

Legislative Update  
October 19  
IMLA Annual Conference  
Houston

Scott Houston

Bill Longley

# TML Messaging

- Theme is “Our Home, Our Decisions”
- Target audience is chambers, civic groups who care about health of Texas cities and economy
- <https://www.tml.org/ourhomeourdecisions>

*TML Legislative Update*

# Preemption Bills Expected

- Short term rentals
- Plastic bags
- Payday lending
- Tree ordinances
- SUPER PREEMPTION
- Lobbying restrictions

# Revenue Caps

- Lowers rollback rate from 8% to some lower number and requires automatic election to exceed
- Senate passed 4% cap in 2017, House passed 6%, bills died
- Governor proposed 2.5% cap during interim
- Real issue with property taxes is school funding
- There is a property tax crisis—it's caused by state and we're the collateral damage

# Economic Development / Caps Link

- Ch. 312 tax abatement authority expires in 2019 unless legislature re-enacts
- Key driver to state's economic development could disappear
- Cities will partner with industry to preserve Ch. 312, but...
- ...We won't engage in tax incentives if the legislature artificially caps those taxes
- And if industrial groups—the biggest beneficiaries of abatements—support caps, how hard should we push to preserve 312?

# Annexation/Land Use/Eminent Domain

- Further annexation restrictions/ETJ notice
- Eminent domain compensation
- Possible attacks on building fees as supposed major cost drivers to new construction
- Continued attacks on vested rights statute, including vesting triggered at land purchase instead of permit

# Interim Activity

- Small cell (SB 1004) hearing
  - Cities' lawsuit: TML is the puppet master!
  - FCC Order
- Online sales taxes
  - US Supreme Court ruled in our favor recently
  - Big question is whether Texas law is ready to go or whether enabling legislation is needed
  - Need to watch sourcing changes in new legislation

Legislative Update  
October 19  
IMLA Annual Conference  
Houston

Scott Houston

Bill Longley