



Legislative UPDATE

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Annexation Battle Appears to be Over

Last night, the late session assault on municipal annexation authority moved into overdrive. H.B. 2221 by Representative Dan Huberty (R – Kingwood) was considered on the House floor last night. The bill would have done many things, but the most harmful provisions in the bill would have required strict voter approval of an annexation of an area with more than 200 residents. In addition, the bill would have eliminated limited purpose annexation through a strategic partnership agreement. Fortunately, after a long and spirited debate and a number of amendments, the bill was killed by a procedural issue.

The Senate companion, S.B. 1639 by Senator Donna Campbell (R – New Braunfels), may pass the Senate early next week. But it will face a difficult road in the House for a number of reasons. Make no mistake, annexation reform will return next session (as it has every session in recent memory). The efforts of city officials were key in stopping these bills.

The End Is Near: Marching Orders for the Last 18 Days

As the 2015 legislative session draws to a close, here are four top issues that city officials should speak out on. We urge you to pick the one or two items that matter most to your city and contact your legislators now.

1. **Revenue caps raise their ugly heads, again.** Two different bills are moving through the process: S.B. 182 by Paul Bettencourt (R – Houston) and S.B. 1760 by Brandon Creighton (R - Conroe). Senate Bill 182 is a hard revenue cap set at six percent with mandatory rollback elections, and S.B. 1760 is rumored to be amended to do the same.
2. **Limitations on cities' ability to issue debt:** There are two bills that would restrict local debt issuances by cities that have some momentum. S.B. 1041 by Senator Paul Bettencourt (R – Houston) would require various types of debt information to be included in the text of any ballot proposition to approve a debt instrument, the purpose of which is to paint a limited and

misleading picture of city finances in order for voters to vote down city debt issuances. S.B. 310 by Senator Donna Campbell (R – New Braunfels) would restrict cities’ use of certificates of obligation (CO). Two of the most concerning provisions of S.B. 310 would: (1) extend the period within which voters can petition for an election on a CO issuance; and (2) drastically lower the petition threshold to call an election on a CO. The end result would be a significantly easier process to call an election on a CO, which in many ways defeats the purpose of the debt instrument. Both bills have recently passed the Senate and been sent to the House.

3. **Onerous building code requirements for cities over 40,000 population.** Senate Bill 1679 by Senator Don Huffines (R – Dallas) would provide that, when a city council adopts or amends a national building code, a city council must prepare and publish a complex, detailed, and expensive cost-benefit analysis of the code or amendment and shall hold two public hearings open to public comment on the proposed action. A Senate floor amendment makes this bill apply to cities over 40,000 population, but that’s not enough. The bill now moves to the House, and the message to your House member is that we are opposed to S.B. 1679, *unless and until it is amended to apply only to cities over 100,000 population.* (Every city over 100,000 population has building code advisory committees, which exempt them from the bill.)
4. **Eminent domain reform attempts continue.** Senate Bill 479 by Senator Charles Schwertner (R – Georgetown) would make it easier for a property owner to “repurchase” property taken by eminent domain. Senate Bill 474 by Senator Lois Kolkhorst (R- Brenham) would provide that, if the amount of damages awarded by the special commissioners is at least 20 percent greater than the amount the condemnor offered to pay before the proceedings began or if the commissioners’ award is appealed and a court awards damages in an amount that is at least 20 percent greater than the amount the condemnor offered to pay before the proceedings began, the condemnor shall pay: (1) all costs; and (2) any reasonable attorney’s fees and other professional fees incurred by the property owner in connection with the eminent domain proceeding. Both bills have passed the Senate.

City Officials Testify

When the legislature is in session, nothing compares to the effectiveness of city officials testifying at the Capitol. City officials who take their time to travel to Austin to speak out on important city issues should be applauded by us all. The League extends its thanks to all those who have vigilantly represented cities during the legislative session.

- Brad Neighbor, City Attorney, Garland
- Courtney Sharp, City Manager, Midland
- Douglas Athas, Mayor, Garland
- Dudley Wait, Director of EMS, Schertz
- Jerry Morales, Mayor, Midland
- Lee Kleinman, Councilmember, Dallas
- Steven Stanley, Councilmember, Garland
- Tim Campbell, Mayor Pro Tem, Garland

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