

TO: Honorable Mayor and Members of the City Council
From: Paul A. Hofmann, City Manager
Date: March 19, 2021
Subject: Weekly Memo, March 15 - 19, 2021



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Personnel Updates



Jason Pierson is retiring on March 31 after serving and protecting Texas residents for 27 years as a Police Officer, the last 22 at the City of Bastrop. We wish Jason the best in his future endeavors and thank him for his dedicated service to our Community!



Patricia Ham came out of retirement on March 15 and is helping the Utility Department until they fill their vacant position. Customers and Staff are happy to have Pat's smiling face back at City Hall.



Matt Wagner was promoted to Interim Detective in the Criminal Investigations Division effective March 8.



Robert Jordan was promoted to Detective effective March 22.

Bond Refunding

In consultation with Dan Wegmiller of Specialized Public Finance, our Financial Advisor, we have decided to lock in on savings available now, and not wait for a Congressional decision to reinstate tax-exempt refunding, as that future is uncertain. The refunding will be priced next week. Attached is Mr. Wegmiller's analysis of savings available.

We have received our ratings from S & P Global (attached). We have retained a strong AA rating. The comment in the ratings report about the City's "very weak debt and contingent liability profile" is disconcerting. I have asked Mr. Wegmiller to put the statement in context and this is his reply.

Historically, Standard & Poor's gave a designation of low to high debt profile. However, a few years ago they changed the terminology using weak to strong instead which was met with some level of disappointment by issuers and advisers. Debt only makes up approximately 10% of the rating because it recognizes that high growth areas will often carry higher levels of debt. The designation of "high" debt seems to represent the growth communities better versus characterizing their debt profile as weak. Unfortunately, Standard & Poor's did not keep the old verbiage in place. Some of the strongest credit issuers that sit in the AA and even AAA category still have a "weak" debt designation yet still carry some of the highest credit ratings in the country. Therefore, an issuer's overall very strong credit rating, such as Bastrop's AA, may still carry a "weak" designation and not have any downward pressure on their rating. In fact, downward pressure could be on the rating if an issuer deferred necessary improvements to keep the debt level lower.

As you can see from the remainder of the S & P report, all other comments about the local economy, management, financial policies, budget performance, liquidity, are "strong".

Future Bond Issuances

We have also been in consultation with Mr. Wegmiller regarding our planned bond issuance to provide funding for expenses associated with the Wastewater Treatment Plant and the Water Plant. As estimates and timelines become more precise for those two projects, CFO Waldron has been updating the water/wastewater rate model to ensure a sufficient revenue stream to support the debt service associated with our next debt issuance.

After discussing the pros and cons with Mr. Wegmiller, we are suggesting that the next bond sale be Certificates of Obligation, not revenue bonds. The primary reason for this is to reduce the impact on the water/wastewater rates paid by current and future customers. Our revenue bond rating is not as strong as the AA rating we enjoy for debt that is backed by the full faith and credit of the City. In addition, revenue bonds are required to provide a "coverage" above the annual revenue required to cover the annual debt service payments. That "times coverage" of 1.2 times the annual revenue results in an unnecessary impact on ratepayers, avoided if we issued Certificates of Obligation.

We will be discussing this with Council in future weeks but wanted you to know our current thinking. Please let me know of any concerns in the meantime.

Another way we are trying to manage the rate impact is to ensure developers pay their impact fee early in the development process. This is another subject for Council deliberation as we bring development agreements to you.

Interestingly, the Certificates of Obligation discussion issue is again before the State Legislature. HB 1869 would modify the definition of debt for purposes of the debt service property tax rate calculation to only include the debt approved at an election. This means that certificates of obligation must be financed through a city's maintenance and operations tax if payable solely through property tax revenue.

It is important to understand that even if we use certificates for the wastewater treatment and water plants, we will not pay the debt service with property taxes but would use water/wastewater rates.

The most recent edition of the Texas Town and City Magazine includes an interesting article (attached) that addresses these very issues.

Bastrop Public Library

The library is transitioning to full service and in-person programming. This week Carmen Serna leads our first in-person preschool storytime in over a year. Two families attended and were very excited to be back at the library and hearing stories. Cary Kittrell led our Adult Crafters Anonymous Group as they created mini photo canvases. The participants were happy to be together, even if they were 6ft apart.

Additional tables and seating were brought out of storage this week and all computers were reinstalled for public access. The three small study rooms are also open for use.

In April, the teen Dungeons & Dragons group will begin meeting in person and we will have the Pressley Meeting Room available for community groups.



Also, this week, sturdy metal frames for the Storywalk were installed along the trail in Fisherman's Park by the Parks crew. The Storywalk features *Move Over Rover* by Karen Beaumont. Hopefully, the torrential down pour depicted in the book does not materialize over Bastrop!

Bastrop State Park Pool to be Operated by State Park

I do not have details, but Bastrop State Park confirmed they will operate the pool this summer and will be happy to offer discounts on daily fees to members of the City of Bastrop recreation program. We will also be able to offer fitness programs at the pool to recreation program members.

Grant Application Update

The Texas Department of Transportation is accepting applications for the 2021 Transportation Alternative Projects. TxDOT administers TA funds for locally sponsored bicycle and pedestrian infrastructure projects in communities less than 200,000. In large, urbanized areas with populations over 200,000, TA funds are distributed directly to Metropolitan Planning Organizations (MPO) to administer according to their needs. MPOs and TxDOT are responsible for selecting projects independent of one another. City Engineer Tony Buonodono has submitted three preliminary applications for review. Now that the applications have been submitted Tony and ACM Job have a meeting scheduled with the Michelle Meaux from TxDOT to discuss the projects. The preliminary application is a quick snapshot of the proposed project.

The transportation alternative projects can be funded not only by a local match from the municipality that is applying but eligible communities such as Bastrop can use transportation credits. Transportation development credits are a federal transportation funding tool used to meet federal funding matching requirements. State credits are accrued when capital investments are made in federally approved tolled facilities including toll roads and bridges. This will be a significant portion of how we fund the local required match for all the proposed projects. If selected a more in-depth submittal will be required, as part of the 2nd application the determination of financing the local match will be determined. The more in-depth application has not been provided to date.

The three projects are as follows:

- The rehab of the Old Iron Bridge- Rehabilitation of the historic Old Iron Bridge to provide off-street bicycle and pedestrian access across the Colorado River
- Wilson/Willow Loop- sidewalk (and required drainage improvements) on one side of the road from Magnolia and Carter south to Farm and Willow, east to Farm and Wilson, north to Magnolia and Wilson, and finishing the loop back at Magnolia and Carter. The project will provide connectivity to Fisherman's Park
- Farm/Chestnut Loop- fill sidewalk gaps including a pedestrian crossing across Chestnut to improve connectivity and bike/pedestrian safety and access

Conversation with Scott Joslove

At the request of Council Member Rogers, we have an appointment set with Scott Joslove of the Texas Hotel Lodging Association to discuss a possible future appearance at a City Council meeting to discuss our HOT Fund.

Document Management

City Secretary Ann Franklin has been coordinating a city-wide effort to properly dispose of city documents that have been stored at various places throughout the city for decades. On Tuesday March 16 Public Works employees moved 8 pallets of documents from the old senior center to the Convention Center so that approximately 15 employees could spend the day reviewing old files and determining whether those files should be kept on site, scanned, and filed electronically, or destroyed. One specific objective is to make the old senior center available for use as a fitness center in July. In general, however, it is a good idea to stay on top of document management. Our new routine will be to comprehensively go through our files each January.

Bastrop Little League

It's that time of the year! Bastrop Little League will start its season on Saturday, March 27th at 9:30 am. They have a whopping 370 players signed up for this year. There's nothing quite like baseball in the spring.

Future Agenda Items

April 13, 2021

- Quarterly presentations from community assets, Visit Bastrop, Bastrop EDC
- Submission of a TxCDBG application to Texas Department of Agriculture
- Receive update on Hotel Occupancy Tax Revenue projects, and provide direction as appropriate
- Public hearing and action to approve Resolution granting a variance for sale of alcoholic beverages.
- Receive presentation on the Comprehensive Compensation Study, provide direction as appropriate, including on the number of City Holidays
- Public hearing and consider action to approve Resolution to add a local Historic Landmark designation to the fireplace/chimney structure known as the Mason Chalmers Fireplace

April 27, 2021

- Mid-Year Budget Amendment

May 11, 2021

- Presentation acknowledging outgoing Council Member Ennis
- Presentation of Quarterly Report
- Presentation of draft capital plan
- River Loop Project contract award

May 14, 2021

- Full Day City Council Pre-Budget Planning Session

May 25, 2021

- Reappointment of Caroline McClimon as Associate Judge
- Water and Wastewater system financing plan, bond issuance
- Public Hearing and Action on Sign ordinance

Attachments

- TML Legislative Update Number
- Refunding Analysis
- S & P Bond Rating Report
- "What if certificates of obligation go away" article in March 2021 TT



Legislative UPDATE

March 19, 2021
Number 10

Senate Bill 10 (Community Censorship) Likely to Receive Committee Hearing Soon

Last week, Senator Paul Bettencourt filed [Senate Bill 10](#), a community censorship bill that would prohibit a city or county from spending public funds to influence the outcome of legislation. If Capitol rumors are to be believed, the bill will be heard in the Senate Local Government Committee, chaired by Senator Bettencourt, within the next couple of weeks.

So what exactly does S.B. 10 do? At the most basic level, S.B. 10 would prevent a city from hiring staff, contracting with lobbyists or other professional advocates, or joining associations like TML that engage in advocacy at the state capitol. Specifically, the bill would provide:

“The governing body of a county or municipality may not spend public money or provide compensation in any manner to directly or indirectly influence or attempt to influence the outcome of any legislation pending before the legislature.”

The first thing that stands out is how broadly the language limits city and county authority regarding advocacy. A city council certainly has a firm grasp of whether or not it contracts with a lobbyist or hires an employee to engage in legislative advocacy. However, the language prohibits the city council from spending public money on directly or indirectly influencing legislation “in any way.” This potentially puts a city in the impossible position of trying to track every dollar spent by the city, say in a contract with a vendor, to make sure that the money is not ultimately used for legislative advocacy.

More troubling is the use of the phrase “indirectly influencing or attempting to influence the outcome” of legislation. That phrase is not defined in the bill, nor is it defined in existing state law. While directly influencing the outcome of legislation would encompass traditional communications with members of the legislature and staff (which is problematic in and of itself), “indirectly influencing” would go far beyond any notion of lobbying to include other communications and activities. S.B. 10 would prohibit TML, for instance, from providing its members information about a bill, since doing so could potentially influence the outcome of the legislation. The article you are reading right now, for instance, would be censored by the current language in S.B. 10.

The bill contains three exceptions to the general prohibition on community advocacy listed above. Those exceptions are:

1. Allowing an elected official to advocate for or against or otherwise influence or attempt to influence the outcome of legislation pending before the legislature;
2. Allowing an officer or employee of a city to provide information to a member of the legislature or appear before a legislative committee, but only if requested by the member of the legislature or committee;
3. Allowing an employee to advocate for or against or otherwise influence or attempt to influence the outcome of legislation, but only if the employee engages in a minimal amount of lobbying activity so as not to be required to register as a lobbyist under state law.

Taken together, these exemptions grant very limited access to the state lawmaking process during the legislative session. Though a mayor or councilmember is given the ability to advocate on behalf of the city, they are simultaneously prohibited by the bill from receiving any extensive guidance on legislation by staff, professional advocates, or nonprofit associations. In other words, the bill allows elected city leaders to participate, but only if they are able to independently monitor legislation and make time to advocate in addition to performing their jobs as public servants.

Whether the bill is heard next week in committee or later in the month, the time is now to reach out to your elected state leaders to let them know that S.B. 10 would dramatically limit your ability to help shape state legislation. City leaders have an important perspective to share with state lawmakers, and need to have their voices heard in Austin to help move their communities forward on behalf of those they represent.

Debt Restriction Bill Set for Monday Committee Hearing

On Monday, March 22, the House Ways and Means Committee is [scheduled](#) to hear [House Bill 1869](#) by Representative Dustin Burrows. H.B. 1869 would modify the definition of “debt” for purposes of the debt service property tax rate calculation to only include debt approved at an election. This means that tax-supported debt obligations that are not approved at an election, like certificates of obligation, time warrants, anticipation notes, and certain financing agreements must be paid through the maintenance and operations portion of a city’s tax rate.

The impact of this minor statutory change would be significant for many cities. As a practical matter, cities would almost certainly stop using some of the more flexible means of debt financing that are currently available to them. Cities often use debt instruments like certificates of obligation (COs) or tax notes because these are options that allow the city to respond quickly to benefit their residents. For instance, if TCEQ requires immediate changes to water utility infrastructure, a city can issue a CO to act swiftly for the benefit of its residents. Similarly, if a city needs to purchase police vehicles or a fire truck, the city can make these purchases through a tax-supported financing agreement under current law, funded by the debt service portion of a city's tax rate.

If H.B 1869 were to become law, cities could only use these alternatives to bonds if the city was able to finance the purchase using the city's maintenance and operations property tax revenue. With revenue caps placed on cities last session in the form of Senate Bill 2, the legislature has restricted the amount of maintenance and operations property taxes a city may access in a given year (the S.B. 2 revenue cap does not apply to debt service). In some cities, the capped amount of maintenance and operations property tax revenue cities have available on a year-to-year basis can scarcely keep pace with budgetary cost drivers like health insurance, public safety, and transportation infrastructure maintenance. Adding capital project expenditures that would otherwise be funded through the debt service tax rate is not going to be a viable option for most cities.

This means that cities will only be able to issue tax-supported debt through general obligation bonds, which are approved by the voters at an election on one of two uniform election dates. The added costs of an election notwithstanding, GO bonds have their benefits and drawbacks. On the positive side, city officials typically like to gauge the will of the voters through popular elections. However, doing so for all tax-supported debt means both more administrative costs in issuing the debt through increased payments to bond counsel and financial advisors, in addition to a notably less-nimble governing body. In a time when many cities are dealing with some of the highest growth rates in the country, limiting financial flexibility only stifles local governments' ability to accommodate the influx of families and jobs to our great state.

One other unintended consequence of H.B. 1869 is that by limiting the ability of cities to issue COs, the legislature would actually increase the costs to the citizens of financing essential infrastructure. As explained in the [March 2021 Edition of Texas Town and City magazine](#) (see article entitled "What if Certificates of Obligation Go Away?") COs are not just more efficient, they are also often significantly cheaper to issue than other types of bonds.

We encourage city officials to discuss the ramifications of H.B. 1869 with finance staff, bond counsel, and financial advisors to get a complete picture of how this legislation might impact the city. City officials with concerns about the bill should reach out to their state representative in advance of Monday's committee hearing.

