



Susan Wright
Government Relations
Committee Chair

Inside the 86th Legislative Session

Susan Wright, *Government Relations Committee Chair*

As the month of May came to an end, the Texas Legislature adjourned sine die bringing the 86th Legislative Session to a close. The 140-day legislative session in Austin was quite a whirlwind, bringing forth a variety of issues to be debated by the elected body of the state. While not all issues directly affect the residential construction and development industry, like social issues, healthcare or criminal justice reform, many issues do in fact have positive or negative ramifications on how Texas homebuilders, remodelers and developers conduct business or affect the rights and budgets of Texas homeowners.

The regular session generated many proactive policies that will benefit the thriving homebuilding industry in Texas. TAB tracked, monitored and participated in the movement of over 1,500 bills while productively working with the Governor, Lieutenant Governor, Speaker of the House, all 181 state legislators and numerous state agencies on a wide variety of policy topics and TAB priority initiatives. TAB had six priority initiatives that successfully made it through the legislative process and across the Governor's desk including: reducing the agriculture rollback tax; streamlining the cost calculation of building permit fees; and prohibiting governmental mandates of products used in construction. Just as important, every bill that TAB opposed was either defeated or amended in the industry's favor during the 140-day session.

The association's active involvement at the Capitol paired with the powerful grassroots support from its membership influenced the passage of bills that will preserve private property rights, increase access to career and technical education and reduce onerous regulations in Texas. Continue reading for an overview of TAB supported bills that passed during the 86th Legislative Session. Although the regular session has come to an end, TAB's role in helping shape positive policy reforms never closes. During the interim and until the start of the 87th Legislative Session in January 2021, the TAB government affairs team will work with elected officials and candidates during the campaign season to improve and protect the homebuilding industry in Texas.

TAB’s Major Legislative Accomplishments – 86th Legislative Session

HB 1 Rep. John Zerwas
Sen. Jane Nelson

General Appropriations Bill

HB 1 is the state’s two-year budget (Fiscal Year 2020-2021). Because of the skilled labor shortages faced by our members, TAB made fully funding Texas State Technical College (TSTC) one of our legislative priorities. TAB was the only trade association to testify before the Senate Finance Committee and to meet with all members of the HB 1 conference committee to express support for fully funding TSTC. Because of these efforts, TSTC will receive \$199.4 million in funding, an increase of \$33.3 million (20% increase for this biennium). In addition to advocating for the increase in funding for the college system, TAB worked hard to successfully support TSTC’s request to receive \$2.2 million to fund dual credit classes, which are offered at over 100 school districts across the state. This bill becomes effective September 1, 2019.

HB 852 Rep. Justin Holland
Sen. Pat Fallon

Relating to information a municipality may consider in determining the amount of certain building permit and inspection fees.

Prohibits municipalities from using the valuation or construction cost of a residential dwelling to determine the amount of permit or inspection fees charged. HB 852 also prevents municipalities from requiring disclosure of information related to the valuation or construction cost of a residential dwelling as a condition for obtaining a building

permit, unless required for FEMA National Flood Insurance Program participation. This law became effective on May 21, 2019.

HB 1743 Rep. Tracy King
Sen. Brandon Creighton

Relating to the additional ad valorem tax and interest imposed as a result of a change of use of certain land.

This important piece of legislation lowers the number of years that the agriculture roll-back (or claw back) tax is due from five years to three years and lowers the interest rate owed on those back taxes from 7% to 5%. HB 1743 provides significant and lasting property tax relief (estimated by the Legislative Budget Board to be a savings of almost \$500 million over the next ten years to Texas property owners). Significantly reduces the burden of the agriculture exemption roll-back tax on Texas landowners, builders, developers, businesses and, most-importantly, future homebuyers and renters. The effective date for this bill is September 1, 2019.

HB 2439 Rep. Dade Phelan
Sen. Dawn Buckingham

Relating to certain regulations adopted by governmental entities for the building products, materials or methods used in the construction of residential or commercial structures.

This bill prohibits cities and other governmental entities from using building codes or other local ordinance powers to mandate vendor driven and product specific mandates in construction,

which result in the direct or indirect prohibition of other products approved by national codes and standards. Furthermore, the law exempts historic buildings, certain government funded housing and disaster recovery programs and certain lighting to meet dark sky ordinances. This bill becomes effective September 1, 2019.

