



# Legislative UPDATE

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Number 18

## **Thirty-Two Days Left: Major Issues Include Oil and Gas, Annexation, Property Tax Votes, and Preemption**

The 84<sup>th</sup> legislative session has only 32 days remaining. How are things shaping up for Texas cities? Some municipal issues are starting to emerge as “front runners,” but there is still plenty of time to pass legislation or amendments that would erode city authority. The following are four of the most important issues for city officials:

- **Oil and Gas Bill Clears Senate Committee.** The oil and gas drilling bill, [H.B. 40](#) by Rep. Drew Darby, was voted from the Senate Natural Resources Committee by a unanimous 9-0 vote. The current version of the bill was agreed to by the League and the oil and gas industry earlier in the session, and no harmful amendments were made during the Senate committee process.

The current version of the bill improves the original bill in four significant ways. It would:

1. enshrine in statute a non-inclusive list of items cities can regulate, including fire and emergency response, traffic, lights, noise, notice, and reasonable setbacks. (The inclusion of setbacks is a key component because the original version of the bill likely prevented them.)

2. permit cities to regulate aboveground activity that is “related” to oil and gas operations, as opposed to activities that are “incident” to operations, as in the original version of the bill. The “incident to” language was prohibitively restrictive.
3. include a much better definition of “commercially reasonable,” one of the tests an ordinance must meet to be valid under the bill. The substitute provides that commercially reasonable is based on an objective standard instead of the subjective assessment of a particular oil and gas operator.
4. create a “prima facie” presumption of commercial reasonableness for certain ordinances that have allowed activity for at least five years. This “safe harbor” is a rolling five-year time period that would permit recent or future ordinances to qualify so long as they haven’t prevented operations for a five-year period.

Make no mistake: the League continues to believe that the bill is unnecessary. But we have agreed to be “neutral” on the current substitute. It isn’t perfect. Some areas of regulation, especially those related to subsurface activity, would be preempted by the substitute. So would outright city-wide bans on oil and drilling or fracking. But here’s the essential point: *better than 80% of what most cities regulate under current ordinances will be protected under the committee substitute.*

Unlike some special interest groups who would rather “go down with the ship” than reach a compromise, city officials know that their ordinances don’t exist in a perfect world, and that losing such ordinances in their entirety would be devastating. Some of these groups have been contacting Texas mayors and councilmembers urging them to oppose the compromise bill.

Instead, cities are urged to contact their House and Senate members now with the following message: while we prefer that no bill pass, if a bill must pass it should be the substitute version of H.B. 40 *with no amendments*. City officials who know Chairman Darby or Chairman Fraser personally should contact them to thank them for committing to a middle ground that protects most city authority.

- **Late Session Attack on Municipal Annexation Authority.** Home rule cities that annex property unilaterally should contact their legislators now in opposition to [H.B. 2221](#) by Representative Dan Huberty (R – Kingwood) and its Senate companion, [S.B. 1639](#) by Senator Donna Campbell (R – New Braunfels). The bills would do many things, but the most harmful provisions in the bill would require strict voter approval of an annexation of an area with more than 200 residents. (Under the bills, other annexations require a vote if triggered by a petition.) In addition, the bills would eliminate a limited purpose annexation through a strategic partnership agreement.

If annexation authority were to be severely curtailed or eliminated, Texas would become the only state in the nation that denies both state financial assistance and annexation authority to its cities. Opponents of annexation cannot point to a single state that has restricted annexation authority without implementing fiscal assistance programs under which the state helps cities pay for the infrastructure on which the entire state depends.

Representative Huberty and Senator Campbell are not alone among state legislators who believe residents of an area should have the right to vote on whether they are annexed. But they should be aware of other states where cities are similarly handcuffed. If San Antonio, for example, had the same boundaries it had in 1945, it would contain more poverty and unemployment than Newark, New Jersey. The failure to annex prosperous, surrounding areas was partially responsible for the unprecedented bankruptcy of Detroit. With annexation limitations, such as a popular vote requirement, Texas cities could languish economically as so many northern cities do.

If your city is concerned about these bills, either because you intend to annex or you appreciate the importance of annexation authority to the Texas economy, it is time to contact your state representative and senator in opposition.

