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Number 3

House and Senate Release Initial Budgets

The Texas Senate filed, and the House made available online, their proposed budgets, which will serve as a starting point for negotiations throughout the session. As presented, both budgets contain some good news (and some not-so-good news) for cities. As reported last week, budget writers will be working with \$2.8 billion less than they did last biennium. That means programs large and small should take some hits.

Both S.B. 1 (Nelson) and H.B. 1 (no author as of yet) have proposed \$459 million in mixed beverage tax reimbursements to aid local law enforcement in curtailing drunk driving and other alcohol related offenses. This is \$51 million more than was appropriated for the current 2016-2017 biennium.

H.B. 1 proposes to continue law enforcement training grants at \$12 million. However, S.B. 1 takes a different approach in that it appropriates \$25 million for grants to cities for bullet-proof vests in lieu of providing any funding for law enforcement training.

Both budgets propose \$29 million for local parks grants, representing a cut of approximately \$3 million over the current biennium. On the other hand, local libraries would see a slight increase in local library aid. The legislature is proposing \$6 million over the biennium, which is \$1 million more than was appropriated for the 2016-2017 biennium.

Last session, the legislature appropriated \$31 million for enhancement grants to cities with military bases. Both S.B. 1 and H.B. 1 eliminate that funding for the 2016-2017 biennium.

In biennia past, certain state agencies have been required to raise revenue over and above the amount needed to run the agency. For example, S.B. 1 requires the Texas Commission on Fire Protection to raise an additional \$1.5 million over the cost of operating the Commission. H.B. 1 would take a step towards eliminating the “hidden tax” on firefighters by eliminating this provision.

The appropriations process is ever-changing, and the budget isn't final until the legislature adjourns. City officials who support these funding levels or oppose cuts to various programs should contact members of the House Appropriations and Senate Finance Committees.

Lt. Governor Names Senate Committees

Lt. Governor Dan Patrick issued Senate committee assignments yesterday. A full list is available [here](#).

Does your Representative Support Muni Bonds?

Tax-exempt municipal bonds are an essential and irreplaceable tool for cities to finance the construction and maintenance of main street infrastructure. Tax-exempt municipal bonds finance nearly two-thirds of the nation's core infrastructure. Approximately \$1.7 trillion in infrastructure investment over the last decade was financed with tax-exempt municipal bonds.

Despite proven success as a financing tool that drives development while saving local governments interest costs, tax-exempt municipal bonds could be capped, diminished or dismantled as a pay-for under federal tax reform. As Congress considers comprehensive tax reform, cities must stand strong in defense of municipal bonds.

One way to ensure support for tax-exempt municipal bonds is to help grow the Congressional Municipal-Finance Caucus. Founded in March 2016 by Representatives Randy Hultgren (R-Illinois) and Dutch Ruppersberger (D – Maryland), the Caucus is fighting for local governments' ability to independently finance projects to keep their communities strong. Congressman Hultgren has an [updated list of members and more information](#) about the Caucus.

We need your help to grow the Caucus. Click [here](#) to send a letter to your member of Congress today urging them to join the Congressional Municipal-Finance Caucus and protect the tax exemption for municipal bonds. By becoming a member of the Caucus, your member of Congress can join our fight to protect municipal bonds.

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DON'T FORGET: Mandatory Local Debt Reporting

[House Bill 1378](#), passed during the 2015 legislative session, requires every city to annually report various figures related to the city's amount of debt. A city can satisfy the reporting requirement in one of two ways: (1) compile the requisite debt information in a self-created report that is posted to the city's website; or (2) complete the state comptroller's [online debt reporting form](#) and either: (a) upload it to the comptroller's website; or (b) post on the city's website.

The comptroller's office recently updated its H.B. 1378 webpage to include a "Local Entity Debt Lookup" feature. As of this writing, 44 Texas cities have posted their debt reports on the comptroller's website.

The local debt information required to be in the annual report, whether created by the city or by using the comptroller's form, is as follows:

1. The amount of all authorized debt obligations;
2. The principal of all outstanding debt obligations;
3. The principal of each outstanding debt obligation;
4. The combined principal and interest required to pay all outstanding debt obligations on time and in full;
5. The combined principal and interest required to pay each outstanding debt obligation on time and in full;
6. The amounts required by Nos. 1-5 limited to authorized and outstanding debt obligations secured by property taxes, expressed as a total amount and per capita amount;
7. The following for each debt obligation: (a) the issued and unissued amount; (b) the spent and unspent amount; (c) the maturity date; and (d) the stated purpose for which the debt obligation was authorized;
8. The current credit rating given by any nationally recognized credit rating organization to debt obligations of the political subdivision; and
9. Any other information that the political subdivision considers relevant or necessary to explain the values.

The comptroller's office has posted a [draft version](#) of its administrative rules governing the reporting process. The draft indicates that deadlines for reporting will be: (1) within 210 days of the end of the city's fiscal year in 2016; and (2) within 180 days of the end of the most recently completed fiscal year after 2016.

Please contact Bill Longley, TML Legislative Counsel, with questions about the reporting requirements at bill@tml.org or (512) 231-7400.

