



# Legislative UPDATE

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## **Texas Supreme Court:** **No Building Permits in the ETJ**

The Texas Supreme Court, in the case of [\*Town of Lakewood Village v. Bizios\*](#), has held that a general law city does not have the authority to require building permits in its extraterritorial jurisdiction (ETJ).

The dispute centered on the construction of a home worth over \$1 million in the town's ETJ. The owner refused to seek a permit from the town, and the town asked the court to force the owner and his builder to comply. The Court's refusal to uphold the town's requirement is, like that of the appeals court, based on relatively simple logic: the legislature has not expressly granted the authority to general law cities.

The League and several cities submitted *amici curiae* ("friend of the court") briefs in support of the Town's authority. The League's brief focused on policy arguments. Texas leads the nation in population growth, and seventy-four percent of Texas residents live in incorporated cities (of which there are 1,216).

Growth within cities is accompanied by growth on their outskirts. In fact, 91 percent of Texans live in urban areas. *Id.* Loosely translated, this means that around 17 percent of Texans live in the areas just outside of cities. In other words, more than 4.5 million people live in those areas, which frequently include the ETJ of incorporated cities.

The League argued that allowing the development of unsafe structures just outside of a city has a detrimental effect on the safety of those who live there and property values throughout the area. Moreover, poor building construction directly correlates to whether a community will be sustainable.

In response, the Court concluded that:

However compelling either side’s policy arguments may be, we cannot decide this case based on those concerns. Because a general-law municipality only “possess[es] those powers and privileges that the State expressly confers upon [it]”...a general-law municipality cannot exercise its powers outside its corporate limits unless the Legislature expressly or necessarily grants it such authority. We cannot judicially confer authority on general-law municipalities, even if we believe there are compelling public policy reasons for doing so.

It is possible that legislation will be filed relating to the issue. The League will monitor and participate as directed by its policy development process.

## **Property Tax Reform: Why Cities Aren’t the Problem**

The Senate Select Committee on Property Tax Reform and Relief has held hearings in five cities this year. As [previously reported](#), the committee continues to mislead Texans with tax and household income growth comparisons that make no sense. The League is continuing its efforts to educate legislators about the misleading comparisons.

In the meantime, city officials should be discussing the issue with their legislators. The committee wants Texans to believe cities are the cause of high property taxes. It wants to do so to justify imposing new statewide restrictions on the ability of your city to make its own taxing and spending decisions.

The best way to attempt to halt the committee’s push for revenue caps is to educate your legislators about your taxes and the services they support. Do you need an example of how to do that? The mayor of the City of Lucas submitted a [letter](#) to his state senator that describes his city’s position on the committee’s suggestions. In addition, the City of Sugarland submitted a comprehensive [packet](#) to the committee describing in detail, including letters, charts, and graphs, how that city responds to the needs of its citizens.

Texans deserve an honest discussion about property taxes based on accurate, objective information, and city officials are the front lines in that discussion. Your legislators need to hear from you now. Whether you provide written information or visit informally, they need to know that you expect them to defend your ability to serve your city in the way that your constituents demand.

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