HB 2569 Rep. Drew Darby
Sen. Bryan Hughes

Relating to requirements for condominium plats or plans.

This was a TAB Priority Bill that amends the Property Code to exclude horizontal unit boundaries described in a condominium declaration from the horizontal unit boundaries whose location with reference to established data must be shown on the condominium plats or plans. This effective date of this bill is September 1, 2019.

HB 3167 Rep. Tom Oliverson
Sen. Bryan Hughes

Relating to the procedure for approval of certain land development applications by a political subdivision.

This important piece of legislation provides certain 30-day timelines for city/county review of development plats and plans. The bill allows governments to make objections, but requires that any subsequent disapprovals be limited to those issues brought up in the original disapproval. Finally, the law allows developers to optionally follow other city procedures that have a more expedited process than the new timelines created by the statute. This bill becomes effective September 1, 2019.

SESSION BY THE NUMBERS:

10,877

Bills and Resolutions Filed

1,525

Bills and Resolutions Passed

56

Bills Vetoed

1,555

TAB-Related Bills Tracked

6

TAB Priority Bills

Significant Legislative Accomplishments of the 86th Legislature Supported by TAB:

HB 3 **Rep. Dan Huberty**
 Sen. Larry Taylor

Relating to public school finance and public education.

House Bill 3 passed the House and Senate unanimously and addresses a myriad of issues relating to public school finance and public education raised by taxpayers, parents, school administrators and teachers across the state. This comprehensive bill invests in Texas students and teachers while also addressing the increased growth in school property taxes.

- Provides \$5.1 billion in tax relief (average of \$0.08 rate reduction in 2019-20; \$0.13 in 2020-21)
- Provides \$6.5 billion in additional funding to public education and school employee compensation
- Recapture is reduced by \$3.6 billion (47%) for the biennium as a result of formula changes
- Increases state share of public education funding to 45% (from 38%)

This important piece of legislation also expands career and technology education programs for students in grades 6-12 (previously grades 9-12), making students more skilled and better prepared for the workforce or post-secondary education. Most of this bill becomes effective September 1, 2019, however, some parts become effective January 1, 2020 to allow school districts adequate time for implementation. A more in-depth explanation of this bill can be found on the Government Affairs page on the TAB website under Industry Topics and Issues.

SB 2 **Sen. Paul Bettencourt**
 Rep. Dustin Burrows

Relating to ad valorem taxation.

The Texas Property Tax Reform and Transparency Act of 2019. TAB supported the comprehensive property tax reform and transparency legislation that will provide meaningful property tax and appraisal process relief. Our association successfully worked to make sure legislative changes in this bill did not negatively affect MUDs and other special districts used by the Texas development community to fund infrastructure.

- Reduces the rollback tax rate (or threshold over which voters must approve tax increases) for cities and counties (with a population greater than 30,000) from 8% to

3.5% beginning in 2020

- Requires mandatory elections in November for tax rate increases that exceed the threshold rates

In addition to the reduction in the rollback tax rate, the bill makes numerous changes to tax rate, hearing notices and access to information on city and county maintained websites. Most of the provisions of this bill become effective January 1, 2020 to allow local governmental entities adequate time to prepare for changes. A more in-depth explanation of this bill can be found on the Government Affairs page on the TAB website under Industry Topics and Issues.

SB 6 **Sen. Lois Kolkhorst**
 Rep. Geanie Morrison

Relating to emergency and disaster management, response and recovery.

This bill amends the Government Code to set out provisions relating to emergency and disaster management, response and recovery. Among other provisions, the legislation requires the Texas Division of Emergency Management (TDEM) to establish an emergency management work group to study and develop a proposal for enhancing the training and credentialing of emergency management directors and coordinators. Additionally, this law provides for the creation of a disaster recovery loan program by TDEM to use money to provide short term loans for disaster recovery projects to eligible political subdivisions. The bill also requires TDEM to develop a model guide for local officials regarding disaster response and recovery and to provide training on the disaster response guide as part of existing emergency management training to political subdivision officers. Finally, this bill requires the Health and Human Services Commission and TDEM to conduct a study determining the feasibility of developing a single intake form and an automated intake system for compiling and collecting information individuals would need to obtain disaster assistance from multiple state and federal programs.