- **Preemption Raises its Ugly Head Once More.** In the area of preemption, the League was originally concerned about S.B. 343 by Senator Don Huffines (R – Dallas). But another bill was considered in the Senate State Affairs Committee yesterday. That bill, [S.B. 1806](#) by Senator Craig Estes (R – Wichita Falls) would provide that a city charter provision, ordinance, rule, or regulation conflicts with state law if it “regulates an activity performed under a license issued by the state and either actually or effectively prohibits a person from performing the licensed activity.”

The bill is nothing less than a “stealth super-preemption bill.” In addition to making dramatic changes to the way that city ordinances interplay with state law, it is difficult to envision how many city ordinances would be voided should this bill pass. That’s because there are easily more than 400 state licensed activities or occupations. Here are just a few examples:

1. Payday and auto title lenders are licensed by the state’s Office of Consumer Credit Commissioner. Thus, any city regulation of payday lending would be void.
2. Oil and gas operators receive permits from the Texas Railroad Commission. Thus, any city regulation of oil and gas drilling in the city limits would be void.
3. Bars and restaurants receive licenses/permits to operate from the Texas Alcoholic Beverage Commission and the Texas Department of State Health Services. Thus, any city public health or sanitation regulation that would apply to these entities would be void.
4. Fireworks stands receive a permit from the Texas Department of Insurance. Thus, any city prohibition against fireworks would be preempted.
5. Thousands of businesses receive licenses/permits from the Texas Commission on Environmental Quality. Thus, any city ordinance, including building codes or even zoning ordinances, wouldn’t apply to those businesses.

The bottom line is that S.B. 1806 could essentially exempt any licensee from any type of city regulation.

The icing on the cake is S.B. 1806's express preemption of a city charter provision, ordinance, rule, or regulation that bans the provision or sale of a single-use or carry-out paper or plastic bag or requires the payment of a fee for a single-use or carry-out paper or plastic bag. The League opposes that provision because it undermines the ability of a city to respond to the health, safety, and welfare needs of its citizens.

Each city is different. Accordingly, each city has different needs. City councils are in the best position to consider the unique set of circumstances in each city to determine whether a regulation is appropriate. The few cities that have adopted ordinances regulating plastic checkout bags have done so to address the unsightliness of city parks and streets due to the proliferation of these bags, to remediate the contamination of sewer systems and pollution of local waterways, and to protect endangered wildlife. These ordinances also address the cost that cleaning up the plastic bags has on the city and its taxpayers.

Simply put, city officials who are opposed to the general preemption, license holder preemption, and plastic bag provisions of S.B. 1806 should contact their senators now.

- **Super-Majority to Enact Property Tax Increases.** A Senate floor amendment was added by a vote of 24-7 to a property tax bill, S.B. 1760 by Sen. Brandon Creighton (R – Conroe), that would require a 60 percent vote of all of the members of a city council to adopt a property tax rate that exceeds the effective property tax rate. The amendment, by Senator Paul Bettencourt (R – Houston), was added without being previously considered in a committee hearing, nor had the amendment been filed as a stand-alone bill. The amended bill passed the Senate and will now move on to the House.

## **Public Utility Commission Foregoes Rate Case Limitations**

Earlier this year, the Texas Public Utility Commission (PUC) considered drastic limits on city participation in electric rate cases. Earlier this week, the deadline for action to adopt the rules passed. This means that, for now, the rules are dead.

Some in the industry argued that the city intervention process is “inefficient” and that the PUC should have “streamlined” the process. City intervention almost always protects consumers by lowering the rate increases sought by electric utilities. Limiting how cities can participate *would* more efficiently allow electric utilities to raise their rates. That certainly streamlines the way...for higher electric bills for Texans.

The PUC deserves kudos from city officials for protecting cities and their residents.

## **TML Names Legislators of the Month for April**

Representative Jim Keffer (R – Eastland) and Representative Jim Murphy (R – Houston) are the TML Legislators of the Month for April 2015. Representative Keffer represents House District 60, which includes Brownwood, Coleman, Granbury, Eastland, and Mineral Wells. Representative Murphy represents House District 133, which includes a portion of Houston, Bunker Hill Village, Hedwig Village, and Hunters Creek Village.