Reminder: Annual Local Debt Reporting

Local Government Code Sec. 140.008 requires political subdivisions, including cities, to annually report debt and other financial information to the comptroller. Under comptroller rule, the reports

must be submitted within 180 days of the end of the political subdivision's most recently completed fiscal year. For cities with a fiscal year ending on September 30, the 180-day deadline is March 29.

Cities are encouraged to visit the comptroller's [local debt reporting page](#) to get more information on what is required in the annual report, and to access the electronic submission form.

87th Legislative Session Bills to Watch

The Legislature had until March 12 to file bills to be considered during the 140-day legislative session. We will continue over the next couple of week to summarize all city-related bills filed and you can find a comprehensive list of those bills [here](#). However, here are some bills worth noting. We ask all city officials to begin conversations with your state representative and state senator on these important issues.

S.B. 10 (Bettencourt) – Community Censorship: would:

- (1) prohibit the governing body of a city or county from spending public money or providing compensation in any manner to directly or indirectly influence or attempt to influence the outcome of any legislation pending before the legislature;
- (2) provide that the prohibition in (1), above, does not prevent:
 - a. an officer or employee of a city or county from providing information for a member of the legislature or appearing before a legislative committee at the request of the member of the legislature or the committee;
 - b. an elected officer of a city or county from advocating for or against or otherwise influencing or attempting to influence the outcome of legislation pending before the legislature while acting as an officer of the city or county; or
 - c. an employee of a city or county from advocating for or against or otherwise influencing or attempting to influence the outcome of legislation pending before the legislature if those actions would not require a person to register as a lobbyist under the state lobby registration requirement;
- (3) provide that if a city or county engages in an activity prohibited in (1), above, a taxpayer or resident of the city or county is entitled to appropriate injunctive relief to prevent any further prohibited activity; and
- (4) provide that a taxpayer or resident who prevails in an action under (3), above, is entitled to recover reasonable attorney's fees and costs incurred in bringing the action from the city or county, as applicable.

H.B. 749 (Middleton) – Community Censorship: would: (1) prohibit a political subdivision from spending public funds to: (a) hire an individual required to register as a lobbyist for the purpose of lobbying a member of the Texas legislature; or (b) pay a nonprofit state association or organization that: (i) primarily represents political subdivisions; and (ii) hires or contracts with an individual required to register as a lobbyist; (2) provide that if a political subdivision engages in activity prohibited by (1), above, a taxpayer or resident of the political subdivision is entitled to injunctive relief to prevent any further prohibited activity or any further payments of public funds; and (3) provide that a taxpayer or resident who prevails in an action under (2), above, is entitled

to recover reasonable attorney's fees and costs from the political subdivision. (Companion bill is **S.B. 234** by **Hall**.)

H.B. 1869 (Burrows) – **Debt Financing**: would modify the definition of “debt” for purposes of the debt service property tax rate calculation to only include debt approved at an election. (Note: this means that debt obligations like certificates of obligation, time warrants, anticipation notes, and lease-purchase agreements must be financed through a city's maintenance and operations tax rate if payable solely through property tax revenue.)

H.B. 3 (Burrows) – **Texas Pandemic Response Act**: this bill, known as the Texas Pandemic Response Act, would make numerous changes regarding how the state and local governments prevent, prepare for, respond to, and recover from a pandemic disaster. Of primary importance to cities, the bill would, among many other things:

1. define the term “pandemic disaster” to mean the occurrence or imminent threat of an outbreak of an infectious disease that spreads to a significant portion of the population of multiple countries or the world and that threatens widespread or severe damage, injury, or loss of life or property in the state resulting from any natural or man-made cause related to the outbreak;
2. authorize the governor, by executive order or proclamation, to declare a state of pandemic disaster if the governor determines that a state of pandemic disaster is occurring in the state or that the occurrence or threat of a pandemic disaster is imminent;
3. authorize the governor to, on request of a city, waive or suspend a deadline, including a deadline relating to a budget or property tax rate, imposed on the political subdivision by a statute or a state agency order or rule if he waiver or suspension is reasonably necessary to cope with the pandemic disaster;
4. authorize the governor to temporarily reassign resources, personnel, or functions of state agencies and cities for the purpose of performing or facilitating emergency services during a pandemic disaster;
5. provide that the presiding officer of a city council is designated as the pandemic emergency management director for the city;
6. authorize a pandemic emergency management director to serve as the governor's designated agent in the administration and supervision of duties under the Texas Disaster Pandemic Act, and authorize the pandemic emergency management director to exercise the powers granted to the governor on an appropriate local scale;
7. authorize a pandemic emergency management director to designate a person to serve as pandemic emergency management coordinator, who serves as an assistant to the pandemic emergency management director;
8. provide that a deadline imposed by local law on a city, including a deadline relating to a budget or property tax, is suspended if: (a) the city is wholly or partly located in an area in which a pandemic disaster has been declared by the president of the United States or the governor; and (b) the city's presiding officer proclaims that the city is unable to comply with the requirement because of the pandemic disaster;
9. authorize a city's presiding officer to issue an order ending the suspension of a deadline under Number 8, above, and provide that a deadline may not be suspended for more than 30 days after the date the presiding officer issues the proclamation described by Number 8(b), above;

10. provide that any local order or rule issued in response to a state or local state of pandemic disaster is superseded and void to the extent that it is inconsistent with orders, declarations, or proclamations issued by the governor or Department of State Health Services;
11. prohibit an election official of a political subdivision from seeking to alter, in response to a pandemic disaster, any voting standard practice, or procedure in a manner not otherwise expressly authorized by state law, unless the election official first obtains approval of the proposed alternation from the secretary of state by submitting a written request for approval to the secretary of state;
12. provide that if the governor issues a written determination finding that the presiding officer of a city council has taken issued an order requiring the closure of a private business in response to a pandemic, the city council for that city may not adopt a property tax rate for the current tax year that exceeds the lesser of the city's no-new-revenue tax rate or voter-approval tax rate for that tax year;
13. provide that, for a tax year in which the restriction in Number 12, above, applies to a city, the difference between the city's actual tax rate and voter-approval tax rate for purposes of calculating the city's unused increment rate is considered to be zero;
14. provide that a city is no longer subject to the limitation prescribed by Number 12, above, in the first tax year in which the governor rescinds the governor's written determination;
15. provide that a person commits an offense if the person violates a provision of the pandemic components of a state, local, or interjurisdictional emergency management plan or a rule, order, or ordinance adopted under those provisions, and that a violation is punishable by a fine only in an amount not to exceed \$1000 to be enforced by state and local officials; and
16. authorize the attorney general to provide legal counsel to a city subject to a declared state of pandemic disaster on issues related to pandemic disaster mitigation, preparedness, response, and recovery applicable to the area subject to the pandemic disaster declaration, if a request for legal counsel is submitted by the emergency management director or mayor of a city.

H.B. 1030 (Shaheen) – **Newspaper Notice**: would: (1) allow a political subdivision to satisfy any law that requires notice to be published in a newspaper by publishing the notice in the following locations: (a) social media, free newspapers, school newspapers, a homeowners' association newsletter or magazine, utility bills, direct mailings, or any other form of media authorized by the comptroller; and (b) the internet websites maintained by the political subdivision and the comptroller; (2) provide that before providing notice under (1), a political subdivision must hold a public meeting about the alternative notice under (1)(a) and demonstrate that the circulation will be greater than the circulation of the newspaper with the greatest circulation in the political subdivision; (3) authorize the comptroller to grant a city's request for a waiver from (1)(b) if the city provides sufficient proof that Internet access is limited in the city, and if the comptroller grants the waiver, the city must provide additional notice on a public agenda board within the city; (4) require a city using alternative media described in (1)(a) to submit notice to the comptroller describing the alternative notice method in (1)(a) and certain other information; (5) authorize the comptroller to require a political subdivision to provide notice in a newspaper if the comptroller determines that the means under (1)(a) do not have greater circulation than a newspaper with the greatest circulation in the political subdivision; and (6) require the comptroller to prepare a report identifying and comparing the effectiveness of different methods of notice publication used by

political subdivisions and provide the report to the governor, lieutenant governor, and the speaker of the house.

H.B. 1241 (Shine) – **Annexation of Rights-of-Way**: would provide that: (1) a city annexing an area on request of the owners, an area with less than 200 population by petition, an area with at least 200 population by election, or certain special districts may also annex with the area: (a) the right-of-way of a street, highway, alley or other public way or of a railway line spur, or roadbed that is contiguous to the city’s boundaries and the area being annexed or a right-of-way described in (b); or (b) the right-of-way of a public road or highway connecting the area being annexed to the city by the most direct route; (2) a city may only annex a right-of-way described under (1) if the city: (a) provides written notice of the annexation to the owner of the right-of-way not later than the 61st day before the date of the proposed annexation; and (b) the owner of the right-of-way does not submit a written objection to the city before the date of the proposed annexation; and (3) certain width requirements do not apply to the annexation of a right-of-way under (1). (Companion bill is **S.B. 374** by Seliger.)

S.B. 402 (Johnson) – **Street Maintenance Sales Tax**: would, among other things, provide that: (1) for a city in which a majority of the voters voting in each of the last two consecutive elections concerning the adoption or reauthorization of the street maintenance sales tax favored adoption or reauthorization and in which the tax has not expired since the first of those two consecutive elections, the city may call an election to reauthorize the tax for a period of eight or ten years, instead of four years; and (2) revenue from the street maintenance sales tax may be used to maintain and repair: (a) a city street or sidewalk; and (b) a city water, wastewater, or stormwater system located in the width of a way of a city street. (Companion bill is **H.B. 1538** by Julie Johnson.)

H.B. 1888 (Fierro) – **Open Meetings**: would: (1) authorize a governmental body to hold an open or closed meeting by conference call; (2) define “conference call” to mean a meeting held by telephone conference call, videoconference call, or telephone conference and videoconference call; (3) require that each part of a meeting held by conference call required to be open to the public shall: (a) be audible to the public; (b) be visible to the public if it is a videoconference call; and (c) have two-way communication with each participant; (4) provide that a member or employee of a governmental body may participate in a meeting by conference call only if the audio signal of the participant is heard live at the meeting; (5) provide that a member of a governmental body who participates in a meeting by conference call shall: (a) be counted as present at the meeting for all purposes; and (b) be considered absent from any portion of the meeting during which audio communication with the member is lost or disconnected, but allow the governmental body to continue the meeting if a quorum of the body continues to participate in the meeting; (6) provide that a governmental body may allow a member of the public to testify at a meeting by conference call; (7) provide that a meeting held by conference call is subject to the notice requirements applicable to other meetings and also must include certain instructions to the public; (8) require that a meeting held by conference call be recorded, and that the recording be made available to the public; and (9) require the Department of Information Resources by rule to specify minimum standards for the recording of a meeting held by conference call.

S.B. 639 (Menéndez) – Open Meetings: would: (1) provide that, without regard to whether a member of the governmental body is participating in a meeting from a remote location by telephone conference call, a governmental body may allow a member of the public to speak at a meeting from a remote location by telephone conference call; (2) provide that, when a member of a governmental body loses audio or video during a videoconference meeting, the meeting may continue when a quorum of the body remain audible and visible to each other and, during the open portion of the meeting, to the public; (3) allow a meeting by videoconference so long as the presiding officer is present at a physical location open to the public where members of the public may observe and participate in the meeting; (4) set out the notice requirements for a videoconference meeting; and (5) provide that, without regard to whether a member of the governmental body is participating in a meeting from a remote location by videoconference call, a governmental body may allow a person to speak at a meeting from a remote location by videoconference call.

H.B. 5 (Ashby) – Broadband Development Office: would, among other things:

1. require the governor’s broadband development council to: (a) research the progress of deployment of broadband statewide and the purchase of broadband by residential and commercial customers; and (b) study industry and technology trends in broadband;
2. establish a broadband development office within the comptroller’s office;
3. for purposes of the broadband development office, define “broadband service” as internet service with the capability of providing: (a) a download speed of 25 megabits per second or faster; and (b) an upload speed of three megabits per second or faster;
4. authorize the comptroller by rule to adjust the threshold speeds for broadband services defined in Number 3, above, if the Federal Communications Commission adopts upload or download threshold speeds for advanced telecommunications capability that are different from those listed in Number 3, above;
5. require the broadband development office to: (a) serve as a resource for information regarding broadband service in the state; (b) engage in outreach to communities regarding the expansion and adoption of broadband service and the programs administered by the office; and (c) serve as an information clearinghouse in relation to federal programs providing assistance to local entities with respect to broadband service;
6. require the broadband development office to create, update annually, and publish on the comptroller’s website a map classifying each designated area in the state as: (a) an eligible area, if fewer than 80 percent of the addresses in the designated area have access to broadband service; or (b) an ineligible area, if 80 percent or more of the addresses in the designated area have access to broadband service;
7. require the map described in Number 6, above, to display: (a) the number of broadband service providers that serve each designated area; (b) for each eligible area, an indication of whether the area has access to Internet service that is not broadband service, regardless of the technology used to provide the service; and (c) each public school in the state and an indication of whether the area has access to broadband service;
8. provide that if information available from the Federal Communications Commission is not sufficient for the broadband development office to create or update the map, the office may request the necessary information from a political subdivision or broadband service provider, and the subdivision or provider may report the information to the office;

9. establish a petition process, under which a political subdivision or broadband service provider may petition the broadband development office to re-designate designated area on the map as an eligible area or ineligible area;
10. require the broadband development office to establish a program to award grants, low-interest loans, and other financial incentives to applicants for the purpose of expanding access to, and adoption of, broadband service in designated areas determined to be eligible areas;
11. require the broadband development office to establish and publish eligibility criteria for award recipients under Number 10, above, limiting grants, loans, and other financial incentives awarded to the program for use on capital expenses, purchase or lease of property, and other expenses, including backhaul and transport that will facilitate the provision or adoption of broadband service;
12. provide that the office may not award a grant, loan, or other financial incentive to a noncommercial provider of broadband service for an eligible area if a commercial provider of broadband service has submitted an application for the eligible area;
13. provide that an award granted under the broadband development program does not affect distributions received by a broadband provider from the state universal service fund;
14. require the broadband development office to prepare, update, and publish on the comptroller's Internet website a state broadband plan that establishes long-term goals for greater access to and the adoption of broadband service in Texas;
15. require the broadband development office, in developing the state broadband plan, to: (a) to the extent possible, collaborate with state agencies, political subdivisions, broadband industry stakeholders and representatives, and community organizations that focus on broadband services; (b) consider the policy recommendations of the governor's broadband development council; (c) favor policies that are technology-neutral and protect all members of the public; and (d) explore state and regional approaches to broadband development; and
16. establish the broadband development account in the state's general revenue fund consisting of: (a) appropriations of money to the account by the legislature; (b) gifts, donations, and grants, including federal grants; and (c) interest earned on the investment of the money in the account.

(**H.B. 5** is similar, but not identical, to **S.B. 5** by **Nichols**.)