SB 7 **Sen. Brandon Creighton**
HJR 4 **Rep. Dade Phelan**

Relating to flood planning, mitigation and infrastructure projects.

This bill has two major parts. The first amends the Water Code to set out provisions relating

to flood planning, mitigation and infrastructure projects. Among other provisions, the bill creates the Flood Infrastructure Fund to be used by the Texas Water Development Board (TWDB) for, among other things, the provision of financial assistance to eligible political subdivisions for flood projects. The bill's flood infrastructure fund provisions take effect January 1, 2020, but only if the constitutional amendment proposed by House Joint Resolution 4 (HJR 4), authorizing the legislature to provide for the creation of the flood infrastructure fund to assist in the financing of drainage, flood mitigation and flood control projects if approved by the voters. If that amendment is not approved by the voters, this Article of SB 7 has no effect.

The second major component of this bill creates the Texas Infrastructure Resiliency Fund to be administered by the TWDB. The bill provides for a federal matching account, a temporary Hurricane Harvey account and a contingent flood plan implementation account in the resiliency fund to be used for specified purposes and for the transfer of the existing floodplain management account to the resiliency fund. The bill provides for a Texas Infrastructure Resiliency Fund Advisory Committee to advise the TWDB regarding the use of money in the resiliency fund. The bill requires an applicable state agency that uses or disburses federal money for flood research, planning or mitigation projects to submit a quarterly report to the TWDB regarding such money. The bill amends the Insurance Code to make a conforming change. Except as otherwise provided, this Article of the bill took effect June 13, 2019.

SB 8 **Sen. Charles Perry**
 Rep. Lyle Larson

Relating to state and regional flood planning.

This legislation amends the Water Code to require the Texas Water Development Board (TWDB), every five years, to prepare and adopt a comprehensive state flood plan that incorporates approved regional flood plans. The bill creates the temporary State Flood Plan Implementation Advisory Committee to review the overall operation, function and structure of the state flood plan and rules adopted by the TWDB to implement the plan. Additionally,

Senate Bill 8 requires the TWDB to designate flood planning regions corresponding to each river basin, provide technical and financial assistance to flood planning groups and adopt guidance principles for regional flood plans. The bill provides for the designation of the flood planning group for a flood planning region and sets out the adoption and approval process for a regional flood plan. Finally, this legislation requires the State Soil and Water Conservation Board, every 10 years, to prepare and adopt a plan describing the repair and maintenance needs of certain flood control dams. The Soil and Water Board will work in conjunction with TWDB and the Texas Commission on Environmental Quality to prepare a report of the repair and maintenance needs of certain failed dams. This bill became effective June 10, 2019.

HB 302 Rep. Dennis Paul
Sen. Bryan Hughes

Relating to the carrying, storage or possession of a firearm or firearm ammunition by certain persons on certain residential or commercial property.

This bill protects the rights of owners and tenants of a residential unit (apartment, condominium and manufactured housing) to lawfully possess firearms and ammunition in those locations, and to transport them directly en route between their residential units and their vehicles. The effective date of this bill is September 1, 2019.

HB 380 Rep. Charlie Geren
Sen. Kelly Hancock

Relating to the authority of a district court to hear and determine certain ad valorem tax appeals.

This bill amends Chapter 42 of the Tax Code to permit a property owner to appeal an order of an appraisal review board (ARB) that it lacks jurisdiction to determine a protest or motion. If the court determines that the ARB had jurisdiction, it may make a final determination on the merits of the case on any ground of protest authorized by law, regardless of whether the property owner included the ground in the notice of protest. Section 42.231 is added to the Tax Code to deal with jurisdictional pleas brought by an appraisal district concerning exhaustion of administrative remedies. The

court is authorized to remand the matter to the ARB to cure the administrative problem. The remanded matter is considered a timely filed protest, and an ARB hearing is required. The ARB determination may be appealed. The parties may waive remand and elect that the court determine the appeal on the merits of the case. The effective date is September 1, 2019.

HB 492 Rep. Hugh Shine
HJR 34 Sen. Larry Taylor
Sen. Paul Bettencourt

Relating to a temporary local option exemption from ad valorem taxation of a portion of the appraised value of certain property damaged by a disaster.