First elected in 1997, Representative Keffer is the Chairman of the House Committee on Natural Resources and also serves on the House Committees on Energy Resources and Redistricting. Chairman Keffer was successful in adding an amendment to H.B. 1378, relating to annual financial data reporting by cities, that would allow cities under 5,000 population to submit their annual financial audits to the comptroller in lieu of posting that information on their website.

Representative Murphy is currently serving in his fourth term and serves as the Chairman of the House Corrections Committee. He is a member of the Ways and Means Committee. Chairman Murphy authored H.B. 1872, which would permit a general law city to prohibit a registered sex offender from going in, on, or within a specified distance of a child safety zone within the city.

We hope city leaders across Texas, and particularly those in Representative Keffer's and Representative Murphy's districts, will express their appreciation to these outstanding leaders.

## **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.

- Arturo Rodriguez, Public Health Director, Brownsville
- Barbara McBurney, Municipal Court Judge, Combine
- Brent Lloyd, Assistant City Attorney, Austin
- Chris Boswell, Mayor, Harlingen
- Dave Claunch, Mayor, Westlake Hills
- Denis McElroy, Senior Assistant City Attorney, Fort Worth
- Doyle Mosier, Mayor, Martindale
- Eddy Gonzalez, Mayor Pro Tem, Edcouch
- George Adams, Assistant Director of Planning, Austin
- Jarrad Mears, Animal Control Manager, Houston
- Julee LaMure, Councilmember, South Padre Island
- Kathy Davis, Director of Animal Care Services, San Antonio
- Kelly Allen Gray, Councilmember, Fort Worth
- Lee Kleinman, Councilmember, Dallas

- Mark Sossi, City Attorney, Brownsville
- Melinda Ramos, Assistant City Attorney, Fort Worth
- Michael Gallops, Mayor Pro Tem, Rowlett
- Nelda Martinez, Mayor, Corpus Christi and TML President
- Richard Hinojosa, Councilmember, Laguna Vista
- Robert Gallegos, Councilmember, Houston
- Rolando Vela, City Manager, Laguna Vista
- Vonciel Jones Hill, Councilmember, Dallas
- William Heuberger, Mayor, Reno

## **Significant Floor Actions**

**H.B. 23 (S. Davis)**, relating to disclosure of certain relationships with local government officers and vendors. Passed the House. As passed, the bill would make significant changes to the current conflicts disclosure law.

With regard to a city official’s duties under the law (Chapter 176, Local Government), the bill would provide, among other things, that: (1) agents of a city who (acting in an unofficial capacity) exercise discretion in the planning, recommending, selecting, or contracting of a vendor must comply with disclosure requirements; (2) the receipt of one or more gifts that have an aggregate value of more than \$100 (current ceiling is \$250) must be disclosed; (3) the term “gift” means any benefit including lodging, transportation, and entertainment, but not gifts received on account of kinship or a personal, professional, or business relationship independent of the person’s status as a local government officer; (4) a political contribution or food accepted as a guest does not have to be disclosed; (5) a “family relationship” with a vendor, defined to mean a relationship within the third degree by blood and second degree by marriage, must be disclosed; (6) a local government officer who knowingly fails to file a disclosure commits a Class C - Class A misdemeanor, depending on the amount of the contract at issue (current offense is a Class C); (7) a local government officer who is an employee of a city may be reprimanded, suspended or terminated for failing to comply with the disclosure requirements; and (8) the city council may declare a contract void because a violation of Chapter 176 has occurred.

With regard to a vendor’s duties under the law, this bill would provide, among other things, that: (1) the term “vendor” means a person who enters or seeks to enter into or influence a contract award, including the agent of a vendor; (2) giving one or more gifts that have an aggregate value of more than \$100 (current ceiling is \$250) must be disclosed; (3) the term “gift” means any benefit including lodging, transportation, and entertainment, but not gifts given on account of kinship or a personal, professional, or business relationship independent of the person’s status as a local government officer; (4) a political contribution or food given to a guest does not have to be disclosed under Chapter 176; (5) a family relationship with a local gov’t officer, defined to mean a relationship within the third degree by blood and second degree by marriage, must be disclosed; (6) a contract that exceeds \$1 million must be disclosed; (7) a

vendor who knowingly fails to file a disclosure commits a Class C- Class A misdemeanor, depending on the amount of the contract at issue (current offense is a Class C); and (8) the city council may declare a contract void because a violation of Chapter 176 has occurred.