City-Related Bills Filed

Property Tax

H.B. 934 (Zerwas) – Property Tax System: would, among other things: (1) require the comptroller to appoint a property tax administration advisory board to make recommendations to the comptroller regarding state administration of property taxation and state oversight of appraisal districts and local tax offices; (2) require an appraisal district to appraise property in accordance with standards, procedures, and methodology prescribed by appraisal manuals prepared and issued by the comptroller; (3) provide that, in order to be eligible to serve on the board of directors of an appraisal district, an individual must be an elected county officer or an

elected official of a political subdivision all or part of the territory of which is located in the county; (4) authorize an appraisal district board of directors in a county of 120,000 or more to increase the size of the district's appraisal review board by resolution to a number of members the board considers appropriate; and (5) require the appraisal review boards located in counties with populations of 120,000 or more to establish special appraisal review board panels for each of the following classifications of property: (a) commercial real and personal property; (b) real and personal property of utilities; (c) industrial and manufacturing real and personal property; and (d) multifamily residential real property.

H.B. 950 (J. Rodriguez) – Property Tax Appraisals: would provide that land qualifies for appraisal as qualified open-space land if: (1) the land is currently devoted principally to agricultural use to the degree of intensity generally accepted in the area; (2) the land was devoted principally to agricultural use or to production of timber or forest products for the preceding year; and (3) the land is owned or managed by: (a) a veteran of the United States armed services; or (b) an individual who, at the time the owner filed an initial application for appraisal of the land, was less than 35 years of age and had not served as the principal operator of a farm or ranch for any period of more than 10 consecutive years. (Companion bill is **S.B. 330** by **Rodriguez**.)

H.B. 969 (Metcalf) – Property Tax Deferral and Abatement: would, among other things: (1) change the annual interest rate charged during the period when property taxes on the residence homestead of an elderly or disabled person are deferred from eight percent to two percent; (2) authorize an individual to defer collection of a property tax or abate a suit to collect a delinquent property tax imposed on: (a) the portion of the appraised value of property the individual owns and occupies as the individual's residence homestead that exceeds the sum of 105 percent of the appraised value of the property for the preceding year and the market value of all new improvements to the property; or (b) property the individual owns and occupies as the individual's residence homestead if the individual has an ownership interest in the property on January 1 of the tax year for which the tax is imposed equal to or greater than ten percent of the market value of the property for that tax year; (3) provide that the annual interest rate during the deferral and abatement period under (2)(b) is two percent instead of eight percent for each tax year for which the individual has an ownership interest in the property on January 1 of the tax year that is equal to or greater than 50 percent of the market value of the property for that tax year; (5) authorize an individual to defer collection of a property tax or abate a suit to collect a delinquent property tax imposed on a historic family property owned continuously for at least the preceding 100 years by one or more individuals who are members of the same family if the individual: (a) owns the property; and (b) has an ownership interest in the property on January 1 of the tax year for which the tax is imposed equal to or greater than 50 percent of the market value of the property for that tax year; and (6) provide that the annual interest rate during the deferral or abatement period under (5) is eight percent.

H.B. 1017 (Perez) – Rollback Rate: would provide that, if sections of the Tax Code are amended by an act of the 85th Legislature or a subsequent legislature and the effect of the amendment is to reduce the rollback tax rate of a city, the governing body of the city may direct the designated officer or employee to calculate the rollback tax rate of the city in accordance with law as it existed on January 1, 2016.

Sales Tax

H.B. 976 (Giddings) – Sales Tax Exemption: would exempt certain school art supplies from sales tax if the sale takes place during a period beginning at 12:01 a.m. on the Friday before the 15th day preceding the uniform date before which a school district may not begin instruction for the school year, and ending at 12 midnight on the following Sunday.

Purchasing

S.B. 452 (Hancock) – Public Works Contracts: would provide that a governmental entity awarding a public work contract funded with state money, including the issuance of debt guaranteed by the state, may not: (1) prohibit, require, discourage, or encourage a person bidding on the public work contract, including a contractor or subcontractor, from entering into or adhering to an agreement with a collective bargaining organization relating to the project; or (2) discriminate against a person described by (1) based on the person's involvement in the agreement, including the person's status or lack of status as a party to the agreement or willingness or refusal to enter into the agreement.

S.B. 474 (Rodriguez) – Workers' Compensation: would provide that: (1) a contractor shall provide workers' compensation insurance coverage for each employee of the contractor; (2) a subcontractor shall provide workers' compensation insurance coverage for each employee of the subcontractor; (3) a governmental entity that enters into a building or construction contract shall require the contractor to, if the contractor uses a subcontractor on the public project, provide a written certification, submitted by each subcontractor, that the subcontractor provides workers' compensation insurance coverage for each employee of the subcontractor employed on the public project; (4) each subcontractor on a public project shall provide the certificate described by Subsection (3) to the general contractor, who shall provide the subcontractor's certificate to the governmental entity; and (5) if the contractor enters into a contract with a governmental entity for a public project, the coverage provided by the contractor and, if applicable, by each subcontractor must be satisfactory to the governing body of the governmental entity.