The enabling legislation is HB 492 and the constitutional authorization is HJR 34. Section 11.35 is added to the Tax Code to provide a temporary property tax exemption for tangible personal property and real property improvements (including manufactured housing) located in an area declared as a disaster by the governor and is at least 15 percent damaged. Personal property must have been rendered for the applicable year. A person is entitled to a property tax exemption for a portion of the appraised value of qualified property as determined by percentage level of damage if the disaster occurred prior to tax rates being set by a taxing unit. After rates are adopted, a taxing unit must authorize the exemption by official action not later than the 60th day after the governor declares the disaster and specify the disaster to which the exemption pertains. The appraisal district, the assessor and the comptroller must be notified of the action within seven days. The appraisal district is responsible for performing a damage assessment to determine the percentage rating (Level I, Level II, Level III, or Level IV—from 15 percent to 100 percent). The chief appraiser may rely on information from the county emergency management authority, FEMA or other source, as appropriate. The damage assessment rates are defined and related to percentage exemptions. The exemption is prorated based on the date of the disaster. The exemption expires on January 1 of the first year in which the property is reappraised. A person whose property qualifies for the exemption must apply not later than the 105th day after the date of the disaster if it occurs before tax rates are adopted; or not later than the 45th day after the governing body of

the taxing unit adopts the exemption if the tax rates had been adopted prior to the disaster. The chief appraiser may extend the deadline for good cause. The chief appraiser must deliver a written notice of the approval, modification or denial of an exemption application and must include the damage assessment rating assigned to the property. The property owner may protest to the appraisal review board the modification or denial of the application, as well as the determination of the damage assessment rating. The dollar amount of the exemptions are subtracted from the results of the property value study submitted to the Commissioner of Education by the Comptroller. This bill takes effect January 1, 2020, but only if the constitutional amendment (HJR 34/Proposition 3) authorizing the legislature to provide for a temporary exemption from ad valorem taxation of a portion of the appraised value of certain property damaged by a disaster is approved by the voters. If that amendment is not approved by the voters, this Act has no effect.

HB 696 Rep. Cesar Blanco
Sen. Beverly Powell

Relating to employment and referral services for veterans and military service members.

This bill requires the Texas Workforce Commission (TWC) to establish and administer the Operation Welcome Home program for veterans and military service members and their entry into the workforce. This bill also creates the Texas Veterans Leadership Program which employs veterans to perform tasks such as seeking out veterans in need of assistance and referring those veterans to service providers related to education, employment and/or medical care. The effective date of this law is September 1, 2019.

HB 1152 Rep. Diego Bernal
Rep. Donna Campbell

Relating to the deceptive trade practice of charging exorbitant or excessive prices for necessities during a declared disaster.

This bill adds building materials and construction tools to those items that are protected from price gouging during a disaster. The price would be considered exorbitant or excessive if it is 15% or more than the price immediately before the earlier of: 1) the date of the disaster, or 2) the date of the

disaster proclamation. The bill also allows for price increases due to certain market forces and allows district and county attorneys to prosecute building materials gouging practices and provides for the disbursement of any settlements or penalties. The effective date of this law is September 1, 2019.

HB 1254 Rep. Jim Murphy
Sen. Kelly Hancock

Relating to the eligibility of land secured by a home equity loan to be designated for agricultural use for ad valorem tax purposes.

This bill repeals the prohibition on using agriculture designated land as security for a home equity loan. This was a priority bill of the Texas Mortgage Bankers Association and supported by other banking and financial institutions. The effective date of this bill is January 1, 2020.

HB 1313 Rep. Phil King
Sen. Brian Birdwell

Relating to the authority of the chief appraiser of an appraisal district to increase the appraised value of property in the tax year following the year in which the appraised value of the property is lowered as a result of a protest or appeal.

This bill allows a surviving spouse of a disabled person and a person age 65 or older to be entitled to a school district tax "freeze." This tax limitation is applicable to the homestead of a surviving spouse of an individual who was disabled and died before January 1, 2020, on the date of the spouse's death.