**H.B. 324 (Dutton)**, relating to a requirement that a peace officer obtain a search warrant before conducting a body cavity search. Passed the House.

**H.B. 786 (Walle)**, relating to the right of a public employee to express breast milk in the workplace. Passed the House.

**H.B. 992 (D. Bonnen)**, relating to the exemption from ad valorem taxation of the total appraised value of the residence homestead of the surviving spouse of a 100 percent or totally disabled veteran. Passed the House.

**H.B. 994 (Anchia)**, relating to the exemption from ad valorem taxation of property used to collect, process, and deliver landfill-generated gas. Passed the House.

**H.B. 1277 (Ashby)**, relating to requirements for annexation of certain commercial or industrial areas by a general-law municipality. Passed the House. As passed, the bill would provide that a general law city may not annex an area in which 50 percent or more of the property in the area to be annexed is primarily used for a commercial or industrial purpose unless the city: (1) is otherwise authorized to annex the area; and (2) obtains the written consent of the owners of a majority of the property in the area to be annexed.

**H.B. 1378 (Flynn)**, relating to annual financial reporting of debt information. Passed the House.

**H.B. 1665 (D. Bonnen)**, relating to notice of water level fluctuations to purchasers of real property adjoining an impoundment of water. Passed the House.

**H.B. 1794 (Geren)**, relating to maximum penalties for certain environmental violations. Passed the House. As passed, the bill would provide that: (1) the maximum amount of the civil penalty sought by a city or county is \$4.3 million, and that: (a) the first \$4.3 million of the amount recovered shall be divided equally between the state and the city or county; and (b) any amount recovered in excess of \$4.3 million shall be awarded to the state; (2) the state can always pursue any amount of civil penalties; (3) in determining the amount of an administrative penalty sought by a city or county, the trier of fact (a judge or jury) shall consider factors that TCEQ must consider under current law; and (4) a suit for a civil penalty that is brought by a city or county must be brought not later than the fifth anniversary of the earlier of the date the person who committed the violation: (1) notifies the Texas Commission on Environmental Quality in writing of the violation; or (2) receives a notice of enforcement from the commission with respect to the alleged violation.

**S.B. 139 (Perry)**, relating to use of money in the state highway fund. Passed the Senate.

**S.B. 158 (West)**, relating to a body worn camera program for certain law enforcement agencies in this state. Passed the Senate.

**S.B. 854 (Zaffirini)**, relating to the renewal or amendment of certain permits issued by groundwater conservation districts. Passed the Senate.

**S.B. 873 (Rodriguez)**, relating to the courts authorized to hear certain matters relating to a *capias pro fine*. Passed the Senate.

**S.B. 900 (L. Taylor)**, relating to the operation of the Texas Windstorm Insurance Association and the renaming of the Texas Windstorm Insurance Association as the Texas Coastal Insurance Association. Passed the Senate.

**S.B. 1139 (Huffman)**, relating to the operation and administration of and practice in courts in the judicial branch of state government and the composition of certain juvenile boards. Passed the Senate.

**S.B. 1529 (Burton)**, relating to the creation and regulation of a law enforcement agency or police department. Passed the Senate.

**S.B. 1574 (Huffman)**, relating to the operation and administration of and practice in courts in the judicial branch of state government and the composition of certain juvenile boards. Passed the Senate.

**S.J.R. 12 (Perry)**, proposing a constitutional amendment prescribing the purposes for which revenue from motor vehicle registration fees, certain motor vehicle-related taxes, and certain revenues received from the federal government may be used. Passed the Senate.

## **Significant Committee Actions**

**H.B. 13 (Pickett)**, relating to the funding and operations of the Texas Department of Transportation and local transportation entities. Reported from the House Committee on Transportation.

**H.B. 14 (Morrison)**, relating to the Texas emissions reduction plan. Reported from the House Committee on Environmental Regulation.

**H.B. 30 (Larson)**, relating to the development of brackish groundwater. Reported from the House Committee on Natural Resources.

**H.B. 103 (Guillen)**, relating to the authority of certain volunteer firefighter and emergency services organizations to hold tax-free sales or auctions. Reported from the House Committee on Ways and Means.