S.B. 475 (Rodriguez) – Public Works Contracts: would provide that: (1) to the extent consistent with federal law, a governmental entity that enters into a construction contract must require that the contractor ensure that all employees working on the general construction have completed construction safety training; (2) before an employee works on the general construction site, the contractor must receive and provide to the governmental entity a certificate of training completion for the employee; (3) to the extent consistent with federal law, a governmental entity that enters into a construction contract must require that the contractor ensure that at least one supervisor working on the general construction site that is the subject of the construction contract has completed advanced construction safety training; (4) before work begins on the general construction site, the contractor must receive from at least one supervisor a certificate of training completion and provide the certificate to the governmental entity; (5) a governmental entity that enters into a construction contract shall include in the contract notice and penalty provisions that:

(a) require the governmental entity to provide the contractor with written notice, hand delivered or by certified mail, of a violation by the contractor; (b) require the contractor to comply with the bill by the 20th day after the date the contractor receives any notice of noncompliance; (c) inform a contractor that the governmental entity may impose an administrative penalty if the contractor fails to comply with the bill after the 20th day after the date the contractor receives any notice of noncompliance; and (d) explain that a penalty amount may be withheld from a payment otherwise owed to the contractor under the construction contract; and (5) each governmental entity shall develop procedures for the administration of the bill.

Elections

H.B. 907 (Shaheen) – Petitions: would: (1) require the Texas Secretary of State (SOS) to prescribe the form, content, and procedure for a petition authorized or required to be filed under a law outside the Election Code in connection with an election; and (2) prohibit an authority (including a city) from accepting a petition that does not follow the official form prescribed by the SOS.

H.B. 929 (Miller) – Voting by Mail: would: (1) require that a marked ballot voted by mail that arrives after the time the polls are required to close on election day be counted if: (a) the ballot was cast from an address outside the United States; (b) the carrier envelope was placed for delivery before the time the polls are required to close on election day; and (c) the ballot arrives at the address on the carrier envelope not later than the eighth day after the date of the election, unless that date falls on a Saturday, Sunday, or legal state or national holiday, in which case the deadline is extended to the next regular business day; and (2) require that a marked ballot voted by mail that arrives after the time the polls are required to close on election day be counted if: (a) balloting materials are sent by the early voting clerk after the deadline prescribed by law; and (b) the ballot arrives at the address on the carrier envelope not later than the eighth day after the date of the election, unless that date falls on a Saturday, Sunday, or legal state or national holiday, in which case the deadline is extended to the next regular business day.

H.B. 952 (J. Rodriguez) – Vote by Mail Application: would: (1) provide that the officially prescribed application form for an early voting ballot must include, among other things, a space for entering an applicant's email address; (2) require the early voting clerk, before rejecting an application for a ballot to be voted by mail, to make a reasonable effort to contact the applicant by e-mail, at any address provided on the application, to ask questions about the application; (3) provide that if the early voting clerk does not receive a response before the fourth day after the date the clerk tries to contact an applicant as described in (2), the clerk may reject the application; (3) authorize an applicant for an application for a ballot to be voted by mail to make clerical corrections to the application by email; (4) require the early voting clerk to attach to and maintain with the original application submissions and corrections provided by email; and (5) provide that an applicant may not change the address or county of residence submitted on the original application to a different address or county of residence by email.

H.B. 955 (J. Rodriguez) – Voter Registration: would, among other things, provide that: (1) an election officer serving a polling place for early voting by personal appearance is a deputy voter

registrar and has the same authority as a regular deputy registrar; (2) a person who would be eligible to vote in an election but for the requirement to be a registered voter shall be accepted for voting in the precinct of the person's residence if the person: (a) submits a voter registration application; (b) presents sufficient proof of identification; and (c) completes and signs a voter registration affidavit, in a form prescribed by the secretary of state, that contains an oath certifying that the person only cast one ballot in the election; (3) persons voting under (2) shall be processed separately at the polling place from persons who are voting under regular procedures; and (4) the secretary of state shall prescribe the procedures necessary to implement this section and to ensure the proper and orderly conduct of elections.

H.B. 956 (Ortega) – Early Voting by Mail: would, among many other things, authorize early voting by mail for any qualified voter and provide for implementing procedures. (Companion bill is **S.B. 426** by **Rodriguez.**)

H.B. 962 (Arevalo) – Voter Registration: would require the secretary of state to conduct a study to consider the feasibility of creating an entirely electronic process for overseas military personnel eligible for early voting by mail to: (1) register to vote; and (2) request an early voting ballot to be voted by mail.

H.B. 998 (Alvarado) – Campaign Finance Reports: would make electronic information temporarily stored as part of the preparation of campaign finance reports filed with the city clerk confidential.

H.B. 1001 (Israel) – Local Canvass: would require the presiding officer of the canvassing authority to note the completion of the canvass in the written minutes or recording of the meeting.

H.B. 1002 (Israel) – Voter Registration: would: (1) require the Department of Public Safety to issue a transaction receipt to each qualifying applicant for a driver's license or personal identification certificate who completes a voter registration application; (2) provide that a person who votes a provisional ballot solely because the person's name was not on the list of registered voters for the precinct in which the person voted may present a voter registration receipt issued under (1) as proof that the person is registered to vote in the precinct; (3) require an election officer to attach the receipt to the envelope containing the person's provisional ballot; and (4) provide that a voter registration receipt indicating the voter registered in the precinct in which the voter voted that is attached to the envelope containing a provisional ballot or presented to the voter registrar is proof that a person who voted a provisional ballot solely because the person's name was not on the list of registered voters for the precinct in which the person voted is eligible to vote in the election.

H.B. 1005 (Israel) – Voter Identification: would, among other things, provide that a voter must only present a voter registration certificate in order to vote, and no form of photo identification.