This bill also says that in the next tax year in which the property is appraised after a protest or appeal determination of value, the chief appraiser may not increase the appraised value unless the increase is reasonably supported by clear and convincing (rather than substantial) evidence when all of the reliable and probative evidence in the record is considered as a whole. If value is determined in a protest or appeal for unequal appraisal, this evidence standard is met for the year in which the property is reappraised by presenting evidence that the inequality has been corrected with regard to the properties

that were considered in determining the value of the subject property.

Finally, this bill prohibits an appraisal district or appraisal review board from requiring a fee in connection with a protest filed by the owner with the review board. The effective date is January 1, 2020.

HB 1900 Rep. Greg Bonnen
Sen. Larry Taylor

Relating to replacement cost coverage in policies issued by the Texas Windstorm Insurance Association.

The bill amends the Insurance Code relating to replacement cost coverage in policies issued by the Texas Windstorm Insurance Association (TWIA). The bill also creates the Legislative Funding and Funding Structure Oversight Board which will analyze the funding structure and sustainability of TWIA. This bill became effective June 10, 2019.

HB 1973 Rep. Angie Chen Button
Sen. Jane Nelson

Relating to the system by which an application for a low income housing tax credit is scored.

This bill amends the Government Code to require the Texas Department of Housing and Community Affairs (TDHCA), if no written statement relating to community support for an application for low income housing tax credits is received from the state representative who represents the proposed development site, to use the maximum number of points that could have been awarded for that scoring category to increase the maximum number of points that may be awarded for the category relating to quantifiable community participation with respect to the development that is evaluated on the basis of a resolution concerning the development that is voted on and adopted by applicable local political subdivisions. The bill sets out a related provision regarding the reallocation of the points between such political subdivisions, if applicable. The bill requires the TDHCA, in awarding points transferred between scoring categories under the bill's provisions, to award positive points for positive resolutions adopted, negative points for negative resolutions adopted and zero

points for neutral resolutions adopted. This bill becomes effective on September 1, 2019.

HB 2103 Rep. Giovanni Capriglione
Sen. Judith Zaffirini

Relating to a prohibition on contractors acting as public insurance adjusters in certain circumstances.

Prior to this bill passing, only roofing contractors were prohibited by state law from acting as a public insurance adjuster on their own projects. This bill would expand that prohibition to all contractors. The bill becomes effective on September 1, 2019.

HB 2320 Rep. Dennis Paul
Sen. Larry Taylor

Relating to services provided during and following a disaster.

This bill requires the Texas Department of Emergency Management to cultivate relationships with private technology providers to coordinate their assistance in the early days of a disaster when communications systems are damaged or destroyed; investigate ways to improve the hardening of utilities and facilities; improve oversight, accountability and availability of individuals in the building trades offering services to disaster survivors; and increase utility customers' awareness of utility payment relief programs. This bill becomes effective September 1, 2019.

HB 2496 Rep. John Cyrier
Sen. Dawn Buckingham

Relating to the designation of a property as a historic landmark by a municipality.

This bill clearly outlines the process by which a city can designate a local historic landmark which includes consent of the property owner or three-fourths of the municipality's governing body and zoning, planning or historical commission. This bill became effective on May 25, 2019.

HB 2497 Rep. John Cyrier
Sen. Bryan Hughes

Relating to standing for an appeal to a municipal board of adjustment.

This bill amends the Local Government Code to restrict the decisions made by an administrative official for which certain persons may appeal to a municipal board of adjustment to a decision that is not related to a specific application, address or project. The bill also revises the requirement that an appeal be filed within a reasonable time as determined by the rules of the board of adjustment by specifying that the appeal instead must be filed not later than the 20th day after the date the decision is made. The bill revises the requirement that the board decide the appeal within a reasonable time by specifying that the appeal instead must be decided at the next meeting for which notice can be provided following the hearing and not later than the 60th day after the date the appeal is filed. The bill conditions a board of adjustment's adoption of rules on the approval of the governing body of the municipality. The effective date of this bill is September 1, 2019.

**HB 2546 Rep. Ryan Guillen
Sen. Bryan Hughes**

Relating to the energy efficiency performance standards for construction of industrialized housing or buildings.