S.B. 861 (Paxton) – **Open Meetings**: would provide for remote meetings under the Open Meetings Act, and:

For city meetings held by telephone conference:

1. provide the governmental body is not prohibited from holding an open or closed meeting from one or more remote locations by telephone conference;
2. remove the requirement that an emergency or public necessity exist;
3. require the notice of the meeting: (a) include the statement "Telephone conference call under Section 551.125, Government Code" in lieu of the place of the meeting; (b) list each physical location where members of the public may listen to or participate in the meeting; (c) include access information for an audio feed of the meeting; and (d) if applicable,

include instructions for members of the public to provide testimony to the governmental body;

4. require that any method of access that is provided to the public for listening to or participating in the telephone conference call meeting be widely available at no cost to the public;
5. require that each part of the meeting that is required to be open to the public shall be audible to the public and shall be recorded, and the recording shall be made available to the public;
6. require the identification of each party to the telephone conference be clearly stated prior to speaking;
7. require that, if the governmental body prepares an agenda packet that would have been distributed to members of the public at a face-to-face meeting, the packet must be available electronically so that members of the public listening remotely can follow along with the meeting.

For city meetings held by videoconference:

1. provide the governmental body is not prohibited from holding an open or closed meeting from one or more remote locations by videoconference;
2. allow a member of the governmental body to participate remotely in a meeting by videoconference call if the audio feed and, if applicable, video feed of the member's or employee's participation complies with the other requirements for a videoconference meeting;
3. provide that a member of a governmental body who participates as described in Number 2, above, shall be counted as present at the meeting for all purposes;
4. provide that a member of a governmental body shall be considered absent from any portion of the meeting during which audio communication with the member is lost or disconnected, and that the body may continue the meeting only if members in a number sufficient to constitute a quorum remain audible and visible to each other and, during the open portion of the meeting, to the public;
5. require the notice of the meeting: (a) include the statement "Videoconference call under Section 551.127, Government Code" in lieu of the place of the meeting; (b) list each physical location where members of the public may observe or participate in the meeting; (c) include access information for both audio-only and audiovisual feeds of the meeting; and (d) if applicable, include instructions for members of the public to provide testimony to the governmental body;
6. require that any method of access that is provided to the public for the purpose of observing or participating in a meeting be widely available at no cost to the public;
7. require each portion of a meeting held by videoconference call that is required to be open to the public shall be audible and, if applicable, visible to the public;
8. provide that if a problem occurs that causes a meeting to no longer be audible to the public, the meeting must be recessed until the problem is resolved;
9. require an audio recording of the meeting, and that the recording be made available to the public;
10. provide that the face of each participant who is participating in the call using video communication, while that participant is speaking, be clearly visible and audible to each other participant, and during the open portion of the meeting, to the members of the public, including at any location described by Number 5(b);

11. provide that participant using solely audio communication: (a) shall, while speaking, be clearly audible to each other participant and, during the open portion of the meeting, to the members of the public, including at any location described by Number 5(b);
12. authorize the Department of Information by rule to specify minimum technical quality standards for the meeting, and require that access information described by Number 5(c) be of sufficient quality so that members of the public can observe the demeanor or hear the voice, as applicable, of each participant in the open portion of the meeting;
13. provide that a governmental body: (a) may allow a member of the public to testify at a meeting from a remote location by videoconference call; and (b) must allow a member of the public testify from a remote location using video or audio communication if holding a meeting by videoconference call where public testimony is taken; and
14. require that, if the governmental body prepares an agenda packet that would have been distributed to members of the public at a face-to-face meeting, the packet must be available electronically so that members of the public observing remotely can follow along with the meeting.

H.B. 2500 (Bailes) – **Newspaper Notice**: would provide that a governmental entity or representative may publish notice on a third-party Internet website, as an alternative to certain newspaper notice requirements, if: (1) the governing body finds, after holding a public hearing on the matter that: (a) Internet publication of notices is in the public interest; (b) Internet publication of notices will not, after consideration of the level of Internet access in the applicable area, unreasonably restrict public access to the notices; and (c) the cost of publishing the notices in a newspaper exceeds the cost of Internet publication; (2) the governmental entity or representative posts the findings in (1) on the entity’s or representative’s website; and (3) the governmental entity or representative also prominently posts each notice for public review at the office location of the governmental entity or representative that is the most accessible to the intended recipients of the notice.

Stay Engaged During the Legislative Session: Grassroots Involvement Program

During the upcoming Texas legislative session, Texas cities will face many challenges and opportunities. TML will need to mobilize our membership at key points during session. The Grassroots Involvement Program (GRIP) is one way to do so. Our GRIP survey focuses on a variety of items including your areas of expertise and involvement with other professional organizations. Most importantly, the GRIP survey asks how well you know various state legislators and if you are willing to communicate with those legislators during the session. With many unknowns on how the capitol will operate during a pandemic, TML’s grassroots approach will be crucial to our efforts.

If you have a relationship with your legislator(s) or want to be more involved during session, please take the time to complete the [GRIP survey](#). Past efforts have proven that such participation is a highly effective tool.

We ask that you complete the survey as soon as possible.

City Officials Testify

When the legislature is in session, nothing compares to the effectiveness of city officials testifying at the Capitol. City officials who take the time to attend legislative committee meetings – whether virtually or by traveling to Austin – to speak out on important city issues should be applauded by us all. The League extends its thanks to all those who are vigilantly representing cities during this session. If we missed your testimony let us know by an email to ford@tml.org, and we will recognize you in next week's edition.

The following officials testified in committee hearings held March 8 through March 13:

- Shannon Sims, Animal Care Services, City of San Antonio
- Hope Wells, Corporate Council, San Antonio Water System
- Patel Davis, Mayor's Office of Human Trafficking and Domestic Violence, City of Houston
- Tammy Embrey, Director of Intergovernmental Relations, City of Corpus Christi
- Greg Meszaros, Director, Austin Water, City of Austin
- Robert Puente, President/CEO, San Antonio Water System
- Terry Lowery, Department Director, City of Dallas Water Utilities
- Carol Haddock, Director, Houston Public Works
- Betsy Price, Mayor, City of Fort Worth
- Nicole Ferrini, Chief Resilience Officer, City of El Paso

City-Related Bills Filed

(Editor's Note: You will find all of this session's city-related bill summaries online at <https://www.tml.org/DocumentCenter/View/2507/City-Related-Bills>.)

Property Tax

H.B. 3260 (Thierry) – Property Tax Reforms: this bill is titled the Texas Homeowners Tax Relief Act. The bill would, among other things:

1. provide that the compensation for an attorney that represents a taxing unit to enforce the collection of delinquent taxes may not exceed 15 percent of the delinquent tax, penalty, and interest collected;
2. authorize the governing body of a taxing unit to adopt a property tax exemption of either a percentage of the appraised value of an individual's residence homestead or a portion, expressed as a dollar amount, of the appraised value of an individual's residence homestead, but not both, with any dollar amount exemption being not less than \$5,000 or more than \$100,000;

3. authorize the commissioners court of a county to call an election to permit the voters of the county to determine whether a person must disclose the sales price of real property under certain circumstances to be used for property tax appraisal purposes;
4. require a property tax bill to include information relating to the average homestead exemption cost for real property;
5. provide that, in a property tax protest or appeal on the grounds of unequal appraisal of property based upon the value relative to the median appraised value of a reasonable number of comparable properties, the property in question must: (a) qualify as a residence homestead for the relevant tax year; or (b) have an appraised value of \$250,000 or less;
6. provide that, in a property tax protest or appeal on the grounds of unequal appraisal of property, the challenge must be determined in favor of the protesting party unless the appraisal district establishes that the appraisal ratio of the property is equal to or less than the median level of appraisal of a reasonable and representative sample of comparable properties in the appraisal district; and
7. provide that a political subdivision is generally not required to pay for a mandate unless: (a) the political subdivision determines that it can do so without raising its ad valorem tax rate to pay for the mandate; or (b) the legislature appropriates or otherwise provides for payment or reimbursement to the political subdivision of the costs that will be incurred by the political subdivision in complying with the mandate.

(See **H.J.R. 129**, below.)

H.B. 3317 (Metcalf) – Appraisal Cap: would expand the application of the ten percent appraisal cap to all real property. (See **H.J.R. 131**, below.)

H.B. 3321 (Metcalf) – Appraisal Cap: would reduce the property tax appraisal cap on residence homesteads from ten to five percent. (Companion bill is **S.B. 489** by **Kolkhorst**.) (See **H.J.R. 132**, below.)

H.B. 3359 (Rodriguez) – Property Tax Exemption: would: (1) authorize the governing body of a taxing unit other than a school district to adopt a residence homestead property tax exemption, expressed as a dollar amount, of a portion of an individual's residence homestead if the exemption is adopted by the governing body before July 1st in the manner provided by law for official action; (2) provide that the amount of the exemption is \$5,000 of the appraised value of the residence homestead, except that if the average market value of residence homesteads in the taxing unit in the tax year in which the exemption is adopted exceeds \$25,000, the governing body may authorize an exemption in a larger dollar amount not to exceed an amount equal to 20 percent of the average market value of residence homesteads in the taxing unit in the tax year in which the exemption is adopted; (3) provide that, for a taxing unit that has ceased granting a percentage-based homestead exemption and adopted an exemption under (1), an individual who would have been entitled to a percentage-based residence homestead exemption had the governing body not ceased granting the exemption is entitled to continue to receive the percentage-based exemption in lieu of the dollar-amount homestead exemption if the individual otherwise qualifies for the exemption and the amount of the percentage-based exemption exceeds the amount of the dollar-amount exemption; (4) for purposes of calculating the "current total value" for use in adopting a property tax rate, provide that a governing body that has adopted an exemption under (1) generally includes the total

dollar amount of the exemptions granted; and (5) provide that an exemption granted under (1) is not included in the term “lost property levy” for purposes of calculating a property tax rate. (See **H.J.R. 136**, below.)

H.B. 3376 (Meyer) – Tax Rate Calculation in Disaster Area: would, among other things: (1) repeal existing law relating to the calculation of a tax rate in a disaster area; (2) provide that the governing body of a taxing unit may direct the designated officer or employee to calculate the voter-approval tax rate of the taxing unit in the manner provided for a special taxing unit (an eight percent voter-approval rate) if any part of the taxing unit is located in an area declared a disaster area during the current tax year by the governor or by the president of the United States and the disaster caused physical damage to property located in the taxing unit; (3) require the designated officer or employee to continue calculating the voter-approval tax rate in the manner provided by (2), above, until the earlier of: (a) the first tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred; or (b) the third year after the tax year in which the disaster occurred; (4) provide that when increased expenditure of money by a taxing unit other than a school district is necessary to respond to disaster, including a tornado, hurricane, flood, wildfire, or other calamity, but not including a drought, epidemic, or pandemic, that has impacted the taxing unit and the governor has declared any part of the area in which the taxing unit is located as a disaster area, an election is not required to approve a tax rate exceeding the voter-approval tax rate or de minimis tax rate, as applicable, for the year following the year in which the disaster occurs; and (5) if a taxing unit adopts a tax rate under (4), the amount by which the rate exceeds the taxing unit’s voter-approval tax rate for that tax year may not be considered when calculating the taxing unit’s voter-approval tax rate for the tax year following the year in which the taxing unit adopts the rate. (Companion bill is **S.B. 1438** by **Bettencourt**.)

H.B. 3437 (Goldman) – Property Tax Freeze: would expand the existing law authorizing cities to adopt a property tax freeze on the residence homestead of individuals who are elderly or disabled and their surviving spouses to all taxing units other than school districts. (See **H.J.R. 141**, below.)

H.B. 3439 (Deshotel) – Property Tax Appraisal: would, among other things, modify the appraisal of certain nonexempt property used for low-income or moderate-income housing if the property in question is under construction or has not reached stabilized occupancy on January 1 of the tax year in which the property is appraised.

H.B. 3490 (Deshotel) – Installment Payments: would authorize a person to pay a taxing unit’s property taxes in 12 or 18 equal installments, without penalty or interest, if the property: (1) is used for residential purposes; (2) has fewer than five living units; and (3) is leased or rented to a tenant who: (a) as a result of the COVID-19 pandemic has defaulted on the tenant’s obligation to pay rent on the property; and (b) may not be evicted from the property under a local, state, or federal order limiting or prohibiting evictions for a specified period.

H.B. 3509 (Meyer) – Appraisal Process: would make several changes to the property tax appraisal process, including: (1) imposing term limits on appraisal district board of directors

members; (2) prohibiting certain former employees of an appraisal district from later serving on an appraisal district board of directors; (3) prohibiting certain former members of the appraisal review board from serving as an employee of the appraisal district; (4) imposing a 90-day time limit on various determinations that a chief appraiser can make on certain exemptions and other appraisal applications; and (5) limiting the ability of a chief appraiser to offer evidence at certain protest and appraisal hearings in support of modifying or denying an application. (Companion bill is **S.B. 63** by **Nelson**.)

H.B. 3585 (Meyer) – Appraisal Districts: would, among other things, authorize a local governmental entity to request from the Texas Department of Licensing and Regulation (TDLR) information on a registered professional appraiser the entity is considering for appointment as chief appraiser of the entity’s appraisal district; and (2) require TDLR to inform the entity of a notation of noncompliance if the appraiser, during two or more previous reviews, served as chief appraiser of an appraisal district that TDLR determined had failed to comply with the comptroller’s recommendations. (Companion bill is **S.B. 916** by **Seliger**.)

H.B. 3610 (Gervin-Hawkins) – Property Tax Exemption: would, among other things, exempt property owned or leased by an open-enrollment charter school from property taxes.

H.B. 3629 (Bonnen) – Property Tax Deferral: would, among other things, provide that a taxing unit may not file suit to collect delinquent taxes on the residence homestead of an elderly or disabled person or disabled veteran, and the property may not be sold at a sale to foreclose the lien, until the 181st day after the date the collector for the taxing unit delivers a notice of delinquency of the taxes following the date the individual no longer owns and occupies the property as a residence homestead.

H.B. 3680 (Shine) – Tax Rate Notice: would require certain existing property tax rate notices to contain a statement encouraging taxpayers to visit a website collecting property tax database information to read as follows: “Visit PropertyTaxes.Texas.gov to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.” (Companion bill is **S.B. 1434** by **Bettencourt**.)

H.J.R. 129 (Thierry) – Homestead Exemption: would amend the Texas Constitution to: (1) authorize the governing body of a taxing unit to exempt from property taxation a portion, expressed as a dollar amount, of the market value of the residence homestead of a married or unmarried adult, including one living alone; and (2) provide that the amount of the exemption in (1) may not be less than \$5,000 or more than \$100,000. (See **H.B. 3260**, above.)

H.J.R. 131 (Metcalf) – Appraisal Cap: would amend the Texas Constitution to authorize the legislature to expand the application of the ten percent appraisal cap on residence homesteads to all real property. (See **H.B. 3317**, above.)

