

CITY OF LEWISVILLE, TEXAS – 2019 LEGISLATIVE AGENDA

The following represents the legislative objectives and priorities for the City of Lewisville during the 86th Texas Legislature including the 2019 regular session, any special sessions that might be called, and any interim committees or studies that might be assigned. This document also establishes the City's position on legislative issues at the federal level.

Positions stated in this document are based on the strong belief that Cities are the level of government most closely connected to the people served. Elected city officials do all their governing work within the community they serve, and are readily accountable to the public on a daily basis. It follows that elected city officials are more in tune than state officials with the wishes of local taxpayers. That is why important local decisions should remain at the local level, and not be subjected to arbitrary statewide rules that wrongly attempt to treat all cities as if they are identical communities with identical priorities and needs.

The City of Lewisville believes strongly in the Constitutional concept of self-governance. Nearly 200 years of Texas history have shown that the most effective self-governance happens at the local level, with maximum support and minimum interference from the state. We believe this principal should be treasured and preserved to the greatest extent possible.

Throughout this document, it is understood that a position statement supporting a legislative action also establishes opposition to legislative measures that would have the opposite effect, and vice versa.

LEGISLATIVE PROPOSALS

City officials plan to draft, propose, and work for passage of legislation in two areas:

1. Amend state law to allow the city to call a special election within its ETJ (the Castle Hills master planned development) to add that area to the boundaries of an existing Crime Control and Prevention District. State law currently allows boundaries of a Crime Control District to be expanded – with voter approval - only within municipal borders.

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.

Lewisville already provided police services in Castle Hills by contract. As commercial and residential development has continued within the ETJ, the cost of that police service also has increased. If voters added the ETJ to the current Crime Control District, it would create a dedicated revenue stream to fund police services in Castle Hills without impact property taxes in Castle Hills or Lewisville.

2. Along with the cities of Denton and Highland Village, Lewisville hopes to restructure the governing board for Denton County Transportation Authority to create a board that is more accountable to member cities and their residents.

The current board 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.

Lewisville collects and remits to DCTA more than \$13 million per year in sales tax revenue, representing nearly half of all tax revenue to the transit agency. And yet, Lewisville’s one member on the board of directors can routinely be outvoted by a board majority that comes from communities that do not contribute financially in any way and have no tangible stake in the success of DCTA services.

The three 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 around the state where cities do have that option. This could give cities more relevant input into DCTA budgeting and decision-making.

CRITICAL ISSUES

Annexation:

The city strongly opposes any legislation that would restrict or hinder Lewisville's ability to annex property currently located within its ETJ. While there might be some complaints about rapid annexation in other communities, Lewisville's situation is unique in that the ETJ properties were designated more than 20 years ago, prior to residential development; this means all current residents in the city's ETJ knew when they purchased their home that they would one day be annexed into Lewisville. In addition, the city already provides multiple city services to the ETJ properties by contract, and residents in the ETJ are given resident status for multiple city services such as recreation classes and arts center performances. Upon annexation, residents in the ETJ would immediately receive full city services and see a dramatic decrease in their annual property tax bill. Any measure that would restrict or hinder that annexation would harm those residents.

Local Revenue Caps:

Lewisville has operated in a fiscally conservative manner for years, and as a result many of the legislative proposals currently being considered would have had minimal impact on the city during the past decade. However, during a community visioning program in 2014 and a bond election in 2015, Lewisville residents expressed a strong desire for new and enhanced services and facilities; those services and facility operations cost money, and new restrictions on the city's ability to collect the revenue needed to fund those services could result in diminished or delayed services contrary to the will of our residents. Applying an arbitrary statewide solution to a perceived problem that is not typical of the majority of Texas cities would go against the stated desires of Lewisville residents.

Rights-of-Way:

Some corporate interests continue to seek exemptions from local control over public rights-of-way. Lewisville will fight at the state and federal levels to preserve municipal authority to manage and maintain public rights-of-way, including the right to seek adequate compensation for their use. The public should not be asked to subsidize for-profit businesses by allowing those business free use of public property (including rights-of-way) to generate their profit. Access charges for using a public right-of-way are in essence a rental payment for property, similar to rent a business might pay for office space or lease payments for major equipment. It is an expected cost of doing business and should be treated as such. Reducing the ability of cities to maintain rights-of-way, or to collect reasonable payments for commercial use of rights-of-way, would transfer an unfair economic burden to taxpayers in violation of long-standing Texas legal standards.

