every city has such an ordinance, but those that do have enacted because their citizens have demanded it. It doesn't make sense for the legislature to override their wishes.

- **Preempting Tree Ordinances:** "Government has a responsibility to protect the rights of its citizens," said Governor Abbott. "Unfortunately, local governments throughout Texas are infringing on private property rights and prohibiting Texans from being able to do what they want with their own land."

“Local tree ordinances blatantly violate individual property rights by saying that you don’t actually own or control natural resources on property that you have purchased...It’s time to take a stand against government overreach and for liberty by defending property rights. This bill will put local control back in the hands of property owners,” said Sen. Bob Hall.

Interestingly, cities, homebuilders, environmentalists, and others worked together during the regular session to pass agreed-upon, compromise legislation relating to city tree ordinances. The governor vetoed it. According to his veto message, “Senate Bill 744 appears to be a compromise bill that imposes a very minor restriction on some municipal tree ordinances. But in doing so, it gives the imprimatur of state law to the municipal micromanagement of private property, which should be abolished altogether...” In other words, compromise legislation that benefits everyone now appears to be a bad thing.

- **Construction Permitting Legislation:** “Local governments have gone well-beyond traditional land-use zoning ordinances and are now imposing rules on private property that severely limit a landowners’ property rights,” said Governor Abbott. “When new, stricter rules are enacted that limit the valuable development of land after the landowner has purchased the land, the new rules are nothing short of a taking of private property rights. I thank Sen. Buckingham and Rep. Bell for their commitment to file this common-sense legislation.”

“I look forward to working on property rights legislation to defend Texans from governmental overreach,” said Sen. Buckingham. “I believe private property rights in Texas are sacred, and local governments should not be able to change the rules in the middle of the game. It’s time to return some common sense to government regulation.”

It appears that some state leaders are unaware of Chapter 245 of the Local Government. That chapter, referred to as the “permit vesting statute,” currently prohibits a city from “changing the rules in the middle of the game.” It also appears that these authors may be referring instead to a “super-vesting” bill (H.B. 3787) that was filed during the regular session. That bill would have allowed a property owner in a city to do virtually anything with his property, regardless of the effects on his neighbors.

The only way cities will retain their ability to provide adequate public safety, economic development, and economic prosperity is if you “get offended” by what some state leaders want to do to your neighborhoods. You should call your legislators and tell them “thanks, but no thanks.” You know best how to run your city, and you don’t need this type of “help” from Austin.

Future editions of the *Legislative Update* will continue to inform you of your state leaders’ thoughts on your ability to respond to citizen needs.

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