H.J.R. 132 (Metcalf) – Appraisal Cap: would amend the Texas Constitution to authorize the legislature to reduce the property tax appraisal cap on residence homesteads from ten to five percent. (See **H.B. 3321**, above.)

H.J.R. 136 (Rodriguez) – Property Tax Exemption: would amend the Texas Constitution to: (1) authorize the governing body of a taxing unit other than a school district to adopt a residence homestead property tax exemption, expressed as a dollar amount, of a portion of an individual's residence homestead if the exemption is adopted by the governing body in the manner provided by law for official action; (2) provide that the amount of the exemption is \$5,000 of the appraised value of the residence homestead, except that if the average market value of residence homesteads in the taxing unit in the tax year in which the exemption is adopted exceeds \$25,000, the governing body may authorize an exemption in a larger dollar amount not to exceed an amount equal to 20 percent of the average market value of residence homesteads in the taxing unit in the tax year in which the exemption is adopted; (3) provide that the legislature by general law may prohibit the governing body of a political subdivision that adopts an exemption under (1) from reducing the amount of or repealing the exemption; and (4) provide that, for a taxing unit which has ceased granting a percentage-based homestead exemption and adopted an exemption under (1), an individual who would have been entitled to a percentage-based residence homestead exemption had the governing body not ceased granting the exemption is entitled to continue to receive the percentage-based exemption in lieu of the dollar-amount homestead exemption if the individual otherwise qualifies for the exemption and the amount of the percentage-based exemption exceeds the amount of the dollar-amount exemption. (See **H.B. 3359**, above).

H.J.R. 141 (Goldman) – Property Tax Freeze: would amend the Texas Constitution to authorize a political subdivision other than a school district to adopt a property tax freeze on the residence homestead of individuals who are elderly or disabled and their surviving spouses. (Note: Cities already have this authority. H.J.R. 141 would expand the authority to additional political subdivisions that levy property taxes.) (See **H.B. 3437**, above.)

S.B. 1421 (Bettencourt) – Property Tax Appraisal: would, among other things, authorize the appraisal review board, on the motion of the chief appraiser or of a property owner, to direct by written order changes in the appraisal roll or related appraisal records under certain circumstances for the current tax year and for either of the two preceding tax years to correct an inaccuracy in the appraised value of the owner's tangible personal property that is the result of an error or omission in a rendition statement or property report filed for the applicable tax year. (Companion bill is **H.B. 1628** by **Raymond**.)

S.B. 1423 (Bettencourt) – Prepayment of Property Taxes: would, among other things: (1) at the request of a property owner, require the collector for a taxing unit to enter a contract with the property owner under which the property owner deposits money in an escrow account maintained by the collector to provide for the payment of property taxes collected by the collector on any property the person owns; (2) provide that a contract under (1), above, must allow the property owner to make deposits to the escrow account at any time until the earlier of the following occurs: (a) the estimated amount of taxes as provided in the contract accrues in the account; or (b) the tax bill for the property is prepared; (3) require the collector, upon request by a property owner to establish an escrow account, to estimate the amount of taxes to be imposed on the property by the affected taxing units in that year and include that amount in the contract to establish the escrow account; (4) provide that the contract under (1), above, may not require the property owner to

comply with a schedule of deposits or prescribe a minimum amount that must be deposited to the escrow account.

S.B. 1424 (Bettencourt) – Tax Rate Adoption: would, among other things: (1) provide that a city council must adopt a tax rate that exceeds the voter-approval tax rate before August 15; and (2) make conforming changes to other relevant dates affecting the city’s adoption of a tax rate, including: (a) moving the date by which the appraisal review board must substantially complete their work for purposes of certifying the appraisal roll from July 20 to July 5; (b) moving the date by which the chief appraiser must prepare and certify the appraisal roll or a certified estimate of the taxable value of property from July 25 to July 10; and (c) moving the date by which the designated officer or employee must submit tax rates to the city council from August 7 to July 22.

S.B. 1427 (Bettencourt) – Property Tax Exemption: would clarify that the temporary property tax exemption for a portion of the appraised value of property damaged by a disaster only applies when there is physical damage to a property caused by a disaster.

S.B. 1428 (Bettencourt) – Property Tax Adoption Following Disaster: would clarify that the authority of a taxing unit to adopt a tax rate exceeding the voter-approval tax rate or de minimis tax rate, as applicable, without holding an automatic election when an increased expenditure of money is necessary to respond to a disaster does not apply to an epidemic.

S.B. 1429 (Bettencourt) – Property Tax Rate Notice: would, for a city with a population of less than 30,000 that is not required to hold a tax rate election and for which the qualified voters may not petition to hold an election, establish alternate provisions for notice of the property tax rate when the de minimis tax rate of the city exceeds the voter-approval tax rate. (Companion bill is **H.B. 2429** by Meyer.)

S.B. 1434 (Bettencourt) – Tax Rate Notice: would require certain existing property tax rate notices to contain a statement encouraging taxpayers to visit a website collecting property tax database information to read as follows: “Visit PropertyTaxes.Texas.gov to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.” (Companion bill is **H.B. 2723** by Meyer and **H.B. 3680** by Shine.)

S.B. 1438 (Bettencourt) – Tax Rate Calculation in Disaster Area: would, among other things: (1) repeal existing law relating to the calculation of a tax rate in a disaster area; (2) provide that the governing body of a taxing unit may direct the designated officer or employee to calculate the voter-approval tax rate of the taxing unit in the manner provided for a special taxing unit (an eight percent voter-approval rate) if any part of the taxing unit is located in an area declared a disaster area during the current tax year by the governor or by the president of the United States and the disaster caused physical damage to property located in the taxing unit; (3) require the designated officer or employee to continue calculating the voter-approval tax rate in the manner provided by (2), above, until the earlier of: (a) the first tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred; or (b) the

third year after the tax year in which the disaster occurred; (4) provide that when increased expenditure of money by a taxing unit other than a school district is necessary to respond to disaster, including a tornado, hurricane, flood, wildfire, or other calamity, but not including a drought, epidemic, or pandemic, that has impacted the taxing unit and the governor has declared any part of the area in which the taxing unit is located as a disaster area, an election is not required to approve a tax rate exceeding the voter-approval tax rate or de minimis tax rate, as applicable, for the year following the year in which the disaster occurs; and (5) if a taxing unit adopts a tax rate under (4), the amount by which the rate exceeds the taxing unit's voter-approval tax rate for that tax year may not be considered when calculating the taxing unit's voter-approval tax rate for the tax year following the year in which the taxing unit adopts the rate. (Companion bill is **H.B. 3376** by Meyer.)

S.B. 1446 (Gutierrez) – Collection of Delinquent Property Taxes: would provide that the compensation for an attorney that represents a taxing unit to enforce the collection of delinquent taxes may not exceed 15 percent of the delinquent tax, penalty, and interest collected.

S.B. 1449 (Bettencourt) – Property Tax Exemption: would provide that a person is entitled to a property tax exemption for the tangible personal property with a taxable value of less than \$2,500 and that is held or used for the production of income.

Public Safety

H.B. 20 (Murr) – Personal Bond: this bill known as the “Damon Allen Act” would make numerous changes to the process of releasing defendants on bond.

H.B. 1545 (Cyrier) – Commission on Jail Standards: would continue the functions of the Commission on Jail Standards and, among other things, repeal the requirement that the chief jailer of each municipal lockup submit to the commission an annual report of persons under 17 years of age securely detained in the lockup. (Companion bill is **S.B. 710** by Hall.)

H.B. 1550 (Cyrier) – Texas Commission on Law Enforcement: this is the Texas Commission on Law Enforcement (TCOLE) sunset bill. The bill, among other things, would:

- (1) continue TCOLE until 2023;
- (2) require that an applicant for a license submit, to TCOLE or the Department of Public Safety, complete and legible set of fingerprints, on a form prescribed by TCOLE, for the purpose of obtaining criminal history record information from DPS and the Federal Bureau of Investigation and conducting a criminal history record information check on each applicant;
- (3) provide that TCOLE may: (a) enter into an agreement with DPS to administer a criminal history record information check required under (2); and (b) authorize DPS to collect from each applicant the costs incurred by DPS in conducting the criminal history record information check under (2);
- (4) provide that TCOLE shall adopt rules specifying the circumstances under which TCOLE may issue, without a hearing, an emergency order suspending a person's

- license for a period not to exceed 90 days after determining that the person constitutes an imminent threat to the public health, safety, or welfare;
- (5) provide that an order suspending a license under (4) must state the length of the suspension in the order, and – if an emergency order is issued without a hearing – TCOLE shall set the time and place for a hearing to be conducted not later than the 10th day after the date the order was issued; and
 - (6) establish a 17-member panel to study the regulation of persons licensed by TCOLE and the entities authorized by law to employ those persons, and such study shall consider the following: (a) the standards of conduct applicable to licensed persons, including whether statewide standards should be developed and who should develop, review, and update those standards; (b) the education and training requirements for licensed persons, including: (i) the requirements for the issuance of each type of license and the frequency with which those requirements are reviewed and updated; and (ii) the continuing education requirements for each type of license and the frequency with which those requirements are reviewed and updated; (c) TCOLE’s regulation of training programs and schools; and (d) the accountability to the public of licensed persons and of entities authorized by law to employ such persons, including: (i) the need for statewide standards applicable to the entities and who should develop, review, and update those standards; (ii) changes to TCOLE’s authority to discipline a license holder for violations of law or other misconduct; (iii) appropriate procedures to protect a license holder’s rights during a disciplinary proceeding; and (iv) the reporting of terminations.

(Companion bill is **S.B. 711** by **Paxton**.)

H.B. 1845 (Canales) – Texas Commission on Fire Protection: this is the sunset bill for the Texas Commission on Fire Protection (Commission). The bill would: (1) provide that the Commission will continue until 2033; (2) provide that advisory members appointed by the Commission shall serve six-year staggered terms but may not be appointed to consecutive terms; (3) eliminate the provision that provides that, in adopting or amending a rule under the Commission’s authority or any other law, the Commission shall seek the input of the fire fighter advisory committee and permit the advisory committee to review and comment on any proposed rule, including a proposed amendment to a rule, before the rule is adopted; (4) provide that a certificate issued or renewed by the Commission is valid for one or two years as determined by Commission rule; and (5) provide that the Commission may: (a) waive any prerequisite to obtaining a certificate for an applicant who holds a license or certificate issued by another jurisdiction: (i) that has licensing or certification requirements substantially equivalent to those of Texas; or (ii) with which Texas has a reciprocity agreement; and (b) make an agreement with another state to allow for certification by reciprocity.

(Companion bill is **S.B. 709** by **Hall**.)

H.B. 1900 (Goldman) – Law Enforcement Funding: would:

1. characterize a “defunding local government” as a city or county: (a) that adopts a budget for a fiscal year that, in comparison to the local government’s preceding fiscal year, reduces: (i) the appropriation to the local government’s law enforcement agency; (ii) the number of peace officers the local government’s law enforcement agency is authorized to

employ; (iii) funding for peace officer overtime compensation for the local government's law enforcement agency; or (iv) funding for the recruitment and training of new peace officers to fill each vacant peace officer position in the local government's law enforcement agency; and (b) for which the criminal justice division of the governor's office issues a written determination finding that the local government has taken an action described by (a), above;

2. provide that, in making a determination of whether a local government is a "defunding local government" according to the budget adopted for the first fiscal year beginning on or after September 1, 2021, the criminal justice division of the governor's office shall compare the funding and personnel in that budget to the funding and personnel in the budget of the preceding fiscal year or the second preceding fiscal year, whichever is greater;
3. provide that a local government is considered a defunding local government until the criminal justice division of the governor's office issues a written determination finding that the local government has reversed the inflation-adjusted reductions described in Number 1(a), above;
4. require the criminal justice division of the governor's office to: (a) compute the inflation rate used to make determinations under Number 3, above, each fiscal year using a price index that accurately reports changes in the purchasing power of the dollar for local governments in this state; and (b) publish the inflation rate in the Texas Register;
5. provide that a home rule city that is characterized as a "defunding municipality" may not annex an area during the period beginning on the date that the criminal justice division of the governor's office issues the written determination that the city is a defunding local government and ending on the 10th anniversary of the date on which the criminal justice division of the governor's office issues a written determination finding that the defunding municipality has reversed the reductions described in Number 1, above;
6. provide: (a) that a home rule city that is a defunding local government, on the next available uniform date that occurs after the date on which the criminal justice division of the governor's office issues a written determination that a city is a defunding local government, the city shall hold a separate election in each area annexed in the preceding 30 years by the defunding city on the question of disannexing the area; (b) that if an area is disannexed pursuant to an election under (a), the city may not attempt to annex the area before the 10th anniversary of the date on which the criminal justice division of the governor's office issues a written determination finding that the city has reversed the reductions described in Number 1, above; and (c) that a city holding a disannexation election under (a) may not use public funds on informational campaigns relating to the election;
7. prohibit the governing body of a defunding local government from adopting a property tax rate for the current tax year that exceeds the lesser of the city's no-new-revenue tax rate or voter-approval tax rate for that tax year;
8. provide: (a) that the comptroller may not, before July 1 of each state fiscal year, send to a defunding city its share of city sales and use taxes collected by the comptroller during the state fiscal year; and (b) that before sending the defunding city its share of sales and use taxes, the comptroller shall deduct the amount reported to the comptroller for the defunding city under Number 9, below, and credit that deducted amount to the general revenue fund, which must be appropriated only to the Department of Public Safety;
9. provide that not later than August 1 of each state fiscal year, the criminal justice division of the governor's office shall report to the comptroller for each defunding city the amount

of money the state spent in that state fiscal year to provide law enforcement services in the defunding city; and

10. prohibit the governing body of a municipally-owned electric utility that is located in a city that is a defunding local government from charging a customer: (a) at a rate higher than the rate the customer was charged or would have been charged on January 1 of the year that the city was determined to be a defunding local government; (b) any customer fees in amounts higher than the customer fees the customer was charged or would have been charged on January 1 of the year that the city was determined to be a defunding local government; and (c) any types of customer fees that the customer was not charged or would not have been charged on January 1 of the year that the city was determined to be a defunding local government.

H.B. 3288 (Neave) – Backlog Sexual Assault Kits: would provide that: (1) each law enforcement agency shall submit a quarterly report to the Department of Public Safety (DPS) identifying the number of sexual assault evidence collection kits in the agency’s possession that have not yet been submitted to a public accredited crime laboratory; and (2) each public accredited crime laboratory shall submit a quarterly report to DPS identifying the number of sexual assault evidence collection kits for which the crime laboratory has not yet compiled analysis, including the number of those evidence collection kits that have been in the possession of the laboratory for more than 90 days.

H.B. 3336 (Bowers) – Fireworks: would prohibit a home-rule municipality that regulates fireworks from confiscating fireworks in the possession of a person if the person possesses only packaged, unopened fireworks.