**H.B. 156 (Larson)**, relating to the use of proceeds of bonds sold and delivered by a home-rule municipality for a specific purpose. Reported from the House Committee on Investments and Financial Services.

**H.B. 187 (Larson)**, relating to unlawful employment practices regarding discrimination in payment of compensation. Reported from the House Committee on Business and Industry.

**H.B. 283 (Fallon)**, relating to the requirement that certain governmental bodies make audio and video recordings of open meetings available on the Internet. Reported from the House Committee on Government Transparency and Operation.

**H.B. 912 (Isaac)**, relating to the dismissal of protests against certain decisions and actions of the Texas Commission on Environmental Quality regarding wastewater discharge permits. Reported from the House Committee on Environmental Regulation.

**H.B. 942 (Kacal)**, relating to the storage of certain hazardous chemicals. Reported from the House Committee on Environmental Regulation. As reported, the bill would: (1) authorize a fire marshal to examine an ammonium nitrate storage facility; (2) authorize a local fire department to perform a pre-fire planning assessment on a ammonium nitrate storage facility; (3) require an ammonium nitrate facility to comply with a fire marshal's request to: (a) comply with state and federal health and safety law; (b) comply with NFPA 704; and (c) store ammonium nitrate in specific ways; (4) allow an uncertified fire marshal to examine an ammonium nitrate storage facility; and (5) require an ammonium nitrate facility to remedy any condition for which it is notified by the state .

**H.B. 1036 (Johnson)**, relating to reporting requirements for an injury or death caused by a peace officer. Reported from the House Committee on Emerging Issues in Law Enforcement.

**H.B. 1238 (D. Bonnen)**, relating to requirements for construction and maintenance work zones. Reported from the House Committee on Transportation.

**H.B. 1405 (Leach)**, relating to the availability on the Internet of reports of political contributions or expenditures filed in connection with certain offices. Reported from the House Committee on Government Transparency and Operation.

**H.B. 1516 (Walle)**, relating to the bill of costs provided to a defendant before the costs are payable. Reported from the House Committee on Criminal Jurisprudence.

**H.B. 1789 (Marquez)**, relating to longevity pay for peace officers and firefighters in certain municipalities. Reported from the House Committee on Urban Affairs.

**H.B. 2162 (Simmons)**, relating to municipal regulation of the use of alarm systems and camera systems. Reported from the House Committee on Urban Affairs.

**H.B. 2221 (Huberty)**, relating to the procedures for municipal annexations. Reported from the House Committee on Land and Resource Management. As reported, **the bill would eliminate strategic partnership agreements and require an election prior to annexing most property.**

**H.B. 2263 (Hughes)**, relating to warrants or orders issued to obtain location information from wireless communications devices and to public access to law enforcement or prosecutor requests for certain related location information. Reported from the House Committee on Criminal Jurisprudence.

**H.B. 2529 (Lucio)**, relating to regulation of fireworks by certain municipalities. Reported from the House Committee on Urban Affairs. As reported, the bill would prohibit a home rule city from defining and prohibiting as a nuisance the sale of a firework or similar material outside the limits of the city from a structure at which fireworks or similar materials have been regularly sold during authorized periods since before September 1, 2010.

**H.B. 2633 (Hernandez)**, relating to the release of information regarding motor vehicle accidents. Reported from the House Committee on Judiciary and Civil Jurisprudence.

**H.B. 2642 (Thompson)**, relating to the regulation of charitable bingo and amusement redemption machine game rooms. Reported from the House Committee on Judiciary and Civil Jurisprudence.

**H.B. 2714 (Phillips)**, relating to commercial driver's licenses and commercial learner's permits and the operation of commercial motor vehicles. Reported from the House Committee on Transportation.

**H.B. 2762 (Laubenberg)**, relating to petitions prescribed by law outside of code. Reported from the House Committee on Elections.

**H.B. 2822 (Smithee)**, relating to a notice or document sent by mail or electronic mail by a court, justice, judge, magistrate, or clerk of a judicial court. Reported from the House Committee on Judiciary and Civil Jurisprudence.

**H.B. 2852 (Nevarez)**, relating to municipal rates for water and sewer service charged to public school districts. Reported from the House Committee on Natural Resources.

**H.B. 2870 (Alonzo)**, relating to the regulation of firefighters and fire departments by the Texas Commission on Fire Protection. Reported from the House Committee on Urban Affairs.