This bill amends the Occupations Code to authorize a manufacturer or builder of industrialized housing to construct industrialized housing in accordance with the energy efficiency performance standards outlined in the Texas building energy performance standards for single-family residential construction or an applicable local amendment to those standards that is determined by the Energy Systems Laboratory at the Texas Engineering Experiment Station of The Texas A&M University System to be equally or more stringent. This bill becomes effective September 1, 2019.

**HB 2554 Rep. John Bucy
Sen. Judith Zaffirini**

Relating to regulation of the display of signs containing political advertising.

This bill prohibits a Property Owners Association from prohibiting a property owner from displaying one or more political sign on or after the 90th day before the election to which the sign relates. The bill takes effect September 1, 2019.

**HB 2590 Rep. Kyle Biedermann
Sen. Brandon Creighton**

Relating to the administration, powers and duties of a municipal utility district (MUD).

This bill touches several sections of code pertaining to MUD's. Including allowing MUDs to seek total road powers at TCEQ rather than having to come to the legislature. The bill also allows MUDs to create defined areas on projects greater than 1,000 acres in size. Finally, this bill made positive changes for the process of naming temporary directors, converting water districts to MUDs and clarifying provisions for city consent in the creation of water districts. This was a bill that improves efficiency of special districts utilized by the development community. The effective date of this bill is September 1, 2019.

**HB 2784 Rep. Dade Phelan
Sen. Carol Alvarado**

Relating to the creation of the Texas Industrial Workforce Apprenticeship grant program.

This bill establishes the Texas Industrial Workforce Apprenticeship grant program administered by the Texas Economic Development and Tourism Office to meet the immediate industrial workforce needs resulting from the impact of Hurricane Harvey and overall workforce shortages. The program would provide on-the-job training, preparatory instruction, supplementary instruction or related instruction in a trade that has been certified as an apprenticeable occupation by the Bureau of Apprenticeship Training of the U.S. Department of Labor. A fund to support the program would be a dedicated account in the general revenue fund, and gifts, grants and other donations may be received for the fund. Participants would be paid a minimum of \$15 per hour for a duration of no less than 16 weeks and no longer than 26 weeks. The effective date of this bill is September 1, 2019.

**HB 2826 Rep. Greg Bonnen
Sen. Joan Huffman**

Relating to procurement of a contingent fee contract for legal services by a state agency or political subdivision.

This bill makes the process by which political subdivisions hire attorneys more transparent while also making the contingent fee contracting process more consistent with the process used by state governmental entities. This bill becomes effective September 1, 2019.

**HB 2858 Rep. Steve Toth
Sen. Charles Schwertner**

Relating to adoption of a swimming pool and spa code for use in municipalities in this state.

This bill adopts the 2018 International Swimming Pool and Spa Code as the municipal swimming pool code for the state. The bill would also authorize municipalities to establish procedures for the enforcement and amendment of this code. This bill becomes effective September 1, 2019.

**HB 3001 Rep. Geanie Morrison
Sen. Brian Birdwell**

Relating to the fiscal transparency of special purpose districts and other political subdivisions.

This bill cleaned up duplicative reporting requirements by special purpose districts and clarified which information should be submitted to the state comptroller to comply with the State's Electronic and Information Resources Accessibility Policies. This bill becomes effective September 1, 2019.

**HB 3314 Rep. Ramon Romero
Sen. Judith Zaffirini**

Relating to certain requirements to replat certain municipal subdivision plats.

This bill removes the requirement of a public hearing for all replats under the city platting statutes (as is the current requirement), and mandates such a hearing only when the replat falls under Sec. 212.015 (additional requirements for certain replats) and the replat requires a variance or exception. If such a replat does not require a variance or exception, the city shall, no later than the 15th day after the replat approval, provide written notice of the approval to each owner in the original subdivision that is within 200 feet of the replatted lots. This bill becomes effective on September 1, 2019.

HB 3557 Rep. Chris Paddie
Sen. Brian Birdwell

Relating to civil and criminal liability for engaging in certain conduct involving a critical infrastructure facility; creating criminal offenses.

This bill creates various new criminal offenses related to interfering with a critical infrastructure facility, such as a city's water or electric system, and creates a civil cause of action against a person who damages such a facility. This bill becomes effective September 1, 2019.

HB 3815 Rep. Geanie Morrison
Sen. Joan Huffman

Relating to requiring notices of property located in floodplains, flood pools or reservoirs to be provided by sellers of real property and on subdivision plats.