H.B. 3342 (Bowers) – Fireworks: would amend the definition of “illegal fireworks” in current state law to add that a firework device is one that is manufactured, distributed, or sold in violation of an ordinance or order enacted by a county or municipality prohibiting or further regulating fireworks.

H.B. 3361 (Murr) – Firearms: would, among other things, provide that: (1) certain entities (including a city) may not adopt a rule, order, ordinance, or policy under which the entity enforces, or by consistent action allows the enforcement of, a federal statute, order, rule, or regulation enacted on or after January 1, 2021, that purports to regulate a firearm, a firearm accessory, or firearm ammunition if the statute, order, rule, or regulation imposes a prohibition, restriction, or other regulation, such as a capacity or size limitation, a registration requirement, or a background check, that does not exist under Texas law; (2) a violation of the prohibition in (1) may be enforced: (a) by denying state grant funds to the entity; and (b) through court action by the attorney general; and (3) a person commits a Class A misdemeanor offense if, in the person's official capacity as an officer of an entity, or as a person employed by or otherwise under the direction or control of the entity, or under color of law, the person knowingly enforces or attempts to enforce any federal statute, order, rule, or regulation described in (1).

H.B. 3520 (Hunter) – Sexually Oriented Businesses: would, among other things: (1) provide that an individual younger than 18 years of age may not be on the premises covered by permit or license issued by the Texas Alcoholic Beverage Commission (TABC) if a sexually oriented business operates on the premise; (2) provide that the holder of a license or permit covering a

premises described in (1), above, may not knowingly or recklessly allow an individual younger than 18 years to be on the premises; (3) provide that if a permit or license holder is found to violate (1), above, TABC shall suspend the permit or license for the first and second violation, and cancel the permit or license for the third violation; (4) prohibit a sexually oriented business from allowing an individual younger than 18 years of age to enter the premises of the business; (5) provide that a sexually oriented business commits an offense if it violates (4), above; (6) amend current law to provide that it is a common nuisance to: (i) employ or enter into a contract for the performance of work or the provision of services with an individual younger than 21 years of age for work or services performed at a sexually oriented business; or (ii) permit an individual younger than 18 years of age to enter the premises of a sexually oriented business; (7) amend current law to provide that a sexually oriented business may not hire or enter into a contract with an individual younger than 21 years of age for the performance of work or the provision of services other than a contract to perform repairs, maintenance or construction services at the business; and (8) amend current law to provide that a child is a person younger than 21 years of age for purposes of the criminal offense of employing, authorizing, or inducing a child to work in a sexually oriented commercial activity or in any place of business permitting, requesting or requiring a child to work nude or topless. (Companion bill is **S.B. 315** by **Huffman**.)

H.B. 3553 (Neave) - Mobile Outreach Crisis Grant: would provide that: (1) the Health and Human Services Commission (Commission) shall establish and administer a mobile crisis outreach team grant program to grant money to cities and counties to establish local agencies that, in partnership with local law enforcement and local mental health authorities, provide an alternate response program under which a mobile crisis outreach team may be deployed in the city or county to appropriate situations determined not to require police intervention, for the purpose of reducing the number of incarcerations by the municipality or county of individuals with: (a) mental illness; (b) substance use disorders; or (c) intellectual or developmental disabilities; (2) a grant application from a municipality or county to the Commission must be submitted on a form prescribed by the Commission and include a statement from the governing body of the municipality or county regarding the municipal or county proposal to establish an alternate response program that includes various requirements; and (3) a grant awarded under (1), above, may not exceed \$5 million, and a city or county that receives a grant is required to leverage funds in an amount: (a) equal to 50 percent of the grant amount if: (i) the county has a population of less than 250,000; or (ii) the municipality is located in a county with a population of less than 250,000; (b) equal to 100 percent of the grant amount if: (i) the county has a population of 250,000 or more; or (ii) the municipality is located in a county with a population of 250,000 or more; and (c) equal to the percentage of the grant amount otherwise required for the largest county in which a mobile crisis outreach team is located if the mobile crisis outreach team is located in more than one county.

H.B. 3555 (Moody) – Asset Forfeiture: would, among other things, prohibit the transfer of forfeited property or the proceeds from the sale of forfeited property to a law enforcement agency.

H.B. 3589 (Toth) – Immigration: would, among other things, provide that an individual who holds an elective or appointive office of a local entity and who directs the entity to violate state law relating to policies and actions regarding immigration enforcement is liable in the official's personal capacity to a person for the person's damages that were incurred as a result of the

violation, and prohibit the official from asserting official immunity or other forms of immunity as a defense.

H.B. 3602 (Reynolds) – Police Reform: this bill – known as the “Thurgood Marshall Criminal Justice Reform Act” – would provide, among other things, that:

- (1) a person may bring an action for any appropriate relief, including legal or equitable relief, against a peace officer who, under the color of law, deprived the person of or caused the person to be deprived of a right, privilege, or immunity secured by the Texas Constitution, provided that the person must bring such action not later than two years after the day the cause of action accrues;
- (2) a statutory immunity or limitation on liability, damages, or attorney’s fees does not apply to an action brought under (1), and – regardless of any other law – qualified immunity or a defendant’s good faith but erroneous belief in the lawfulness of the defendant’s conduct is not a defense to an action;
- (3) in an action brought under (1), a court shall award reasonable attorney’s fees and costs to a prevailing plaintiff, but if a judgment is entered in favor of a defendant, the court may award reasonable attorney’s fees and costs to the defendant only for defending claims the court finds frivolous;
- (4) a public entity, including a city, shall indemnify a peace officer employed by the entity for liability incurred by and a judgment imposed against the officer in an action brought under (1), except a public entity is not required to indemnify a peace officer employed by the entity if the officer was convicted of a criminal violation for the conduct that is the basis for the action brought under (1);
- (5) the foreperson of grand jury shall prevent a person present during a session of the grand jury from displaying, through any visible means, support for another person who would likely be involved in the prosecution of an offense subject to indictment by the grand jury;
- (6) grand jury proceedings conducted in the course of the grand jury’s official duties are secret, and a witness who reveals, before the end of the grand jury’s term, any matter about which the witness is examined or that the witness observes during a grand jury proceeding, other than when the witness is required to give evidence on that matter in due course, may be punished by a fine not to exceed \$500, and for contempt of court, and by a term of confinement not to exceed six months;
- (7) a police department shall, before hiring an applicant for a position with the department as a peace officer, require the applicant to take and pass an examination on implicit bias;
- (8) a police department shall collaborate with an accredited institution of higher education or other nonprofit research institution in: (a) creating or selecting the examination described in (7); (b) setting the minimum passing score; and (c) setting a score that exceeds the minimum passing score but below which an applicant is required to receive individualized counseling on implicit bias before being hired for a peace officer position;
- (9) a police department may not hire, as a peace officer, an applicant who does not meet or exceed the passing score set under (8)(b), and may only hire such person after the applicant receives individualized counseling on implicit bias;

- (10) to be eligible for a position with a police department as a peace officer, an applicant hired on or after September 1, 2021, must: (a) for a home-rule municipality located wholly or partly in a county with a population of 500,000 or more, hold at least a baccalaureate degree or equivalent from an accredited institution of higher education; or (b) for a home-rule municipality not described by (10)(a), hold at least an associate's degree or equivalent from an accredited institution of higher education;
- (11) a police department may not hire, as a peace officer, a former peace officer who was terminated or resigned in lieu of termination for the unjustified use of deadly force;
- (12) a city and a police officer association recognized as a bargaining agent may not adopt a collective bargaining, meet and confer, or other similar agreement unless the parties have solicited participation by local community members, including allowing an organization of local community members to review and comment on any proposed agreement;
- (13) a peace officer, or a person acting in a peace officer's presence and at the officer's direction, is justified in using nonlethal force against another person, if: (a) the actor reasonably believes the arrest or search is lawful or, if the arrest or search is made under a warrant, the actor reasonably believes the warrant is valid; (b) before using force, the actor: (i) manifests the actor's purpose to arrest or search and identifies the actor as a peace officer or as a person acting at a peace officer's direction, unless the actor reasonably believes the actor's purpose and identity are already known by or cannot reasonably be made known to the person for whom the arrest or search is authorized; (ii) attempts to de-escalate the situation; and (iii) issues a warning that force will be used; (c) the force used is proportionate to the threat posed and to the seriousness of the alleged offense; (d) the actor immediately terminates the use of force the moment the person against whom force is used becomes compliant or is subdued; and (e) the use of force does not present a serious risk of injury to any person other than the actor or the person against whom the force is used;
- (14) a peace officer is only justified in using deadly force against another when and to the degree the deadly force is immediately necessary to make an arrest, or to prevent escape after arrest, if the use of force would have been justified under (13) and: (a) the person for whom arrest is authorized poses an imminent threat of death or serious bodily injury to the actor or another; (b) the deadly force is used only against the person for whom arrest is authorized; (c) the actor immediately terminates the use of deadly force the moment the imminent threat of death or serious bodily injury is eliminated; and (d) no lesser degree of force could have eliminated the imminent threat of death or serious bodily injury; and
- (15) the provision that provides that there is no duty to retreat before using justified force is repealed.

H.B. 3631 (Bucy) – Substance and Addiction Treatment: would provide: (1) that the Health and Human Services Commission shall endeavor to use and encourage the use of the most recently published standards on substance use and addiction treatment by the American Society of Addiction Medicine in relation to the provision of substance use and addiction treatment, including the designation of appropriate levels of care, the transfer or discharge of a patient, and the

utilization management review of care and treatment provided to individuals suffering from a substance use, mental health, or co-occurring disorder; and (2) that the commission may adopt a memorandum of understanding with other state agencies and local governmental entities to coordinate the use of and authorize the payment for services delivered in accordance with those standards.

H.B. 3654 (Rodriguez) – TCOLE: would provide, among other things, that:

- (1) the Texas Commission on Law Enforcement (TCOLE) shall establish a fee for the issuance of a license as follows: (a) \$80 for a peace officer license; and (b) \$25 for a license other than a peace officer license;
- (2) TCOLE shall develop and make available, to all law enforcement agencies, a model policy and associated training materials regarding the use of force by peace officers, and such policy must: (a) be designed to minimize the number and severity of incidents in which peace officers use force and include an emphasis on conflict de-escalation and the use of force in a manner proportionate to the threat posed and to the seriousness of the alleged offense; and (b) be consistent with the guiding principles on the use of force issued by the Police Executive Research Forum;
- (3) in developing a model policy described under (2), TCOLE shall consult with: (a) law enforcement agencies and organizations, including the Police Executive Research Forum and other national experts on police management and training; and (b) community organizations;
- (4) on request of a law enforcement agency, TCOLE shall provide the agency with training regarding the policy developed under (2);
- (5) TCOLE, by rule, shall establish grounds under which it shall suspend or revoke a peace officer license on a determination that the license holder's continued performance of duties as a peace officer constitutes a threat to the public welfare;
- (6) the grounds under (5) must include: (a) lack of competence in performing the license holder's duties as a peace officer; (b) illegal drug use or an addiction that substantially impairs the license holder's ability to perform the license holder's duties as a peace officer; (c) lack of truthfulness in court proceedings or other governmental operations; (d) failure to follow the directives of a supervising officer or to follow the policies of the employing law enforcement agency; (e) discriminatory conduct; or (f) conduct indicating a pattern of: (i) excessive use of force; (ii) abuse of official capacity; (iii) inappropriate relationships with persons in the custody of the license holder; (iv) sexual harassment or sexual misconduct while performing the license holder's duties as a peace officer; or (v) misuse of information obtained as a result of the license holder's employment as a peace officer and related to the enforcement of criminal offenses;
- (7) a body worn camera policy does not have to require that an officer be provided access to any recording of an incident involving the officer before the officer is required to make a statement about the incident;
- (8) a recording created with a body worn camera and documenting an incident that involves the use of deadly force by a peace officer or that is otherwise related to an administrative or criminal investigation of an officer may be released to the public

- regardless of whether criminal matters have been finally adjudicated and all related administrative investigations have concluded;
- (9) a law enforcement agency shall permit a person who is depicted in a recording of an incident described by (8) or, if the person is deceased, the person's authorized representative, to view the recording, on request of the applicable person, provided any authorized representative who is permitted to view the recording was not a witness to the incident; and
 - (10) a law enforcement agency shall adopt a policy for releasing to the public a recording described by (8) that prioritizes access to the recording in the following order: (a) the civilian oversight system associated with the law enforcement agency, if any; (b) the officer who used deadly force or is under investigation and the individual who is the subject of the recording, or if the individual is deceased, the individual's authorized representative, and any attorney representing the officer, individual, or representative; and (c) the public.

(Companion bill is **S.B. 1472** by **Eckhardt**.)

H.B. 3671 (Julie Johnson) – Protective Orders: would, among other things, require a law enforcement agency to immediately – but not later than the third business day after the date certain protective orders are received – enter certain information into the statewide law enforcement information system maintained by the Department of Public Safety.

S.B. 711 (Paxton) – Texas Commission on Law Enforcement: this is the Texas Commission on Law Enforcement (TCOLE) sunset bill. The bill, among other things, would:

- (1) continue TCOLE until 2023;
- (2) require that an applicant for a license submit, to TCOLE or the Department of Public Safety, complete and legible set of fingerprints, on a form prescribed by TCOLE, for the purpose of obtaining criminal history record information from DPS and the Federal Bureau of Investigation and conducting a criminal history record information check on each applicant;
- (3) provide that TCOLE may: (a) enter into an agreement with DPS to administer a criminal history record information check required under (2) ; and (b) authorize DPS to collect from each applicant the costs incurred by DPS in conducting the criminal history record information check under (2);
- (4) provide that TCOLE shall adopt rules specifying the circumstances under which TCOLE may issue, without a hearing, an emergency order suspending a person's license for a period not to exceed 90 days after determining that the person constitutes an imminent threat to the public health, safety, or welfare;
- (5) provide that an order suspending a license under (4) must state the length of the suspension in the order, and if an emergency order is issued without a hearing, TCOLE shall set the time and place for a hearing to be conducted not later than the 10th day after the date the order was issued; and
- (6) establish a 17-member panel to study the regulation of persons licensed by TCOLE and the entities authorized by law to employ those persons, and such study shall consider the following: (a) the standards of conduct applicable to licensed persons,

including whether statewide standards should be developed and who should develop, review, and update those standards; (b) the education and training requirements for licensed persons, including: (i) the requirements for the issuance of each type of license and the frequency with which those requirements are reviewed and updated; and (ii) the continuing education requirements for each type of license and the frequency with which those requirements are reviewed and updated; (c) TCOLE's regulation of training programs and schools; and (d) the accountability to the public of licensed persons and of entities authorized by law to employ such persons, including: (i) the need for statewide standards applicable to the entities and who should develop, review, and update those standards; (ii) changes to TCOLE's authority to discipline a license holder for violations of law or other misconduct; (iii) appropriate procedures to protect a license holder's rights during a disciplinary proceeding; and (iv) the reporting of terminations.