H.B. 1006 (Alonzo) – Voter Registration: would provide that a person who would be eligible to vote in an election, but who is not registered, shall be accepted for voting in the precinct of the

person's residence if, on the day the person offers to vote, the person submits a voter registration application and presents proof of identification that establishes the person's residence.

S.B. 466 (Lucio) – Petitions: would: (1) require that a petition regarding an election on the repeal of an order, ordinance, or resolution be filed not later than the 90th day after the later of the date on which the order, ordinance, or resolution: (a) finally passed; or (b) was published; (2) require the city secretary or other authority responsible for verifying petition signatures to state all grounds for invalidating a signature and provide that, if a petition is invalidated and later refiled, the city secretary or authority responsible for verifying the signatures may not invalidate the subsequent petition on grounds that existed but were not raised during the initial determination of petition invalidity; (3) except from (1)-(2) a change in a provision of the municipal charter; (4) require the Texas Secretary of State (SOS) to prescribe a petition form in regard to filing a petition with a city in connection with an election, require a city to make the form available on its website and prohibit the city from invalidating a petition that doesn't contain information that the SOS form failed to provide or required to be provided; (5) provide that a signature on a petition filed in connection with an election is valid if the information provided with the signature legibly provides enough information to demonstrate that the signer: (a) is eligible to have signed the petition; and (b) signed the petition within the time prescribed by law; (6) require a city to conspicuously post on its website, if any, information relating to citizen-initiated petitions and a link to the form described in (4); and (7) provide that any requirements in Chapter 277, Texas Election Code, preempt any requirements for the validity or verification of petition signatures prescribed by a home rule city.

S.B. 467 (Lucio) – Ballot Propositions: would require that a ballot proposition substantially submit a question with such definiteness and certainty in identifying the proposition's chief features that the voters are not misled.

S.B. 488 (Bettencourt) – Recall Elections, Ballot Propositions, and Petitions: would allow a religious organization to make a political contribution in connection with a recall election and, with regard to ballot propositions, would:

1. require that a ballot proposition substantially submit a question with such definiteness and certainty that the voters are not misled;
2. provide that, not later than the seventh day after the date on which a home rule city publishes ballot proposition language proposing an amendment to the city charter or another city law as requested by petition, a registered voter eligible to vote in the election may submit the proposition for review by the secretary of state (SOS);
3. require a city to draft a proposition to cure any misleading or inaccurate information identified by the SOS in (2) and give notice of the new proposition;
4. require, in an action in a district court seeking a writ of mandamus to compel the city to comply with (1), the court to make a determination without delay and authorize the court to: (a) order the city to use ballot proposition language drafted by the court; and (b) award a plaintiff who substantially prevails reasonable attorney's fees, expenses, and court costs;

5. provide that, following a final judgment that a proposition failed to comply with (1), a city must submit to the SOS any proposition to be voted on at any election held by the city before the fourth anniversary of the court's finding; and
6. require a city to pay fair market value for all legal services relating to a proceeding regarding ballot proposition language enforcement.

In addition, with regard to petitions, the bill would:

1. provide that a signature on a petition submitted to a home-rule city is valid if the information provided with the signature legibly provides enough information to demonstrate that the signer is eligible to sign the petition and signed the petition on or after the 180th day before the date the petition was filed;
2. require the SOS to prescribe the form, content, and procedure for a petition and prohibit a home-rule city that uses a form different than the SOS form from invalidating a petition because it doesn't contain information that the petition form failed to provide for or required to be provided;
3. require that the city secretary determine the validity of a petition, including by verifying the petition signatures, not later than the 30th day after the date the city receives the petition;
4. provide that, if the city secretary determines a petition is valid or fails to make a determination within the timeframe described in (3), the city must hold the election on the next uniform election date that allows sufficient time to comply with applicable provisions of law;
5. prohibit a city from restricting who may collect petition signatures; and
6. provide that (3) through (5) preempt home-rule charter procedures requiring the city council to hold an election on receipt of a petition; and
7. in regard to a charter amendment election petition: (a) provide that at least five percent of the registered voters of the city on the date of the most recent election held in the city or 20,000, whichever number is smaller, may submit a petition; and (b) require the notice of election include a substantial copy of the proposed amendment in which language sought to be deleted by the amendment is bracketed and stricken through and language sought to be added by the amendment is underlined.

Open Government

S.B. 456 (V. Taylor) – Legislative Access: would: (1) provide, with some exceptions, that a member of the legislature, the lieutenant governor, a committee of the legislature, and each public member of the State Auditor's Office, the Legislative Budget Board, the Texas Legislative Council, or the Sunset Advisory Committee is entitled to access for legislative purposes to all governmental information maintained by a governmental body, including confidential information; and (2) provide that the bill's provisions should be liberally construed in favoring of granting a request and prevail over any conflict with another provision of law.

Other Finance and Administration

H.B. 919 (Kacal) – Workers’ Compensation Coverage: would provide that a local government employee is included in workers’ compensation insurance coverage in the same manner as a state employee while the local government employee is engaged in training for or acting as a member of an activated intrastate fire mutual aid system team or regional incident management team.

H.B. 924 (Turner) – Minimum Wage: would provide that the minimum wage is not less than the greater of \$10.10 an hour or federal minimum wage under the Fair Labor Standard Act. (Companion bill is **H.B. 229** by **Menendez**) (See **H.J.R. 56**, below).