Phase 2 Funding for I-35E:

Interstate 35E through Dallas and Denton counties is one of the most congested highways in Texas, causing delays that negatively impact tens of thousands of Texas commuters and have a dampening impact on current and prospective business development. A comprehensive reconstruction of I-35E is planned, but only the smaller first phase has been funded. That work was completed in early 2017. The larger second phase has not been schedule nor funded at this time. The economic vitality of communities along I-35E, including Lewisville, relies on an interstate with sufficient capacity and

safety measures. Full funding for the second phase of I-35E construction should be considered a top priority.

Revenue Redirection:

Cities provide the majority of government services that impact millions of Texans every day; yet, unlike other parts of the country, Texas cities receive minimal funding from the state. Cities should not be expected to provide a wide range of important services and also to serve as a fund-raising arm for the state. To the extent possible, local revenue should primarily benefit local taxpayers. Lewisville opposes any measure that would re-direct existing local revenue to the state, or would impose unfunded mandates that create additional work for cities without new funding. This includes opposing any new or expanded fees that would be collected by local municipal courts on behalf of the state.

Online Sales Taxes:

Contrary to popular misconception, online sales do have an impact on local infrastructure and as such do create costs for cities. Assessing sales tax on both physical and online retailers creates a level playing field for the businesses; exempting certain types of businesses from those levies would give them an unfair competitive advantage with long-term negative impacts on commercial properties across Texas. The original reasons for exempting online purchases from sales tax are no longer valid because online retail sales have become a well-established and thriving marketplace that no longer needs a public subsidy. For these and other reasons, the 2018 U.S. Supreme Court ruling that sanctioned online sales tax collection should be honored and no effort should be made to permanently eliminate sales tax for online transactions. We call on the State Comptroller to work with cities on a fair and equitable way to distribute the local share of online sales taxes collected. We also ask the Comptroller to review the excessive fees currently being charged to cities for processing of sales tax collections and seek to adopt a fee structure that better reflects the cost of the service being provided.

LOCAL AUTHORITY

Cities are the level of government that is closest to the people it serves, and therefore are the level of government best able to identify the needs of a community and appropriate means to address those needs. While state government should be a resource for cities, decision-making authority should be placed at the municipal level whenever reasonable.

Lewisville is committed to:

- Opposing any legislation that would erode local authority over land uses
- Opposing any legislation that would restrict or hinder a city's ability to formally annex property located within its ETJ
- Opposing any legislation that would erode or invalidate a city's ability to establish and enforce reasonable business regulations
- Supporting continuation of existing eminent domain authority and related tools used for planning and development of projects serving a valid public purpose
- Opposing any legislation that would change the current two dates per year on which local elections can be held, unless it is to give cities additional flexibility
- Preserving municipal authority to manage and maintain public rights-of-way, including the right to seek adequate compensation for their use
- Maintaining the ability of municipal government to participate in utility rate cases on behalf of their residents
- Strengthening the ability of cities to regulate placement of pipelines and drilling sites within their municipal boundaries
- Opposing legislation that would expand or mandate meet-and-confer or collective bargaining for any class of municipal employee
- Opposing legislation that would expand civil service law for municipal employees
- Opposing legislation that would further erode local control related to retirement issues for municipal employees
- Revising or eliminating outdated print advertising mandates for cities
- Enacting state regulation to prevent exploitative payday and vehicle title lending

LOCAL REVENUE

Although it is popular to oppose taxes and call for lower taxes, sometimes lowering taxes can come at a high price. Appraisal and revenue caps have been tried in other states, and have failed. Providing quality municipal services to Texans requires the ability to generate adequate revenue to pay for those services.

Lewisville is committed to:

- Opposing any measure that would re-direct existing local revenue to the state
- Opposing any legislation that would increase or expand appraisal caps
- Opposing any legislation that would erode local taxing authority, including measures that would create new obstacles to funding sources or that would restrict the use of existing revenue streams
- Support continuation of Chapter 312 of the Texas Tax Code as an important economic development tool
- Opposing any legislation that would erode the concept of “true market” appraisals
- Supporting legislation that would close the “dark box” loophole being used by some large retailers to artificially devalue commercial properties for tax purposes
- Opposing any increased state fees, or reallocation of existing fees, on municipal court fines and proceedings, or any legislation that would have the effect of requiring municipal courts to collect revenue for the state
- Opposing any legislation that would permanently eliminate sales tax for online transactions
- Opposing any legislation that would create new sales tax exemptions, expand current exemptions, or expand the annual “sales tax holiday”
- Supporting legislation that would extend certain revenue options into a city’s ETJ, such as transit sales taxes or hotel occupancy tax
- Supporting measures that would expand allowable uses of PEG fee revenue

PARKS FUNDING

Public parks are popular recreation options for Texans, but multiple studies also have shown that a well-maintained park system has positive economic impact on a community and on a state. Reduced state funding of parks not only threatens the viability of state parks, it has a direct negative impact on local parks that Texans value and love.