(Companion bill is **H.B. 1550** by **Cyrrier**.)

S.B. 1224 (West) – Police Reform: this bill known as the – “George Floyd Law Enforcement Accountability Act” – would make numerous changes related to interactions between peace officers and individuals detained or arrested on the suspicion of the commission of crimes, peace officer liability for those interactions, and the disciplinary of peace officers in certain cities. Of primary importance to cities, the bill would:

1. With respect to qualified immunity, provide that:
 - a. a person may bring an action for any appropriate relief, including legal or equitable relief, against a peace officer who, under the color of law, deprived the person of or caused the person to be deprived of a right, privilege, or immunity secured by the Texas Constitution;
 - b. a person must bring an action under (1)(a) not later than two years after the day the cause of action accrues;
 - c. regardless of any other law, a statutory immunity or limitation on liability, damages, or attorney's fees does not apply to an action brought under (1)(a), and qualified immunity or a defendant's good faith but erroneous belief in the lawfulness of the defendant's conduct is not a defense to an action brought under (1)(a);
 - d. in an action brought under (1)(a): (i) a court shall award reasonable attorney's fees and costs to a prevailing plaintiff; and (ii) if a judgment is entered in favor of a defendant, the court may award reasonable attorney's fees and costs to the defendant only for defending claims the court finds frivolous;
 - e. regardless of any other law, a public entity, including a city, shall indemnify a peace officer employed by the entity for liability incurred by and a judgment imposed against the officer in an action brought under (1)(a), except that an entity is not required to indemnify a peace officer employed by the entity if the officer was convicted of a criminal violation for the conduct that is the basis for the action brought under (1)(a);

2. With respect to the duties and powers of a peace officer, provide that:
 - a. an officer shall: (i) make an identification as a peace officer before taking any action within the course and scope of the officer's official duties, unless the identification would render the action impracticable; (ii) intervene if the use of force by another peace officer: (A) violates state or federal law or a policy of any entity served by the other officer; (B) puts any person at risk of bodily injury, unless the officer reasonably believes that the other officer's use of force is immediately necessary to avoid imminent harm to a peace officer or other person; or (C) is not required to apprehend or complete the apprehension of a suspect; and (iii) provide aid immediately to any person who needs medical attention, including a person who needs medical attention as a result of the use of force by a peace officer;

3. With respect to cite and release, provide that:
 - a. the Texas Southern University, in consultation with other law-enforcement related entities shall publish a written model policy regarding the issuance of citations for misdemeanor offenses, including traffic offenses, that are punishable by fine only, and such policy must provide a procedure for a peace officer, on a person's presentation of appropriate identification, to verify the person's identity and issue a citation to the person;
 - b. each law enforcement agency shall adopt a written policy regarding the issuance of citations for misdemeanor offenses, including traffic offenses, that are punishable by fine only, and such policy must meet the requirements for the model policy described under (3)(a); and
 - c. a law enforcement agency may adopt the model policy published under (3)(a);

4. With respect to de-escalation and proportionate response, provide that:
 - a. each law enforcement agency shall adopt a detailed written policy regarding the use of force by peace officers, and such policy must: (i) emphasize conflict de-escalation and the use of force in a manner proportionate to the threat posed and to the seriousness of the alleged offense; (ii) mandate that deadly force is only to be used by peace officers as a last resort; and (iii) affirm the sanctity of human life and the importance of treating all persons with dignity and respect;
 - b. a law enforcement agency may adopt the model policy developed by the Texas Commission on Law Enforcement (TCOLE) under (4)(f), below, or may adopt its own policy;
 - c. a peace officer or any other person may not, without a warrant, arrest an offender for a misdemeanor punishable by fine only, other than certain assault offenses or public intoxication;

- d. a peace officer may not, without a warrant, arrest a person who only commits one or more offenses punishable by fine only, other than certain assault offenses or public intoxication;
 - e. a peace officer who is charging a person, including a child, with committing an offense that is a misdemeanor punishable by fine only, other than public intoxication, shall instead of taking the person before a magistrate, issue a citation, except for certain assault offenses that are misdemeanors punishable by fine only, the officer may, instead of taking the person before a magistrate, issue a citation to the person;
 - f. TCOLE shall develop and make available to all law enforcement agencies a model policy and associated training materials regarding the use of force by peace officers, and the model policy must: (i) be designed to minimize the number and severity of incidents in which peace officers use force; and (ii) be consistent with the requirements of (4)(a) and the guiding principles on the use of force issued by the Police Executive Research Forum; and
 - g. on request of a law enforcement agency, TCOLE shall provide the agency with training regarding the policy developed under (4)(f).
5. With respect to disciplinary procedures for police officers in cities with a population of over 50,000, have adopted civil service, or have not adopted collective bargaining, provide that:
- a. the city shall implement a progressive disciplinary matrix for its police officers if the city has not adopted civil service, and shall adopt rules necessary to implement the matrix; and
 - b. a meet and confer agreement: (i) must implement the progressive disciplinary matrix established under (5)(a) or (6); and (ii) may not conflict with and does not supersede a statute, ordinance, order, civil service provision, or rule concerning the disciplinary actions that may be imposed on a police officer under the progressive disciplinary matrix;
6. With respect to certain cities that are subject to civil service, provide that:
- a. the civil service commission shall implement a progressive disciplinary matrix for infractions committed by police officers that consists of a range of progressive disciplinary actions applied in a standardized way based on the nature of the infraction and the officer's prior conduct record, including removal, suspension, change of duty or assignment, demotion, deduction of points from a promotional examination grade, retraining, a written warning, or a written reprimand;
 - b. the progressive disciplinary matrix must include: (i) standards for disciplinary actions relating to the use of force against another person, including the failure to de-escalate force incidents in accordance with departmental policy; (ii) standards for evaluating the level of discipline appropriate for uncommon infractions; and (iii) presumptive actions to be

- taken for each type of infraction and any adjustment to be made based on a police officer's previous disciplinary record;
- c. a hearing examiner must presume a disciplinary action applied to a police officer under a progressive disciplinary matrix is reasonable unless the facts indicate that the police department inappropriately applied a category of offense to the particular violation;
7. With respect to police officers in cities that are subject to collective bargaining, provide that:
- a. a city shall implement a progressive disciplinary matrix, as described by (6), for its police officers if the city has not adopted civil service;
 - b. the city shall adopt rules necessary to implement the progressive disciplinary matrix; and
 - c. a collective bargaining agreement may not with an ordinance, order, statute, or rule concerning the disciplinary actions that may be imposed on police officers under a progressive disciplinary matrix implemented by the city;
8. With respect to justified use of force, provide that:
- a. a peace officer, or a person acting in a peace officer's presence and at the officer's direction, is justified in using nonlethal force against another when and to the degree the force is immediately necessary to make or assist in making an arrest or search, or to prevent or assist in preventing escape after arrest, if: (i) before using force, the actor: (A) manifests the actor's purpose to arrest or search and identifies the actor as a peace officer or as a person acting at a peace officer's direction, unless the actor reasonably believes the actor's purpose and identity are already known by or cannot reasonably be made known to the person for whom the arrest or search is authorized; (B) attempts to de-escalate the situation; and (C) issues a warning that force will be used; (ii) the force used is proportionate to the threat posed and to the seriousness of the alleged offense; (iii) the actor immediately terminates the use of force the moment the person against whom force is used becomes compliant or is subdued; and (iv) the use of force does not present a serious risk of injury to any person other than the actor or the person against whom the force is used;
 - b. a person who is not a peace officer or acting at a peace officer's direction is justified in using nonlethal force against another when and to the degree the force is immediately necessary to make or assist in making a lawful arrest, or to prevent or assist in preventing escape after lawful arrest if: (i) before using force, the actor: (A) manifests the actor's purpose to arrest and the reason for the arrest or reasonably believes the actor's purpose and the reason are already known by or cannot reasonably be made known to the person for whom arrest is authorized; (B) attempts to de-escalate the situation; and (C) issues a warning that force will be used; (ii) the force used is proportionate to the threat posed and to the seriousness of the alleged

- offense; (iii) the actor immediately terminates the use of force the moment the person against whom force is used becomes compliant or is subdued; and (iv) the use of force does not present a serious risk of injury to any person other than the actor or the person against whom the force is used;
- c. a peace officer is only justified in using deadly force against another when and to the degree the deadly force is immediately necessary to make an arrest, or to prevent escape after arrest, if the use of force would have been justified under 8(a) and: (i) the person for whom arrest is authorized poses an imminent threat of death or serious bodily injury to the actor or another; (ii) the deadly force is used only against the person for whom arrest is authorized; (iii) the actor immediately terminates the use of deadly force the moment the imminent threat of death or serious bodily injury is eliminated; and (iv) no lesser degree of force could have eliminated the imminent threat of death or serious bodily injury;
 - d. A person who is not a peace officer but is acting in a peace officer's presence and at the officer's direction is justified in using deadly force against another when and to the degree the deadly force is immediately necessary to make a lawful arrest, or to prevent escape after a lawful arrest, if the use of force would have been justified under (8)(b) and: (i) the person for whom arrest is authorized poses an imminent threat of death or serious bodily injury to another; (ii) the deadly force is used only against the person for whom arrest is authorized; (iii) the actor immediately terminates the use of deadly force the moment the imminent threat of death or serious bodily injury is eliminated; and (iv) no lesser degree of force could have eliminated the imminent threat of death or serious bodily injury; and
 - e. the provision that provides that there is no duty to retreat before using justified deadly force is repealed;
9. Provide that the use of force or deadly force against a person is not justified if the force or deadly force is used in a manner that impedes the normal breathing or circulation of the blood of the person by applying pressure to the person's throat or neck or by blocking the person's nose or mouth; and
 10. Provide that a peace officer may not arrest a person found only committing one or more misdemeanors related to traffic offenses that are punishable by fine only, and shall issue a written notice to appear if the person makes a written promise to appear in court.

S.B. 1268 (West) – Termination Report: would: (1) provide that the head of a law enforcement agency or the head's designee shall: (a) submit a report to the Texas Commission on Law Enforcement (TCOLE) on a form prescribed by the TCOLE regarding a person licensed by TCOLE who separates from the law enforcement agency for any reason; (b) indicate in the report required under (1)(a) whether the license holder was suspected of misconduct, including engaging in criminal conduct, regardless of whether the license holder was arrested for, charged with, or convicted of an offense, even if the license holder was not terminated for misconduct; and (3) repeal the provision that provides: (a) that information related to employment records that are

submitted to TCOLE is confidential and is not subject to disclosure under the Texas Public Information Act, unless the person resigned or was terminated due to substantiated incidents of excessive force or violations of the law other than traffic offenses; and (b) a TCOLE member or other person may not release employment records that are submitted to TCOLE.

S.B. 1324 (Hinojosa) – Investigation of Fire Fighters: would provide that: (1) a city, regardless of whether the city is covered by a meet and confer or collective bargaining agreement, shall not take punitive action (suspension, indefinite suspension, demotion, reprimand, or any combination of these actions) against a paid employee of a city fire department unless an administrative investigation has been conducted by the city in accordance with specific investigation procedures that apply to the investigation of police officers and fire fighters in civil service cities or other applicable law; and (2) a copy of a signed complaint against a fire fighter shall be given to the fire fighter in accordance with the procedures adopted under (1), above. (Companion bill is **H.B. 1973** by **Canales**.)

S.B. 1345 (Eckhardt) – Cannabis: would, among other things: (1) authorize the cultivation, manufacture, processing, distribution, sale, testing, transportation, delivery, transfer, possession, use, and taxation of cannabis and cannabis products; (2) provide that a person may prohibit or restrict the possession, consumption, cultivation, distribution, processing, sale, or display of cannabis or cannabis products on property the person owns, occupies, or manages; (3) provide that a commissioners court of a county may order an election to approve the operation of cannabis growers, cannabis establishments, or cannabis testing facilities in the county; (4) provide that a county that authorizes the operation of cannabis growers, cannabis establishments or cannabis testing facilities in the county may adopt regulations consistent with the bill governing the hours of operation, location, manner of conducting business, and number of cannabis growers, cannabis establishments, or cannabis testing facilities; (5) require a license to operate as a cannabis grower, cannabis establishment, cannabis secure transporter, or cannabis testing facility; and (6) create a criminal offense.

S.B. 1358 (Hughes) – Mental Health Resources: would provide that: (1) the Department of State Health Services may develop resources to provide to the heads of law enforcement agencies to assist in addressing mental health issues experienced by a law enforcement officer; and (2) the materials developed under (1) may include: (a) resources to assist the head of a law enforcement agency in identifying a law enforcement officer who would benefit from mental health services; (b) methods to reduce the stigma associated with a law enforcement officer experiencing mental health issues; and (c) local resources to assist the head of a law enforcement agency in locating and contacting a licensed mental health professional.

S.B. 1386 (Creighton) – EMS Body Worn Cameras: would: (1) require an emergency services provider that elects to operate a body worn camera program to adopt a policy for the use of the cameras by emergency medical services personnel; (2) require the policy described in (1) meet certain requirements and that certain training be provided to EMS personnel; (3) provide that EMS personnel providing emergency medical services for an emergency medical services provider may only use a body worn camera issued by the provider and may not use a privately owned body worn camera or other recording device while providing those services; and (4) provide certain

exceptions under the Public Information Act in relation to a recording from a body worn camera worn by EMS personnel.

S.B. 1390 (West) – Mental Health Crisis Response Teams: would, among other things: (1) require the executive commissioner of the Health and Human Services Commission to establish and administer a grant program to grant money to municipalities and counties for the purpose of operating a mental health crisis response team program to: (a) operate one or more mental health crisis response teams in the municipality or county; and (b) employ one or more mental health professionals to: (i) screen calls made to a 9-1-1 emergency call center dispatcher for law enforcement or emergency medical assistance; (ii) determine whether to dispatch a mental health crisis response team to service a call; and (iii) consult with and provide information to the dispatched mental health crisis response team.; (2) provide that in addition to funding received under a grant, a municipality or county may contribute local funds to the operation of the municipality's or county's mobile crisis response team program; and (3) provide that HHSC may use any available state and federal money and may accept gifts, grants, and donations from any source for the purpose of providing grants under the bill.

S.B. 1405 (Buckingham) – Reduction of Police Force: would prohibit a city with a population of 950,000 or more from reducing the number of peace officers the city's police department is authorized to employ per 1,000 residents if the reduction rate exceeds the rate by which the city lost population in the preceding calendar year.

S.B. 1406 (Buckingham) – Police Officer Training Academies: would, for a city with a population of 950,000 or more that operates or sponsors a police officer training academy, require a city whose police department has more than 50 police officer vacancies to hold a police cadet training class to begin not later than the earlier of: (1) the date of a class scheduled to begin; or (2) a date that will ensure that the cadets graduate not later than one year after the first date the number of vacancies was more than 50.