H.B. 937 (Thompson) – Minimum Wage: would provide for an increment increase in minimum wage to \$10.10 an hour or the federal minimum wage under the Fair Labor Standard Act by the year 2020.

H.B. 954 (Rodriguez) – Minimum Wage: would provide that (1) a city may adopt a minimum wage that is greater than the minimum wage established by the state to be paid by an employer to each employee for services performed in the city; (2) private entities that enter into a contract or agreement, including a non-annexation agreement, with the city must comply with the greater minimum wage established by the city; and (3) the bill will not apply to person covered by the Fair Labor Standard Act. (Companion bill is **S.B. 427** by **Rodriguez**.)

H.B. 992 (Walle) – Minimum Wage: would provide that the minimum wage is not less than the greater of \$15.00 an hour or federal minimum wage under the Fair Labor Standard Act. (Companion bill is **H.B. 285** by **Alonzo**.) (See **H.J.R. 57**, below.)

H.B. 1003 (Capriglione) – Public Funds Investment Act: would make numerous changes to the Public Funds Investment Act, including:

1. providing that interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund are considered authorized investments;
2. providing that an investment in negotiable certificates of deposit issued by a bank that has a certificate of deposit rating of at least 1 or the equivalent by a nationally recognized credit agency, or that is associated with a holding company having a commercial paper rating of at least A-1, P-1, or the equivalent by a nationally recognized credit rating agency, is an authorized investment;
3. providing, with regard to the execution of a repurchase agreement by an investing entity, that an issuer may agree to waive sovereign immunity from suit or liability for breach of the agreement;
4. providing that a no-load money market mutual fund is an authorized investment if the mutual fund complies with certain Federal Securities and Exchange Commission rules, without regard for whether it has a dollar-weighted average stated maturity of 90 days or fewer or includes in its investment objectives the maintenance of a stable net asset value of \$1 for each share;

5. providing that a no-load money market mutual fund is an authorized investment if the mutual fund is continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than the highest liquidity rating given to United States Treasury obligations (instead of AAA or its equivalent);
6. providing, with regard to the execution of a guaranteed investment contract by an investing entity, that an issuer may agree to waive sovereign immunity from suit or liability for breach of the agreement;
7. requiring an investment pool to furnish to the investment officer or other representative of an investing entity the pool's policy regarding holding deposits in cash;
8. if the ratio of the market value of the portfolio divided by the book value of the portfolio is less than .995 or greater than 1.005, requiring the governing body of an investment pool to take action as necessary to eliminate or reduce, to the extent reasonably practicable, any dilution or unfair result to existing participants, including a sale of portfolio holdings to attempt to maintain the ratio between .995 and 1.005;
9. providing that an investment pool must be continuously rated no lower than the highest liquidity rating given to United States Treasury obligations (instead of AAA or AAA-m or its equivalent rating);
10. providing that, to the extent of any conflict, the Public Funds Investment Act prevails over a conflicting city charter provision regarding the ability to enter into a hedging contract;
11. requiring a governing body of an eligible entity to establish its policy regarding hedging transactions;
12. providing that an eligible entity may enter into hedging contracts and related security and insurance agreements related to commodities used in the general operations of an eligible entity or used in connection with the acquisition or construction of a capital project by the eligible entity;
13. requiring that a hedging transaction must comply with the regulations of the federal Commodity Futures Trading Commission and the federal Securities and Exchange Commission;
14. providing that an eligible entity may credit any amount the entity receives under a hedging contract or agreement against expenses associated with a commodity purchase; and
15. providing that an eligible entity's payment under a hedging contract or agreement may be considered: (a) an operation and maintenance expense of the eligible entity; (b) an acquisition expense of the eligible entity, or (c) a construction expense of the eligible entity.

H.B. 1038 (Rinaldi) – Costs and Attorney Fees: would require a court to award costs and attorney's fees to the prevailing party in a civil proceeding where the motion is dismissed only if the prevailing party is the party that filed the motion to dismiss.

H.J.R. 55 (Alvarado) – Gambling: would amend the Texas Constitution to provide that the legislature shall establish a state gaming commission to administer the laws regulating gaming activities and may authorize and provide for regulation of the conduct of one or more types of gaming, including casino gaming, at locations on coastal barrier islands at least 25 miles in length that are accessible by a public road on one or more bridges, on dredge spoil islands at least 18 miles in length that are located in coastal counties, for which a license to conduct pari-

mutuel wagering on horse or greyhound races is in effect, and in cities with a population of at least 675,000.

H.J.R. 56 (Turner) – Minimum Wage: would amend the Texas Constitution to provide that that: (1) an employer in this state shall pay to an employee for services performed by the employee not less than the greater of \$10.10 an hour or the federal minimum wage under the Fair Labor Standard Act; and (2) the required minimum wage would not apply to patients and client of Texas Department of Mental Health and Mental Retardation if they meet certain conditions. (See **H.B. 924**, above.)

H.J.R. 57 (Walle) – Minimum Wage: would amend the Texas Constitution to provide that that: (1) an employer in this state shall pay to an employee for services performed by the employee not less than the greater of \$10.10 an hour or the federal minimum wage under the Fair Labor Standard Act; and (2) the required minimum wage would not apply to patients and client of Texas Department of Mental Health and Mental Retardation if they meet certain conditions. (See **H.B. 992**, above.)