**H.B. 3097 (Paul)**, relating to the governance and operation of municipal management districts. Reported from the House Committee on Special Purpose Districts.

**H.B. 3103 (Murphy)**, relating to the operation of a golf cart or a commercial utility vehicle. Reported from the House Committee on Transportation.

**H.B. 3182 (Fallon)**, relating to the maximum service retirement annuity for members of public retirement systems. Reported from the House Committee on Pensions.

**H.B. 3310 (Paul)**, relating to the funding policies, actuarial valuations, and reporting requirements of certain public retirement systems. Reported from the House Committee on Pensions.

**H.B. 3380 (Y. Davis)**, relating to the grounds for and process by which an elected officer of a home-rule municipality may be removed from office. Reported from the House Committee on Urban Affairs.

**H.B. 3462 (Deshotel)**, relating to the creation of regional emergency communication districts. Reported from the House Committee on Homeland Security and Public Safety.

**H.B. 3408 (Guillen)**, relating to predevelopment grants provided to community housing development organizations and notice given regarding the completion of an environmental review by the Texas Department of Housing and Community Affairs. Reported from the House Committee on Urban Affairs.

**H.B. 3791 (Geren)**, relating to the provision of recordings of certain interactions with a peace officer relating to intoxication offenses. Reported from the House Committee on Homeland Security and Public Safety.

**S.B. 97 (Hinojosa)**, relating to regulation of the sale, distribution, possession, use, and advertising of vapor products. Reported from the House Committee on Public Health. As reported, the bill would include vapor products, such as electronic cigarettes, in the existing state regulations that govern the sale, distribution, possession, use, and advertising of cigarettes and other tobacco products. The as-filed version would not have preempted municipal regulations on vapor products, but the version that was reported would likely do so.

**S.B. 309 (Hinojosa)**, relating to public access to boundary, financial, and tax rate information of certain political subdivisions. Reported from the Senate Finance Committee.

**S.B. 1593 (Lucio)**, relating to regulation of fireworks by certain municipalities. Reported from the Senate Finance Committee. As reported, **the bill would prohibit a home rule city from defining and prohibiting as a nuisance the sale or use of a firework or similar material within 5,000 feet of the city limits.**

**S.B. 1812 (Kolkhorst)**, relating to transparency in the reporting of eminent domain authority and the creation of an eminent domain database. Reported from the Senate Business and Commerce Committee.

**S.J.R. 5 (Nichols)**, proposing a constitutional amendment temporarily dedicating a portion of the revenue derived from the state sales and use tax to the state highway fund. Reported from the House Committee on Transportation.

## **City-Related Bills Filed This Week**

Each week, League staff summarizes in this section the city-related bills filed during the previous week. For a cumulative list of all city-related bills filed to date, click [here](#).

### **Other Finance and Administration**

**H.B. 4209 (Capriglione) – Public Funds Investment Act:** would make numerous changes to the Public Funds Investment Act, including: (1) providing that an investing entity may agree to waive sovereign immunity from suit or liability for the purpose of adjudicating a claim to enforce a repurchase agreement or for damages for breach of a repurchase agreement; (2) providing that an investing entity may agree to waive sovereign immunity from suit or liability for the purpose of adjudicating a claim to enforce a guaranteed investment contract or for damages for breach of a guaranteed investment contract; and (3) providing that, to the extent of any conflict, the Act prevails over a conflicting city charter provision regarding the ability to enter into a hedging contract. (Note: City finance officers should closely review this bill.)

**S.B. 2065 (Estes) – Religious Beliefs:** would provide that: (1) a religious organization, an organization supervised or controlled by or in connection with a religious organization, an individual employed by a religious organization while acting in the scope of that employment, or a clergy or minister may not be required to solemnize any marriage, provide services, accommodations, facilities, goods, or privileges for a purpose related to the solemnization, formation, or celebration of any marriage, or treat any marriage as valid for any purpose if the action would cause the organization or individual to violate a sincerely held religious belief; and (2) a refusal to provide services, accommodations, facilities, goods, or privileges under the bill is not the basis for a civil or criminal cause of action or any other action by this state or a political subdivision of this state to penalize or withhold benefits or privileges, including tax exemptions or governmental contracts, grants, or licenses, from any protected organization or individual.

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