S.B. 1472 (Eckhardt) – TCOLE: would provide, among other things, that:

- (1) the Texas Commission on Law Enforcement (TCOLE) shall establish a fee for the issuance of a license as follows: (a) \$80 for a peace officer license; and (b) \$25 for a license other than a peace officer license;
- (2) TCOLE shall develop and make available, to all law enforcement agencies, a model policy and associated training materials regarding the use of force by peace officers, and such policy must: (a) be designed to minimize the number and severity of incidents in which peace officers use force and include an emphasis on conflict de-escalation and the use of force in a manner proportionate to the threat posed and to the seriousness of the alleged offense; and (b) be consistent with the guiding principles on the use of force issued by the Police Executive Research Forum;
- (3) in developing a model policy described under (2), TCOLE shall consult with: (a) law enforcement agencies and organizations, including the Police Executive Research Forum and other national experts on police management and training; and (b) community organizations;

- (4) on request of a law enforcement agency, TCOLE shall provide the agency with training regarding the policy developed under (2);
- (5) TCOLE, by rule, shall establish grounds under which it shall suspend or revoke a peace officer license on a determination that the license holder's continued performance of duties as a peace officer constitutes a threat to the public welfare;
- (6) the grounds under (5) must include: (a) lack of competence in performing the license holder's duties as a peace officer; (b) illegal drug use or an addiction that substantially impairs the license holder's ability to perform the license holder's duties as a peace officer; (c) lack of truthfulness in court proceedings or other governmental operations; (d) failure to follow the directives of a supervising officer or to follow the policies of the employing law enforcement agency; (e) discriminatory conduct; or (f) conduct indicating a pattern of: (i) excessive use of force; (ii) abuse of official capacity; (iii) inappropriate relationships with persons in the custody of the license holder; (iv) sexual harassment or sexual misconduct while performing the license holder's duties as a peace officer; or (v) misuse of information obtained as a result of the license holder's employment as a peace officer and related to the enforcement of criminal offenses;
- (7) a body worn camera policy does not have to require that an officer be provided access to any recording of an incident involving the officer before the officer is required to make a statement about the incident;
- (8) a recording created with a body worn camera and documenting an incident that involves the use of deadly force by a peace officer or that is otherwise related to an administrative or criminal investigation of an officer may be released to the public regardless of whether criminal matters have been finally adjudicated and all related administrative investigations have concluded;
- (9) a law enforcement agency shall permit a person who is depicted in a recording of an incident described by (8) or, if the person is deceased, the person's authorized representative, to view the recording, on request of the applicable person, provided any authorized representative who is permitted to view the recording was not a witness to the incident; and
- (10) a law enforcement agency shall adopt a policy for releasing to the public a recording described by (8) that prioritizes access to the recording in the following order: (a) the civilian oversight system associated with the law enforcement agency, if any; (b) the officer who used deadly force or is under investigation and the individual who is the subject of the recording, or if the individual is deceased, the individual's authorized representative, and any attorney representing the officer, individual, or representative; and (c) the public.

(Companion bill is **H.B. 3654** by **Rodriguez**.)

S.B. 1487 (Hughes) – School Attendance Officers: would provide that, for services performed by a peace officer as an school attendance officer, compensation shall be paid from the funds of the county, independent school district, or open-enrollment charter school at a rate commensurate with the regular wages of the peace officer.

Sales Tax

H.B. 3538 (Shine) – Local Sales Tax Sourcing: would, among other things: (1) modify the definition of a “place of business of the retailer” for purposes of city sales tax sourcing to mean an established outlet, office, or location operated by a retailer, or operated by the retailer’s agent or employee, for the purpose of receiving orders, regardless of the method by which orders are transmitted or received, for taxable items and including any location at which three or more orders are received by the retailer during a calendar year; (2) provide that if a retailer has only one place of business in the state, all of the retailer’s retail sales of taxable items, regardless of the method by which orders for the taxable items are transmitted or received, are consummated at that place of business; and (3) provide as an exception to (2), above, that the sale of a taxable item purchased by the retailer from a related entity, including a related entity acting as a third-party drop shipper of taxable items, is consummated at the place of business of the related entity where the order for the taxable item is fulfilled or from which the taxable item is shipped if: (a) the retailer has only one place of business in the state; (b) the retailer purchases the taxable item from the related entity using a resale certificate; and (c) the order for the taxable item is fulfilled at, or the taxable item is shipped from, a place of business of the related entity in the state that would constitute a place of business of the retailer if the related entity were the retailer.

H.B. 3573 (Sanford) – Sales Tax Exemption: would exempt from sales taxes data processing services designed to process payment made by credit card or debit card. (Companion bill is **S.B. 153** by Perry.)

S.B. 1332 (Hinojosa) – Local Sales Tax Sourcing: would: (1) define “Internet order” as an order placed by a purchaser through a website, software application, or other method using the Internet using a computer or mobile device that does not belong to the seller, and provide that the term does not include an order placed by telephone call, regardless of whether the call is completed using Voice over Internet Protocol or a mobile device; and (2) provide that, for purposes of the local sales and use tax, a sale of a taxable item is consummated at the location in this state to which the item is shipped or delivered or at which possession is taken by the purchaser if the sale is made through an Internet order. (Companion bill is **H.B. 2410** by Dean.)

S.B. 1417 (Schwertner) – Local Sales Tax Sourcing: would provide that: (1) a location that, under the law in effect on August 31, 2019, was a place of business of the retailer for purposes of certain economic development agreements, entered into by a retailer and a city on or before August 31, 2019, remains a place of business of the retailer for the term of the agreement; and (2) during the term of the agreement, the sale of a taxable item is consummated at that place of business if the sale would have been consummated at that place of business under the law in effect on August 31, 2019. (Companion bill is **H.B. 4260** by Talarico.)

Community and Economic Development

H.B. 3279 (Dutton) – Schools: would, among things, provide that: (1) a city must consider an open-enrollment charter school a school district for purposes of zoning, permitting, plat approvals, fees or other assessments, construction or site development work, code compliance, development,

and approve in the same manner and following the same timelines as if a charter school were a school district or state-owned facility; (2) in territory annexed for limited purposes and on request of an open-enrollment charter school, a city shall enter an agreement with the governing body of the open-enrollment charter school to establish review fees, review periods, and land development standards ordinances and to provide alternative water pollution control methodologies for school buildings constructed by the open-enrollment charter school; (3) the definition of the term “land development standards” in (2) includes, among other things, building heights, traffic impact analyses, vehicle queuing, parking requirements, and signage requirements; (4) a local governmental entity may not enact or enforce an ordinance, order, regulation, resolution, rule, or policy or take action that prohibits an open-enrollment charter school from operating a public school campus, educational support facility, or administrative office in the entity’s jurisdiction or on any specific property in the jurisdiction of the local governmental entity; and (5) an open-enrollment charter school is not required to pay impact fees unless the governing body of the charter school consents to the payment. (Companion bill is **S.B. 28** by **Bettencourt**.)

H.B. 3328 (Bernal) – Tax Preferences: would, among other things: (1) require the comptroller to identify each state and local tax preference and develop a review schedule under which tax preferences are reviewed once during each six-year period; (2) require the Legislative Budget Board (LBB) to periodically review each state and local tax preference according to the schedule created by the comptroller; (3) require the LBB to file a preliminary report on tax preferences to the Senate Finance Committee and the House Ways and Means Committee not later than September 1 of each even-numbered year; (4) require the Senate Finance Committee and the House Ways and Means Committee to review the preliminary report and, not later than December 1 of each even-numbered year, provide to the governor, lieutenant governor, and speaker of the house a final report on the reviews of tax preferences; (5) provide that each tax preference enacted by the legislature that becomes law on or after January 1, 2022, expires six years after the date it takes effect, unless the legislature provides an earlier or later expiration date; and (6) provide that a tax preference that became law before January 1, 2022, and that remains in effect on that date, expires January 1, 2028, unless the legislature provides for an earlier or later expiration date. (See **H.J.R. 134**, below.)

H.B. 3339 (Meyer) – Major Events Reimbursement Program: would add the Ladies Professional Golf Association Championship, the Professional Golfers’ Association Championship, the Ryder Cup, and the Senior Professional Golfers’ Association Championship to the list of events eligible for funding under the Major Events Reimbursement Program.

H.B. 3378 (Leman) – National Anthem: would provide that an agreement between the Texas Economic Development and Tourism Office, an endorsing city or county, or a local organizing committee and a site selection organization under an event reimbursement program that includes a financial commitment of the state or a city or county of the state must contain a written verification from the site selection organization guaranteeing the national anthem of the United States will be performed at the beginning of the game or event for which funds are committed under the agreement.

H.B. 3414 (Holland) – Special District Assessments: would require a seller of a newly constructed residential real property that is located in a special district to provide a written notice

to the first purchaser of the property advising of the obligation to pay assessments to the municipality or county.

H.B. 3417 (Fierro) – Manufactured Homes: would, among other things, provide that: (1) during a declared emergency that exceeds a period of 14 days, the executive director of the manufactured housing division of the Texas Department of Housing and Community Affairs: (a) shall waive all licensing requirements to ensure the continued and adequate supply of professionals to build, sell, transport, insure, finance, and install manufactured homes; and (b) may require a person to register with the DHCA before engaging in any activity regulated regarding manufactured homes; (2) following the cessation of a declared emergency, the director may require a person registered with the DHCA under (1)(b) to comply with the criminal history background check requirements and other licensing requirements; (3) all actions regulated by state law on manufactured housing and actions needed to construct, transport, install, sell, finance, rent, and insure manufactured homes are essential services that must be allowed to continue to operate at a statewide level during a declared emergency; and (4) the license requirement for a person to sell or exchange, or offer to sell or exchange, two or more manufactured homes to consumers in Texas in a 12-month period does not apply to a person if all manufactured homes sold or offered for sale by the person are: (a) located in a manufactured home community; and (b) sold or offered for sale to the same purchaser in connection with a sale of a lot or parcel of real property located in the community.

H.B. 3464 (Shaw) – Public Facility Corporation: would provide that a tax exemption for a multifamily residential development which is owned by a public facility corporation applies only if the operator of the development does not base any refusal to rent a unit to an individual or family on the individual's or family's participation in the federal Section 8 Housing Choice Voucher Program.

H.B. 3519 (Deshotel) – Extraterritorial Jurisdiction: would: (1) allow a resident of an area with a population of less than 200 and in a municipality's extraterritorial jurisdiction (ETJ) to file a petition for the area to be released from the ETJ if the area has been in the ETJ for at least one year; (2) require the petition in (1) be signed by more than 50 percent of the registered voters of the area described by the petition as of the date of the preceding uniform election date, and if it is valid, require the city to release the area from its ETJ immediately; (3) allow a resident of an area with a population of 200 or more and that has been in a municipality's ETJ for at least one year to request to hold an election to vote on the question of whether to release the area from the municipality's ETJ by filing with the municipality a petition that includes the signatures of at least five percent of the registered voters residing in the area as of the date of the preceding uniform election date; (4) require, if it receives a valid petition under (3), a city to hold and pay for the costs of an election in the area described by the petition, and require the city to immediately release the area from the ETJ if a majority of voters approve the proposed release. (Companion bill is **S.B. 1992** by **Bettencourt**.)

H.B. 3546 (Cortez) – Tourism Public Improvement Districts: would: (1) authorize a city council to include property in a tourism public improvement district after establishment of the district if: (a) the property is a hotel; and (b) a sufficient number of the record owners of the real property currently included and proposed to be included in the district have consented to be included in the district by signing the original petition to establish the district or by signing a

petition or written consent to include property in the district; and (2) provide that for purposes of (1)(b), above, the number of consenting record owners is sufficient if the record owners own more than 60 percent of the appraised value of taxable real property liable for assessment in the district and: (a) constitute more than 60 percent of all record owners of taxable real property liable for assessment in the district; or (b) own, in aggregate, more than 60 percent of the area of all taxable real property liable for assessment in the district. (Companion bill is **S.B. 804** by **Menéndez**.)

H.B. 3634 (Thierry) – Building Codes/Pipe Insulation: would require a city to adopt a building code regulation that requires certain pipe be insulated in a certain manner, and require that the regulation be applied to new residential construction on or after January 1, 2022.

H.J.R. 134 (Bernal) – Tax Preferences: would amend the Texas Constitution to require the periodic review and expiration of state and local tax preferences. (See **H.B. 3328**, above.)

S.B. 1196 (Whitmire) – Texas State Board of Plumbing Examiners: would, among other things, continue the functions of the Texas State Board of Plumbing Examiners. (Companion bill is **H.B. 636** by **S. Thompson**.)

S.B. 1210 (Johnson) – Refrigerants: would provide that a building code or other requirement applicable to commercial or residential buildings or construction may not prohibit the use of certain substitutes for hydrofluorocarbon refrigerants authorized under federal law. (Companion bill is **H.B. 3032** by **Oliverson**.)

S.B. 1246 (Perry) – Universal Service Fund: would: (1) expand the definition of “telecommunications provider” for purposes of paying the statewide uniform charge that funds the universal service fund to include a provider of Voice over Internet Protocol service; (2) modify the definition of “high cost rural area” for purposes of the universal service fund; (3) provide that the statewide uniform charge that funds the universal service fund may be in the form of a fee or an assessment on revenues; and (4) provide that the Public Utility Commission may not assess the statewide uniform charge in a manner that is not technology neutral or grants an unreasonable preference based on technology.

S.B. 1255 (Birdwell) – School Property Tax Limitations: would, among other things, extend the expiration date of the Texas Economic Development Act from December 31, 2022, to December 31, 2032.

S.B. 1256 (Birdwell) – Property Tax Abatement: would provide that an owner or lessee of a parcel of real property that is located wholly or partly in a tax abatement reinvestment zone may not receive an exemption from taxation of any portion of the value of the parcel of real property or of tangible personal property located on the parcel under a tax abatement agreement if a solar energy device or wind-powered energy device is installed or constructed on the same parcel of real property.

S.B. 1257 (Birdwell) – Property Tax Abatement: would require a chief appraiser to include in a tax abatement report submitted to the comptroller a list of the kind, number, and location of all

proposed improvements of the property in connection with each tax abatement agreement within the district in the year following the year in which or an agreement is executed.

S.B. 1269 (Whitmore) – Main Street: would amend current state law allowing municipalities to participate in a main street program by modifying the program to include “communities” and their historic neighborhood commercial districts rather than municipalities.

S.B. 1283 (Hancock) – Broadband: would establish a process by which a broadband provider may apply for and attach an affixture of cables, strands, wires, and associated equipment used in the provision of a broadband provider’s services to a pole owned and controlled by an electric cooperative. (Companion bill is **H.B. 1505** by **Paddie**.)

