

## **MEMORANDUM**

**TO:** Donna Barron, City Manager

**FROM:** James Kunke, Community Relations & Tourism Director

**DATE:** December 17, 2018

**SUBJECT:** **Approval of a Resolution Adopting the City's Legislative Agenda for the 2019 Texas Legislature and Authorizing the Mayor and City Manager to Communicate the City's Adopted Legislative Priorities.**

### **BACKGROUND**

The 86<sup>th</sup> Texas Legislature convenes on January 8 and is expected to consider legislation on a wide range of issues with a direct impact on municipal government in general and on Lewisville in particular. Topics already appearing in pre-filed legislation include revenue caps, tax rate limits, debt limits, revised election procedures, law enforcement changes, and other mandates or restrictions that could be set by the state.

City Council typically adopts a Legislative Agenda that sets the city's priorities and key issues for each session. Since the 2013 session, Council also has granted authority for the mayor or city manager to sign letters and other documents to communicate the city's legislative priorities. This approach has allowed faster response to emerging issues.

Staff has reviewed the city's 2017 legislative packet as adopted and later amended by Council, the latest materials from Texas Municipal League (TML), input from statewide professional organizations, and requests from councilmembers to prepare a general list of legislative priorities organized by topic. At a Nov. 19 workshop, City Council identified six critical issues that will receive special attention from city staff during the 2019 session.

There are two areas (described below) where Lewisville will work to have local legislation filed on the city's behalf, or work with partner cities on local legislation of mutual interest and benefit.

Although the one-page handout and other public materials still are being designed, the full list of legislative objectives, critical issues, and priorities is attached to the resolution being presented tonight for City Council consideration.

### **ANALYSIS**

During past legislative sessions, the city's role has largely been to voice opposition to proposed legislation that would cause direct harm to the city or would interfere with the city's ability to provide quality services to its residents. That is likely to be true again this year.

The 2017 Texas Legislature was a particularly active session for cities, with many bills designed to erode or pre-empt home rule authority of municipalities. This anti-city atmosphere was exacerbated by public comments from statewide officials and legislative leaders, especially in the Texas Senate, that were highly critical of local governments and suggested a need to curtail city authority.

While much of the attention was on revenue caps and appraisal caps, there also were anti-city bills filed in the areas of zoning, police activity, rights-of-way, land use, building codes, public information, bonds, election dates, annexation, business regulation, and more. All told, there were nearly 2,000 city-related bills filed during the 2017 session, and the majority of them would have been harmful to cities had they passed.

For multiple bills actively opposed by cities, legislative rules were amended to allow committee hearings on shortened public notice or to allow third and final floor votes on the same day as second votes. While rules changes can increase efficiency when deliberating urgent measures, the frequent use of rules changes last session to accelerate passage of bills specifically targeting cities seemed suspect and generally reflected the strong anti-city sentiment prevalent in the 2017 legislative session.

Texas Municipal League again took the lead in fighting harmful bills and promoting bills that would help cities be more effective and efficient. TML frequently asks member cities to participate by letter or other show of support.

Lewisville was far more visible in the legislative process in 2017 than during previous sessions, submitting more than 30 letters and memos to elected officials voicing support for or opposition to various measures. City Council members and city staff testified at committee hearings seven times during the 2017 session, mostly in opposition to bills being considered. Only one of those bills passed as filed.

We expected to be at least as active during the 2019 session. Even with some membership changes in the House and Senate after the November 2018 elections, interim committee hearings throughout 2018 and some of the 500-plus pre-filled bills indicate that anti-city sentiment is still prevalent in Austin.

There are two specific pieces of legislation City Council has directed staff to actively pursue during the 2019 session. Both are described in greater detail in the attached 2019 Legislative Agenda.

The first is legislation to allow the city to hold a special election in Castle Hills, giving those residents the opportunity to join the Crime Control and Prevention District. State law does not

currently grant that authority to a city wanting to expand a Crime Control District boundaries to include land contained within the city's ETJ.

Similar legislation was successfully pursued in the 2015 session to allow an election for a Fire Control and Prevention District. However, the bill passed that session for a Crime Control District contained erroneous language and did not give the authority being sought. An election was held in May in Castle Hills, and voters there gave strong approval to joining the Fire Prevention District boundaries.

If proper legislation passes this session, the city could call a special election as early as May 2020 to give Castle Hills voters the opportunity to join the Crime Control District. If approved, it would equalize the sales tax rate in Castle Hills with the rest of Lewisville (other than the half-cent DCTA sales tax, which will take effect after annexation) and would create a dedicated revenue stream to fund police services in Castle Hills prior to annexation.

Draft language is being developed and we hope to have the bill filed early in the session as a "Local and Consent" bill since it will be drafted to only impact Lewisville.

The second piece of local legislation that will be pursued is a joint effort with the cities of Denton and Highland Village to restructure the governing board for Denton County Transportation Authority.

The current board composition was originally created by statute as a guiding body that included representation from communities throughout Denton County. However, only voters in three cities approved a half-percent sales tax to fund public transit. This means the DCTA budget is being approved by a non-elected board of directors that includes a majority of members who represent communities that do not pay into the system. The three funding cities want to change this odd system of "representation without taxation" and limit voting board membership to the three funding cities plus two representatives appointed by Denton County.

The cities also want the ability to appoint current City Council members to the DCTA board of directors. Current law does not allow that, unlike the governing boards of DART and other transit bodies where cities do have that option. This could give cities more relevant input into DCTA budgeting and decision-making.

After the two local issues, the next tier of topics in the 2019 Legislative Agenda are six important legislative issues selected by City Council at the November 19 workshop. The document includes a brief summary of each topic, and staff will prepare detailed position papers for each item during the coming weeks. The top items (listed as "Critical Issues") are:

1. Annexation Authority
2. Local Revenue Caps
3. Authority over Public Rights-of-Way
4. Phase 2 Funding for I-35E
5. Revenue Redirection by the State
6. Allocation of Online Sales Taxes

Other proposed legislative priorities are described in greater detail in the attached document. They are divided into six main categories: Local Authority, Local Revenue, Parks Funding, Public Safety, Transportation, and Water. The common theme to all six categories is our belief that cities are the level of government most connected to, and thus most accountable to, the people they serve; as a result, the state should recognize and preserve local authority and support cities in their mission of providing quality local services to all Texans.

Within each broad Legislative Agenda topic, there is a list giving the city's position on multiple sub-topics, some of them very specific to legislation filed in past sessions or pre-filed this session. Because the legislative priorities are represented by six main topics, there is flexibility to allow emerging legislative issues to be addressed through one or more of those topics.

The city has retained former state legislator Burt Solomons to represent Lewisville's interests in Austin during the 2019 legislative session, and we expect to make frequent use of his knowledge and expertise. He has reviewed the proposed local legislation and Critical Issues being presented here.

Council and staff will participate in Denton County Days in February. Meetings will be scheduled with our local representatives and other key legislators so councilmembers can directly communicate our interests and priorities. The printed 2019 Legislative Agenda will be given to each of those legislators as support material for the city's positions.

City staff or council members also might be needed to provide in-person testimony at legislative hearings during the session. Those visits will be scheduled as needed, or as advised by Mr. Solomons.

## **RECOMMENDATION**

That the City Council approve the resolution as set forth in the caption above and authorize the Mayor and City Manager to communicate the City's adopted legislative agenda.