



# Legislative UPDATE

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## **Local Bond Propositions - Action Needed**

Debt transparency is good, but trying to explain city finances in the voting booth is bad. Thanks to legislation passed last session, cities tell their citizens everything there is to know about bond elections and the level of debt issued by the city. That information is, by law, posted on the city's website, published in the local newspaper, and it's literally tacked to the wall at the polling place. What more can be done? Not much as far as transparency is concerned. But if the motive is to kill bond propositions, [S.B. 1041](#) by Paul Bettencourt (R - Houston) would do the trick.

Senate Bill 1041 would require each ballot proposition for a bond issuance to include language regarding the city's total outstanding bonded indebtedness, the amount of a city's current payments on outstanding debt, and the tax rate necessary to pay the city's current and future debt should the bond be approved. The proposed ballot language paints a very limited picture of a city's overall debt situation. It wouldn't highlight other relevant factors indicating the city's ability to pay back the debt or the services and infrastructure improvements provided by the city. The bottom line is that S.B. 1041 would require ballot language to contain incomplete and misleading information in an effort to sway voters into disapproving local bonds.

Most would agree that voters shouldn't be educated on the background of a candidate for office by having access to the candidate's employment and education history on the actual election ballot. Similarly, the ballot proposition is the wrong place for a voter to be educated on a city bond issuance.

S.B. 1041 has been approved by the Senate and voted favorably from a House committee. The bill now goes to the House Calendars Committee before potentially being considered on the House floor.

The message is clear: City officials who support fair and accurate debt transparency should contact their House members today in opposition to S.B. 1041.

## **Nine Days to Go: Where Cities Stand**

This near to the end of the legislative session, the resolution of many city-related issues is largely out of the League's control. With the exception of a few issues, all the decision making from here on out tends

to be made behind closed doors in conference committees and other private discussions amongst legislators. As a result, little work remains to be done by city officials other than to wait for the final score. To that end, where do we seem to stand now?

- **Revenue Caps:** The two main bills that were considered on revenue caps this session, S.B. 182 (Bettencourt) and H.B. 1965 (Paul), are both dead. The only chance for revenue caps at this point would be for them to show up on an unexpected, “out-of-bounds” conference committee report on some other bill. Not out of the question, but unlikely and beyond the League’s power to influence at this stage.
- **Annexation:** The House bill, H.B. 2221 (Huberty), was killed by a point of order. The Senate bill, S.B. 1639 (Campbell), passed to third reading in the Senate. However, it then stalled, likely because of some Senators changing their minds about the issue. Even if the votes turned around and the bill passed the Senate, there’s probably not enough time for it to be considered by the House. Again, barring some out-of-bounds shenanigans, the issue seems put to rest this session.
- **Oil and Gas:** The so-called “Denton Fracking Bill,” H.B. 40 (Darby), has been signed by the governor and is immediately effective. The bill preempts subsurface regulation of oil and gas activity, but it preserves most reasonable surface regulation, such as setbacks. At the conclusion of the session, the League’s legal staff will provide more in-depth guidance about the bill.
- **TML Priority Bills:** The League’s legislative program contained two items in the highest category, known as “seek introduction and passage.” One appears headed for passage; one is dead. A bill fixing a technical glitch in property tax publication deadlines, H.B. 1953 (Bonnen), has passed both the House and Senate and should be headed to the governor soon. Several bills allowing Internet posting of certain legal notices (in lieu of newspaper publication) were filed, but all were defeated by the newspaper lobby.
- **Other Items:** League staff is working hard on a number of second-tier bills that could be detrimental and might still have a chance. These are bills related to building codes, certificates of obligation, procurement, engineering indemnification, and construction zones, among others. Everything is still in flux, in other words. We’ll only know what finally passes come June 1.

Additional detail about bills that pass will be included in future *Legislative Update* articles, and staff will prepare an edition with summaries of every city-related bill that passes. For additional insight and details, city officials should plan to attend the [Legislative Wrap-Up Seminar](#) on June 29<sup>th</sup> in Austin, where League staff will discuss in detail every bill that passed that would affect Texas cites.

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