This bill amends the Texas Real Estate Commission disclosure to provide for certain notices regarding floodplains, flood pools and past flooding. Throughout session, TAB worked with the bill authors to address concerns with this bill that were raised by our members. This bill becomes effective September 1, 2019.

HB 4257 Rep. Tom Craddick
Sen. Donna Campbell

Relating to retaliation for municipal annexation disapproval.

This bill provides that: (1) the disapproval of the proposed annexation of an area pursuant to an election required by S.B. 6 (2017) does not affect any existing legal obligation of the city proposing the annexation to continue to provide governmental services in the area, including water or wastewater services, regardless of whether the city holds a certificate of convenience and necessity to serve the area; and (2) a city that makes a wholesale sale of water to a special district may not charge rates for the water that are higher than rates charged in other similarly situated areas solely because the district is wholly or partly located in an area that disapproved of a proposed annexation under this subchapter. This bill became effective June 10, 2019.

HJR 38 Rep. Jeff Leach
Sen. Pat Fallon

Proposing a constitutional amendment prohibiting the imposition of an individual income tax.

The joint resolution repeals Article VIII, Section 24 that allows the Legislature to enact a personal income tax subject to voter approval in a public referendum. Also, it adds a new Article VIII, Section 24-a that specifically prohibits the Legislature from imposing an individual income tax. The November 5, 2019 ballot proposition will read: "The constitutional amendment prohibiting the imposition of an individual income tax, including a tax on an individual's share of partnership and unincorporated association income." The proposed amendment would be submitted to voters at an election to be held November 5, 2019.

SB 14 Sen. Robert Nichols
Rep. John Kuempel

Relating to broadband service or facilities provided by an electric cooperative.

This bill amends current law relating to broadband service or facilities provided by an electric cooperative by empowering Texas electric cooperatives to deploy broadband to the members they serve by allowing them to utilize their existing electricity easements. This bill became effective June 7, 2019.

SB 201 Sen. Joan Huffman
Rep. Tom Oliverson

Relating to increasing the criminal penalties for certain offenses committed in a disaster area or evacuated area.

This bill adds arson, burglary of vehicle and criminal trespass to the list of offenses that will be penalized at the next highest category of offense if they occur during a declared disaster. This bill becomes effective September 1, 2019.

SB 289 Sen. Eddie Lucio
Rep. Geanie Morrison

Relating to natural disaster housing recovery.

This bill would do several things relating to disaster recovery. (1) requires the Texas Division of Emergency Management to develop a disaster recovery task force to operate throughout the long-term recovery period following natural and man-made disasters by providing specialized assistance for communities and individuals to address financial issues, available federal assistance programs, and recovery and resiliency planning to speed recovery efforts at the local level; (2) authorizes the General Land Office (or other state agency designated by the governor) to receive and administer federal and state funds appropriated for long-term disaster recovery; (3) authorizes a local government, including a city, that is located in certain coastal counties to develop local housing recovery plans to provide for the rapid and efficient construction of permanent replacement housing following a disaster and to seek certification of such plan from the Hazard Reduction and Recovery Center at Texas A&M University; and (4) require the General Land Office (or other state agency designated by the governor) to seek approval from certain federal agencies for the immediate post-disaster implementation of local housing recovery plans. The effective date of this bill is September 1, 2019.

SB 339 Sen. Joan Huffman
Rep. Geanie Morrison

Relating to a seller's disclosure notice for a residential property regarding floodplains, flood pools or reservoirs.

This bill amends the Texas Real Estate Commission's Seller's Disclosure to provide for certain notices regarding floodplains, flood pools and past flooding. Throughout the session TAB staff worked with the bill authors to address concerns about this bill raised by our members. This bill becomes effective September 1, 2019.

SB 443 Sen. Kelly Hancock
Rep. Jim Murphy

Relating to the period for which a property owner may receive a residence homestead exemption from ad valorem taxation for property that is rendered uninhabitable or unusable as a result of a disaster.

This bill amends the Tax Code to add subsection (a-1) to permit the residence homestead

exemption to continue for five years (rather than two) if the property is in a disaster area and is rendered uninhabitable or unusable as a result of the disaster. In addition, subsection (a) is amended to allow an owner to begin active construction of a replacement residence homestead by the fifth anniversary of the disaster and retain a homestead exemption. This bill became effective June 4, 2019.