S.B. 460 (Lucio) – Local Debt: would: (1) require a political subdivision to include any sample ballot prepared for a general obligation bond election to be prominently posted on the political subdivision's website during the 21 days before the election along with the election order, notice of the election, and contents of the proposition, if the political subdivision maintains a website; (2) provide that at an election at which a political subdivision submits a proposition to the voters to approve the issuance of general obligation bonds, the entity that establishes early voting polling places may not establish the polling places with the intent to affect the outcome of the election in favor of approval of the proposition; (3) provide that a political subdivision may not issue a general obligation bond to purchase, improve, or construct improvements or to purchase personal property if the projected expected useful life of the improvement or personal property ends before the maturity date of the bond; (4) provide that a political subdivision may use the unspent proceeds of issued general obligation bonds only: (a) for the specific purpose for which the bonds were issued; (b) to retire the bonds; or (c) for a purpose other than the specific purpose for which the bonds were issued if: (i) the specific purpose is accomplished or abandoned; and (ii) a majority of the votes cast in an election held in the political subdivision approve the use of the proceeds for the proposed purpose; (5) require the election order and the notice of the election for an election authorized to be held under (4)(c) to state the proposed purpose for which the bond proceeds are to be used; and (6) require a political subdivision to hold the election under (4)(c) in the same manner as an election to issue bonds in the political subdivision.

S.B. 461 (Lucio) – Local Debt: would: (1) require a proposition seeking voter approval of the issuance of bonds to specifically state: (a) a general description of the purposes for which the bonds are to be authorized; (b) the total principal amount of the bonds; (c) the rate of interest; (d) the imposition of taxes sufficient to pay the annual interest on the bonds and to provide a sinking fund to redeem the bonds at maturity; (e) the maturity date of the bonds or that the bonds may be issued to mature serially over a specified number of years not to exceed 40; (f) the total amount of the political subdivision's debt secured by property taxes currently outstanding; (g) the total amount of debt secured by property taxes, including principal and interest, to be authorized; (h) the amount of taxes required to be imposed on a homestead with a value of \$100,000 in the

political subdivision, as computed by the appraisal district, to repay the political subdivision's current debt obligations secured by property taxes; (i) the increase in the amount of taxes that would be imposed on a homestead with a value of \$100,000 in the political subdivision, as computed by the appraisal district, to repay the bonds to be authorized, if approved; and (j) the maturity date of the bonds to be authorized; (2) require a political subdivision that maintains a website to provide the information described by (f) – (j) on its website in an easily accessible manner; (3) extend the timeframe to publish newspaper notice of intention to issue a certificate of obligation (CO) from 30 to 45 days before the passage of the ordinance; (4) require an issuer of COs that maintains a website to continuously post notice of intention to issue a CO on its website for at least 45 days before the passage of the CO issuance ordinance; and (5) require that the notice of intention to issue a CO include the following information, stated as a total amount and as a per capita amount: (a) the then-current principal of all outstanding debt obligations of the issuer; (b) the then current combined principal and interest required to pay all outstanding debt obligations of the issuer on time and in full; (c) the principal of the COs to be authorized; (d) the estimated combined principal and interest required to pay the COs to be authorized on time and in full; (e) the estimated rate of interest for the COs to be authorized; and (f) the maturity date of the COs to be authorized.

S.B. 509 (Huffman) – Public Retirement Systems: would require any public retirement system, other than the Texas Municipal Retirement System (TMRS), to select an independent firm to evaluate the system's investment practices and performance. (The evaluation would be conducted biennially for systems with assets over \$100 million and every five years for systems with assets under \$100 million.) The bill would also require the governing body of each public retirement system to submit to the Pension Review Board an annual investment performance report including: (1) commission and fees paid by the retirement system, and (2) a copy of the retirement system's most recent evaluation.

Municipal Courts

H.B. 1012 (Alonzo) – Expunction: would: (1) expand the right to expunction from records and files relating to the arrest to those relating to the offense for which the person was arrested; and (2) reduce the number of days that have elapsed before a person can request an expunction from 180 to 30.

H.B. 1015 (Dutton) – Juvenile Court: would increase the age of a child for criminal responsibility purposes under the jurisdiction of a juvenile court.

H.B. 1016 (Krause) - Court Fees: would provide that a court may: (1) defer surcharges assessed under the driver responsibility program against a person who participates in a drug court program; or (2) reduce or waive the surcharge if the person successfully completes the drug court program.

H.B. 1027 (Hernandez) – Self-Help Resources: would require a municipal court clerk to: (1) post a link to self-help and legal aid resources on the municipal court's internet website; and (2) display a sign in the court building with self-help and legal aid resources.

Community and Economic Development

H.B. 975 (Giddings) – Payday Lending: would provide that: (1) a credit services organization or a representative of a credit services organization may not, unless the credit services organization or representative of the credit services organization has extrinsic evidence sufficient prove that the consumer has committed theft or issued a bad check: (a) file a criminal complaint or threaten to file a criminal complaint related to an extension of consumer credit against the consumer; (b) refer or threaten to refer a consumer to a prosecutor for the collection and processing of a check or similar sight order that was issued in relation to an extension of consumer credit; (2) for a violation of (1) against a consumer, a consumer may bring an action to: (a) obtain injunctive relief to restrain the violation or to correct any negative credit issues caused by the violation; (b) void the contract for the debt or the debt services; or (c) recover any actual damages sustained as a result of the violation; (3) a consumer who successfully maintains an action under (2) is entitled to reasonable attorney’s fees and court costs; (4) if the attorney general reasonably believes that a person is violating or is about to violate (1), the attorney general may bring an action in the name of this state against the person to restrain or enjoin the person from violating (1); and (5) a consumer who successfully maintains an action under (2) is entitled to not less than \$100 for each violation.