Lewisville is committed to:

- Encouraging the state to adequately fund maintenance and operation of state parks, recreation areas, natural areas and monuments; and ensuring those facilities are widely and readily available to the public
- Expanding state and federal funding to assist with creating, maintaining and operating local parks
- Dedicating sporting goods sales tax revenues for use in state and local parks that would directly benefit parks, recreation, open space, trails and tourism
- Ensuring that parks and recreation agencies are included as eligible partners and beneficiaries in any strategy or guideline aimed at benefitting healthy lifestyles, increasing physical activity, conservation, or preservation
- Restoring full funding to the Local Park Grant Program
- Expanding options for parks, recreation, open space and trails on utility corridors, to include waiving all liability for those purposes to the utilities
- Increasing local access to pass-through federal dollars for parks and related uses
- Including commercial development in Parkland Dedication requirements

PUBLIC SAFETY

Police, fire, and emergency medical care are among the most important services a city provides its residents. Those services often represent the majority of a municipality's budget. State agencies and resources can be valuable, but should not be applied in such a way as to interfere with local efforts.

Lewisville is committed to:

- Enacting a statewide prohibition on texting while operating a motor vehicle
- Providing adequate funding of state law enforcement agencies on public lakes
- Discontinuing the redirection of dedicated telephone taxes to purposes other than 911 services
- Opposing efforts to legalize recreational use of marijuana in Texas
- Opposing any legislation that would subject local police to criminal charges for enforcing federal firearms laws, or subject any city that allows such enforcement to a lawsuit by the state's attorney general or to punitive reductions in state funding
- Making it an offense for a person to post on a publicly accessible website the residence address or telephone number of an individual the actor knows is a public servant or a member of a public servant's family or household
- Clarifying the authority of municipalities to enact residency restrictions on registered sex offenders
- Seeking assistance from the state in the form of opt-in programs to help local governments protect electronic data bases from criminal breach, including state funding mechanisms to assist with cybersecurity priorities
- Opposing proposed state and federal regulations that would increase the maximum size of long-haul trucks on public highways
- Opposing legislation that would permit first responders other than certified peace officers to carry a firearm while on the job

TRANSPORTATION

Transportation is a key factor in the future viability of our community. Roads provide a vital network that connects Lewisville to the region and the state. Effective public transit options represent a responsible and reliable way to provide workers with access to employment centers. Funding those needs is a crucial investment in the future of Lewisville, Texas.

Lewisville is committed to:

- Identifying and securing full and timely funding for the second phase of Interstate 35E reconstruction
- Supporting implementation of the Texas Bullet Train High-Speed Rail Project connecting Dallas-Fort Worth with Houston
- Providing increased and consistent state funding to build and maintain a high-quality, efficient highway system
- Ending the diversion of transportation revenues to non-transportation purposes
- Increasing state investment in public transit, including regional rail service
- Providing greater flexibility for cities to fund local transportation projects, including potential new state funding sources for important local and regional roads
- Preserving municipal authority to manage and maintain public rights-of-way, including the right to seek adequate compensation for their use
- Opposing legislation that impedes local authorities from adopting, implementing, or considering ordinances that regulate traffic controls and safety in their communities
- Allowing voluntary “complete streets” participation by cities, but not imposing mandatory “complete streets” requirements on cities
- Supporting legislation that grants North Texas counties the ability to adopt a \$10 optional registration fee for transportation projects
- Supporting the United States of Transportation Recreation Trails and similar programs at the state or federal level
- Supporting accessibility so long as it does not impose an unfunded mandate on cities

WATER

Future viability requires the ability to provide for the long-term water supply needs of residents and businesses in Lewisville, North Texas and statewide. This must include both maintaining current water supplies and developing new water sources.

Lewisville is committed to:

- Opposing any legislation that would undermine city original jurisdiction, and oppose any efforts to make local water rates subject to approval by any state agency
- Researching and assessing some level of water re-use, especially for upstream cities in North Texas such as Lewisville
- Establishing and enforcing water conservation standards at the local level, not at the state or federal level unless adequate ongoing funding is provided
- Opposing state “tap fees” or other state fees on municipal water systems
- Fully funding the State Water Plan, and creating future state funding sources
- Opposing any legislation that might restrict Lewisville’s ability to continue providing a safe and reliable local water supply
- Working with the state, regional partners and other cities to identify and secure options for new water sources