**SB 741 Sen. Bryan Hughes
Rep. Brooks Landgraf**

Relating to restrictive covenants regarding firearms or firearm ammunition.

This bill provides that a Property Owners Association can't prevent lawful possession, transportation, storage or discharge of firearms or ammunition. This bill becomes effective September 1, 2019.

**SB 962 Sen. Robert Nichols
Rep. John Zerwas**

Relating to the determination of the sufficient balance of the economic stabilization fund for the purpose of allocating general revenue to that fund and the state highway fund.

This bill extends from 2024 to 2034 the expiration date of the provision allowing certain overages from the state's "rainy day" fund to be deposited to the credit of the state highway fund. This bill becomes effective September 1, 2019.

**SB 1055 Sen. Judith Zaffirini
Rep. John Frullo**

Relating to the administration by the Texas Workforce Commission of a workforce diploma pilot program.

The Texas Workforce Commission in consultation with the Texas Education Agency shall establish and administer a workforce diploma pilot program under which eligible high school diploma-granting entities participating in the program may be reimbursed for successfully assisting adult students to obtain a high school diploma and develop technical career readiness skills and employability. This bill becomes effective September 1, 2019.

**SB 1303 Sen. Paul Bettencourt
Rep. Cecil Bell**

Relating to maps of the actual or proposed boundaries and extraterritorial jurisdiction of a municipality and certain notices related to expanding the boundaries.

This bill amends the Local Government Code to require a municipality to maintain a copy of its map of municipal boundaries and extraterritorial jurisdiction in a location that is easily accessible to the public, including on the municipality's website if applicable. The bill requires a home rule municipality to create, or contract for the creation of, and make publicly available a digital map of its municipal boundaries and extraterritorial jurisdiction. Senate Bill 1303 also requires a tier 1 home rule municipality, with respect to an annexation under a municipal annexation plan, to give certain written notice to each property owner in any area that would be newly included in the municipality's extraterritorial jurisdiction as a result of a proposed annexation. The bill, for an applicable annexation, requires a tier 1 home rule municipality to create, or contract for the creation of, and make publicly available a digital map that identifies the area proposed for annexation and any area that would be newly included in the municipality's extraterritorial jurisdiction as a result of the proposed annexation and to publish certain notice of the annexation hearings in a newspaper of general circulation in any area that would be newly included in the municipality's extraterritorial jurisdiction by the expansion of the municipality's extraterritorial jurisdiction resulting from the proposed annexation. The effective date of this bill is September 1, 2019.

**SB 1474 Sen. Eddie Lucio
Rep. Jim Murphy**

Relating to private activity bonds allocated for affordable housing.

This bill provides updates, reforms and clarifications to the Private Activity Bond program with the goal of increasing per project amounts across all issuers and better utilizing an unutilized sub ceiling to meet the increased demand in other categories. This bill becomes effective September 1, 2019.

**SB 1510 Sen. Charles Schwertner
Rep. Sergio Muñoz**

Relating to the apportionment of infrastructure costs in regard to certain property development projects.

This bill provides that the rough proportionality requirement for development exactions in current law applies to, in addition to a city action, a requirement under a city/county subdivision agreement for regulation in the extraterritorial jurisdiction. Also applies to rough proportionality standard to the counties under Chapter 232, Local Government Code platting statutes. Throughout the legislative session, TAB worked with the bill authors to address concerns raised by our members. This bill became effective June 10, 2019.

**SB 2272 Sen. Robert Nichols
Rep. Will Metcalf**

Relating to the procedure for amending or revoking certificates of public convenience and necessity (CCN) issued to certain water utilities.

This bill updates the decertification procedure for certificates of convenience and necessity. This bill was supported by the developer community and special district attorneys. It also prohibits CCN holders from borrowing federal funds to block decertification until the process at the Public Utility Commission is complete. Finally, this bill provides a process for appraisal determinations. This bill becomes effective September 1, 2019. ■

Susan Wright is the volunteer Government Relations Committee chair. She is the owner of Susan Wright & Associates, a real estate development and community association consulting firm.