H.B. 982 (Wray) – Wet/Dry Status: would provide that, with certain limitations, a city whose local option status allows for the legal sale of mixed beverages as a result of an election held on or after January 1, 1985, may adopt an ordinance authorizing the sale of mixed beverages for on-premise consumption in an area annexed by the city after that election.

H.B. 1047 (Thierry) – Community Development Grocery Store: would establish a community development grocery store and healthy corner store revolving loan fund program.

S.B. 465 (Lucio) – Annexation: would provide that: (1) the qualified voters residing in an area that is included in a city’s annexation plan are entitled to vote in municipal elections regarding the election or recall of members of the governing body of the city, the election or recall of the controller, if the office of controller is an elective position of the city, and the amendment of the municipal charter; (2) the voters may not vote in any municipal bond election; (3) on or after the 15th day but before the fifth day before the date of the first election held after the date a city adopts or amends its annexation plan to include an area, the city shall publish notice in the form of a quarter-page advertisement in a newspaper of general circulation in the area notifying the residents of the area regarding the eligibility to vote in the election and stating the location of all polling places for the residents; and (4) a resident in a city’s plan is not eligible to be a candidate for or to be elected to a municipal office.

S.B. 471 (Lucio) – Annexation: would provide that an area is exempt from the three-year municipal annexation plan requirement if it contains fewer than 50 separate tracts of land on which one or more residential dwellings are located on each tract. (Note: Current law exempts areas with 100 separate tracts of land.)

Personnel

H.B. 982 (Wray) – Licensed Carry: would provide that: (1) a political subdivision that employs or supervises a first responder (defined as a public safety employee or volunteer whose duties include responding rapidly to an emergency) may not prohibit a first responder who holds a license to carry a handgun from carrying a handgun in the actual discharge of the first responder’s duties; and (2) a first responder who is in the discharge of official duties can carry in many places that other license holders may not.

H.B. 1009 (Alonzo) – Wildland Firefighting: would: (1) prohibit a city employee in a civil service city from performing a duty classified as a wildland firefighting duty, including a prescribed burn, unless that person is a permanent, full-time fire department civil service employee regularly assigned to perform certain fire protection personnel duties, regardless of whether the person holds a certificate issued by the Texas Commission on Fire Protection (commission); (2) except from the prohibition in (1) an employee who is acting as a member of a volunteer fire department and not a city employee while performing a wildland firefighting duty; and (3) require the commission to adopt rules to implement (1) and (2).

S.B. 472 (Lucio) – Employment Discrimination: would make it an unlawful employment discrimination practice to discriminate against an individual based on the individual’s status as a military service member or military veteran and, among other things, allow a city to create a local commission to secure for individuals in the city freedom from discrimination on the basis of the individual’s status as a military service member or military veteran.

S.B. 473 (Rodriguez) – Rest Breaks: would provide that: (1) a “construction employer,” which might include a city, shall provide at least a 15-minute paid rest break for every four hours of work to each construction employee; (2) each construction employer shall, at the time of hiring, provide notice in both English and Spanish to each construction employee notice by a poster in English and Spanish of the employee’s entitlement to paid rest breaks; and (3) provide a grievance procedure for a construction employer through the Texas Workforce Commission.

S.B. 476 (Rodriguez) – Wage Claims and Retaliation: would: (1) prohibit an employer from suspending or terminating the employment of or in other manner disciplining, discriminating against, or retaliating against an employee who in good faith seeks to recover wages owed to the employee by: (a) filing a complaint with a governmental entity; (b) seeking or accepting assistance from a nonprofit, an employee rights organization, or an attorney; (c) exercising or attempting to exercise a right granted by a contract, local ordinance, or federal or state law; or (d) filing a wage claim with the Texas Workforce Commission (commission); (2) authorize an employee who is the subject of an adverse employment action prohibited in (1) to bring suit against an employer and potentially recover certain damages, court costs, and attorney fees in addition to reinstatement; (3) provide that the commission handle complaints under (1) in the same manner as wage claims; (4) provide that wage claims be filed not later than the second anniversary of (rather than 180th day after) the date the wages claims became due; (5) require (rather than allow) the commission to assess an administrative penalty against an employer who acts in bad faith in not paying wages; and (6) provide that an employer’s failure to comply with

the recordkeeping requirements of the Fair Labor Standards Act or requirement to provide an earnings statement creates a rebuttable presumption that the employee's hours worked, pay rate, and earnings are equal to the amounts provided in the employee's testimony or records presented at the hearing.

S.B. 483 (Miles) – Police Officer Complaints: would, for purpose of the state's civil service, collective bargaining, and written complaint laws, require that: (1) a complaint filed against a police officer alleging conduct by the police officer constituting official oppression must be retained by the employing department of the political subdivision for at least five years after the police officer's employment with the political subdivision ends; and (2) the complaint generally cannot be withheld pursuant to a discretionary exception under the Public Information Act.

Public Safety

H.B. 909 (Romero) – Emergency Detention: would increase the preliminary examination period for mental health protective custody from 48 to 72 hours.

H.B. 916 (Thierry) – Law Enforcement: would provide that if an officer or employee of a financial institution has a good faith belief that financial abuse of an elderly person has occurred or is occurring, the financial institution shall notify the appropriate local law enforcement agency with the jurisdiction over the city in which the elderly person resides of the suspected financial abuse for purposes of investigating and determining whether an offense of exploitation of the elderly has occurred.

H.B. 920 (Kacal) – All-Terrain and Recreational Vehicles: would: (1) reduce from eight to six feet the height of the orange flag that must be placed on an all-terrain vehicle that is operated on a public street, road, or highway; and (2) authorize all law enforcement, firefighting, ambulance, medical, emergency service, and volunteer firefighter personnel (rather than just "peace officers" under current law) to operate an all-terrain vehicle on a public street, road, or highway when performing official duties.

H.B. 925 (Villalba) – Booting of Vehicles: would provide: (1) the maximum fee charged for the removal of a boot on a vehicle may not exceed \$100; and (2) requirements for boot removal from vehicles by a booting company.

H.B. 959 (Thierry) – Law Enforcement: would provide that, if an officer or employee of a financial institution that has a good faith belief that financial abuse of an elderly person has occurred or is occurring, then the financial institution shall notify the appropriate local law enforcement agency with the jurisdiction over the city in which the elderly person resides of the suspected financial abuse for purposes of investigating and determining whether an offense of exploitation of the elderly has occurred.

S.B. 12 (West) – Bulletproof Vests: would require the governor's criminal justice division to establish and administer a grant program to provide financial assistance to a law enforcement agency seeking to equip its peace officers with bulletproof vests.

S.B. 451 (Hancock) – Short-Term Rentals: would preempt a city’s authority to regulate short-term rentals. Specifically, the bill would provide that:

1. “short-term rental” is defined as a residential property, including a single-family dwelling or a unit in a condominium, cooperative, or time-share, that is rented wholly or partially for a fee for a period not longer than 30 consecutive days;
2. a city is prohibited from adopting or enforcing a local law that expressly or effectively prohibits the use of a property as a short-term rental;
3. a city is prohibited from adopting or enforcing a local law that restricts the use of or otherwise regulates a short-term rental based on the short-term rental’s classification, use, or occupancy;
4. a city may adopt or enforce a regulation on a property used as a short-term rental only if the city demonstrates the regulation’s primary purpose is to protect the public’s health and safety;
5. regulations are permitted that would address: (a) fire and building codes; (b) health and sanitation; (c) traffic control, and (d) solid or hazardous waste control;
6. a city may adopt or enforce a local regulation that limits or prohibits the use of short-term rental only if the law prohibits the use of a rental for the purpose of: (a) housing sex offenders; (b) operating a structured sober living home; (c) selling illegal drugs, (d) selling alcohol or another activity that requires a permit or license under the Alcoholic Beverage Code, or (d) operating as a sexually oriented business;
7. a city must apply a local law regulating land use to a short-term rental in the same manner as another similar property, which includes regulations on: (a) residential use and other zoning matters; (b) noise; (c) property maintenance; and (d) nuisance.

S.B. 480 (Burton) – Asset Forfeiture: would prohibit a law enforcement agency from using an electronic recovery and access to data prepaid card reader to seize from a stored value card or a depository account funds that are subject to forfeiture unless the seizure is authorized by a search or seizure warrant.

S.B. 481 (Burton) – Asset Forfeiture: would, in regard to the proceeds from asset forfeiture: (1) require that the audit to the attorney general include a detailed report that itemizes all seizures and indicates the specific criminal offense on which each seizure was based and whether charges were brought in connection with the offense; (2) add the following as permissible expenditures for law enforcement purposes: (a) professional fees paid to a person or entity under a contract or as authorized by law; and (b) the costs of preparing any reports required to be submitted with the audit form to the attorney general; and (3) add the following as permissible expenditures of an attorney’s office: (a) witness-related costs; and (b) audit costs and fees including, audit preparation and professional fees paid to a person or entity under a contract or as authorized by law, and costs of preparing any reports required to be submitted with the audit form to the attorney general.

S.B. 487 (Miles) – Official Oppression: would: (1) increase the penalty for the offense of official oppression from a Class A misdemeanor to a second degree felony if the public servant, at the time of the commission of the offense, was a licensed peace officer and: (a) caused bodily

injury to another or threatened another with imminent bodily injury; and (b) caused serious bodily injury to another or used or exhibited a deadly weapon; and (2) provide that, if conduct constituting the offense of official oppression also constitutes an offense under another section of the Penal Code, the actor may be prosecuted under either or both sections.

Transportation

H.B. 912 (Romero, Jr.) – Transportation: would provide that the chief of police is required to designate city peace officers or qualified city law enforcement employees to teach the driver education course to a student driver.

H.B. 977 (Y. Davis) – Railroad Crews: would require at least two crew members on freight trains.

Utilities and Environment

H.B. 965 (Springer) – Water Conservation: would allow a city owned utility to require a correctional facility that receives water from the city to comply with the water conservation measures adopted or implemented by the city.

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