S.B. 1338 (Zaffirini) – Annexation: would: (1) require that, at the time a municipality makes an offer to a landowner to enter into an agreement in which the landowner consents to annexation, the municipality provide the landowner with a written disclosure: (a) that the landowner is not required to enter into the agreement; (b) of the authority under which the municipality may annex the land with references to relevant law; (c) with a plain-language description of the annexation procedures applicable to the land; and (d) regarding whether the procedures require the landowner’s consent; and (2) provide that a failure to provide the disclosure in (1) makes the annexation agreement void. (Companion bill is **H.B. 1897** by **Sanford**.)

S.B. 1416 (Creighton) – Monuments and Memorials: would, among other things: (1) provide that a monument or memorial located on city property: (a) for at least 25 years may be removed, relocated, or altered only by supermajority vote of the city council; and (b) for less than 25 years may be removed, relocated, or altered only by the city council; (2) provide that an additional monument may be added to the surrounding city property on which a monument or memorial is located to complement or contrast with the monument or memorial; (3) authorize a resident of the city to file a complaint with the attorney general asserting the city violated (1), above, and authorize the attorney general to file a petition for a writ of mandamus or other equitable relief to compel a city to comply with (1), above; and (4) define “monument or memorial” as used in (1) to mean a permanent monument, memorial, or other designation, including a statute, portrait, plaque, seal, symbol, cenotaph, building name, bridge name, park name, area name, or street name, that honors an event or person of historic significance.

S.B. 1422 (Bettencourt) – Freeport Property Tax Exemption: would extend from 175 to 365 the number of days by which Freeport goods must be transported outside the state in order to be exempt from property taxation. (See **S.J.R. 57**, below.)

S.B. 1433 (Bettencourt) – Tax Increment Financing: would, among other things: (1) require an ordinance designating a tax increment reinvestment zone to provide that the zone terminates not later than the tenth anniversary of the date on which the ordinance designating the zone is adopted; (2) prohibit the term of any portion of a tax increment reinvestment zone to be extended beyond the tenth anniversary of the date on which the ordinance designating the tax increment reinvestment zone is adopted; (3) prohibit a city from designating a tax increment reinvestment zone if: (a) more than ten percent of the property in the proposed zone is used for residential purposes; or (b) the total appraised value of taxable real property in the proposed zone and in

existing reinvestment zones exceeds ten percent of the total appraised value of taxable real property in the city and in the industrial districts created by the city; (4) prohibit the board of directors of a tax increment reinvestment zone from adopting, and the city council from approving, an amendment to the project plan if: (a) the median appraised value of taxable real property that is located outside the boundaries of the zone and that is within the designating city's corporate boundaries and extraterritorial jurisdiction; and (b) the amendment is required to be approved by ordinance adopted after a public hearing that satisfies certain procedural requirements; and (5) provide that a city may not authorize tax increment bonds and notes unless a majority of the city's qualified voters who vote at an election ordered for that purpose approve the issuance of the bonds and notes.

S.B. 1465 (Hinojosa) – Small and Rural Community Success Fund: would establish the Texas small and rural community success fund to make loans to economic development corporations (EDCs) for eligible EDC projects.

S.B. 1469 (Buckingham) – Hotel Occupancy Tax Uses: Hotel Occupancy Tax Uses: would: (1) authorize cities with a populations under 200,000 to use a portion of the revenue derived from their city hotel occupancy taxes to promote tourism and the convention and hotel industry by enhancing and maintaining public parks owned by the city; (2) provide that the amount of city hotel occupancy tax revenue a city may use in a fiscal year to enhance and maintain all public parks may not exceed ten percent of the amount of revenue the city collected from that tax during the preceding fiscal year; (3) provide that the amount of city hotel occupancy tax revenue a city may use in a fiscal year to enhance and maintain an individual public park may not exceed the amount of area hotel revenue in the preceding fiscal year that was directly attributable to tourists who attended events held at that park or otherwise visited that park; (4) require a city to, before the city uses city hotel occupancy tax revenue to enhance or maintain a park, make a good faith estimate of the annual amount of area hotel revenue directly attributable to tourists who visited that park; and (5) provide that a city that uses city hotel occupancy tax revenue in accordance with (1), above: (a) may reserve not more than ten percent of the revenue from that tax collected in a fiscal year for use for the same purposes during the succeeding three fiscal years; and (b) may not reduce the percentage of revenue from the tax allocated for the purposes of advertising and promotional programs to attract tourists and convention delegates or registrants to the city or its vicinity to a percentage that is less than the average percentage of the revenue from that tax allocated by the city for the same purposes during the 36-month period preceding the date the city begins using revenue for the purposes described in (1), above.

S.J.R. 57 (Bettencourt) – Freeport Property Tax Exemption: would amend the Texas Constitution to extend from 175 to 365 the number of days by which Freeport goods must be transported outside the state in order to be exempt from property taxation. (See **S.B. 1422**, above.)

Elections

H.B. 3269 (Noble) – Cancelled Ballots by Mail: would, among other things: (1) provide that a person: (a) may cancel an application to vote by mail by returning the person's ballot and then voting by personal appearance; or (b) whose ballot is cancelled in any other manner may cast a

provisional ballot; (2) require the early voting clerk and presiding election judge to keep a log of returned ballots and provide a copy of the list to the early voting ballot board to ensure that the cancelled ballot is not counted in the election; and (3) require the election officer to electronically submit a record to the secretary of state of each application canceled in a primary, a runoff primary, a general election, or any special election ordered by the governor on the day the application is canceled.

H.B. 3274 (Jetton) – Early Voting by Mail: would change the received-by date for an application for ballot by mail submitted by telephonic facsimile or electronic transmission from not later than the “fourth business day after the transmission by telephonic facsimile machine or electronic transmission is received” to the “seventh business day before the date of the election for which the ballot is request.”

H.B. 3276 (Parker) – Security of Voted Ballots: would require: (1) the general custodian of election records to post a licensed peace officer rather than a security guard to ensure the security of ballot boxes containing voted ballots throughout the period of tabulation at the central counting station; and (2) the general custodian of election records to implement a video surveillance system that retains a record of all areas containing voted ballots from the time the voted ballots are delivered to the central counting station until the canvass of precinct election returns and must be retained until the end of the calendar year in which an election is held.

H.B. 3280 (Paul) – Election Integrity: would, among other things: (1) impose nepotism restrictions on the appointment of alternate presiding judges, election clerks, and election officers; (2) require an early voting clerk, as soon as practicable after the deadline for returning mail ballots, to prepare a report that lists the name and voter registration number of each voter whose ballot voted by mail that: (a) was received before the deadline; and (b) has not been accepted or rejected by the early voting ballot board; (3) require an early voting clerk, as soon as practicable after the appropriate authority appoints the signature verification committee, to provide written notice each person appointed as a member containing certain election information; and (4) require the authority establishing a central counting station, as soon as practicable after the appointment of a central counting station election officer, to provide written notice to the person appointed as a central counting station election officer containing certain election information.

H.B. 3281 (Paul) – Early Voting by Mail: would, among other things: (1) move the deadline for a voter to submit an application for a mail ballot from the 11th day before election day to the 15th day before election day; (2) provide that a marked ballot voted by mail must arrive at the address on the carrier envelope not later than 5 p.m. on the fourth day before election day; (3) provide that early voting ballots may not be counted until 3 p.m. on election day; and (4) provide that early voting ballots voted by mail required to arrive at the address on the carrier envelope by the deadline under (2), above, must be counted not later than 7 p.m. on election day and released at 7 p.m. on election day.

H.B. 3285 (Button) – Election Interpreters: would: (1) allow an interpreter to be appointed by an election officer if the voter has not selected an interpreter; (2) provide that, if selected by the voter, a voting interpreter may be any person other than the voter’s employer, an agent of the voter’s employer, or an officer or agent of a labor union to which the voter belongs; and (3) provide

that, if appointed to serve as an interpreter by an election officer, an interpreter must be a registered voter of the county in which the voter needing the interpreter resides or a registered voter of an adjacent county. (Companion bill is **S.B. 331** by **Johnson**.)

H.B. 3302 (Landgraf) – Names of Candidates: would: (1) require the order of the candidates' names on a ballot for office to be decided randomly, rather than by a drawing; and (2) authorize the secretary of state to adopt rules necessary to implement the amended process to determine the order of the names on the ballot.

H.B. 3303 (Schofield) – Voting Standards and Procedures: would prohibit an election official of the state or of a political subdivision from creating, altering, or suspending any voting standard, practice, or procedure in a manner not expressly authorized by the Texas Election Code.

H.B. 3356 (Hefner) – Voting System: would: (1) define "auditable voting system" as a voting system that: (a) uses a paper record; or (b) produces a paper receipt by which a voter can verify that the voter's ballot will be counted accurately; and (2) beginning January 1, 2023, prohibit a voting system that consists of direct recording electronic voting machines unless the system is an auditable voting system.

H.B. 3448 (White) – Elections: would, unless excepted within the Election Code, prohibit the secretary of state from waiving or suspending the application of a provision or a rule adopted under the Election Code.

H.B. 3463 (Crockett) – Residence of Incarcerated Persons: would, among many other things: (1) provide for the determination of an incarcerated person's residence for voter registration; (2) require, not later than the 14th day following the date on which the tract-level population counts from the federal decennial census are released, the comptroller, in coordination with the Texas Demographic Center, the Texas Legislative Council, and the Texas Department of Criminal Justice, to prepare and disseminate adjusted population counts for each geographic unit included in the census counts based on information reported by state and local governments that operate a facility for incarcerated persons; and (3) require state and local government entities that operate a facility for incarcerated persons to prepare a report with certain information that will be used to adjust the decennial census based on the residence of the incarcerated persons for redistricting purposes.

H.B. 3491 (Parker) – Voting System: would require the custodian of election records to maintain a maintenance log signed by the individuals and containing the serial number or other unique identifier of the medium.

H.B. 3525 (Bucy) – Mail Ballot Applications: would, among other things: (1) require an early voting clerk, before rejecting an application, to within 24 hours of receiving a defective application contact the applicant using any email address or telephone number provided on the application to notify the applicant of the defect, and allow the applicant to make clerical corrections to the application by email, telephone, or text message; and (2) require the secretary of state to develop and maintain an electronic system that allows a voter, through a link on the Internet website of the early voting clerk, to monitor the status of the voter's ballot voted by mail by accessing a database

of voters who voted early by mail, as reported to the secretary of state by the early voting ballot board.

H.B. 3527 (Bucy) – Voter Information: would require: (1) the early voting clerk for a primary election or the general election for state and county officers to submit to the secretary of state for posting on the secretary of state's Internet website a rosters of voters who vote an early ballot by mail or by personal appearance not later than 11 a.m. on the day after the election; and (2) the early voting clerk for a primary election or the general election for state and county officers to submit to the secretary of state for posting on the secretary of state's Internet website the final rosters of voters who vote an early ballot by mail or by personal appearance not later than the 20th day after the date of the local canvass.

H.B. 3534 (Reynolds) – Voter Identification: would: (1) require a program, standard, or material for training to be developed to provide guidance for election workers to accept photo identification that may not align with a person's presenting gender expression or identity and information about voters who identify as transgender and their historical disenfranchisement; and (2) provide that an indication of gender on a form of identification that does not align with the gender expression or identity of the person seeking to vote does not invalidate the form of identification for the purpose of accepting a voter for voting.

H.B. 3612 (Fierro) – Polling Place: would provide at the voter's request, that an election officer deliver a ballot to the voter at the polling place entrance or curb if the voter is: (a) physically unable to enter the polling place without personal assistance or likelihood of injuring the voter's health; or (b) a caregiver or family member accompanying a voter described by the aforementioned if that voter is not also a driver providing a digitally prearranged ride between points chosen by the passenger that is prearranged through a digital network.

H.B. 3690 (Shine) – Staggering Terms of Alderman: would provide that the governing body in a Type A general-law municipality may, by majority vote, provide for the staggering of terms by requiring the drawing of lots.

S.B. 1215 (Buckingham) – Election Practices and Procedures: would, among many other things: (1) require the secretary of state to prescribe model election procedures for use by election officials, and provide that deviations from the secretary of state's procedures are presumptively invalid and subject to injunctive relief unless an election official first seeks and obtains written permission from the state elections tribunal prior to implementation; and (2) require the general custodian of records to implement a video surveillance system that retains a record of all areas containing voted ballots from the time the voted ballots are delivered to the central counting station until the canvass of precinct election returns.

S.B. 1234 (Hughes) – Voting System: would: (1) define "auditable voting system" as a voting system that: (a) uses a paper record; or (b) produces a paper receipt by which a voter can verify that the voter's ballot will be counted accurately; (2) require the use of an auditable voting system in elections held after March 1, 2024; and (3) provides that the electronic vote is the official record of the ballot and the paper record or receipt copy is the official record vote of the vote cast for a recount of ballots cast.

S.B. 1236 (Paxton) – Election Procedures: would, among other things, provide that a government agency or public official, including a municipality and its officers, may not issue an order that suspends or waives a provision of the Election Code during a declared disaster under the Texas Disaster Act.

S.B. 1327 (Hinojosa) – Election Contracts: would require a political subdivision to request an election services contract with the county elections administrator to perform all duties and functions of the political subdivision in relation to an election if the political subdivision: (1) is located entirely in a county: (a) with a population of more than 500,000 that is served by a county elections administrator; and (b) that does not contain a city with a population of more than 175,000; and (2) does not have a population of more than 50,000.

S.B. 1387 (Creighton) – Voting System: would provide that, beginning September 1, 2021, for a voting system or voting system equipment to be approved for use in an election, the voting system must have been manufactured, stored, and held in the United States and sold by a company whose: (1) headquarters are located in the United States; and (2) parent company's headquarters, if applicable, are located in the United States.

S.B. 1418 (Schwertner) – Presiding Election Judge: would provide that the presiding election judge may be compensated at a higher rate, at the discretion of the appropriate authority. (Note: Current state law provides that early voting ballot board members are entitled to the same compensation as presiding election judges, except that the members may be paid greater compensation than that regularly payable for the amount of time worked, but not to exceed the amount payable for 10 hours' work.)

S.B. 1419 (Bettencourt) – Local Debt Proposition: would require a proposition for approval of the issuance of bonds or other debt to be submitted to the voters in an election held on the November uniform election date, unless the governor determines that an emergency warrants holding a special election before the appropriate uniform election date, in which case the proposition may be submitted to the voters on any uniform election date.

S.B. 1426 (Bettencourt) – Local Debt Elections: would provide that an election for the issuance of bonds shall be held on the November uniform election date.

S.B. 1430 (Bettencourt) – Recall Elections, Ballot Propositions, and Petitions: with regard to city ballot proposition language, this bill would:

1. require that a ballot proposition substantially submit a question with such definiteness, certainty, and facial neutrality that the voters are not misled;
2. provide that, if a court orders a new election to be held if a contested election is declared void, a person may seek from the court a writ of mandamus to compel the governing body of a city to comply with the requirement that a ballot proposition must substantially submit the question with such definiteness, certainty, and facial neutrality that the voters are not misled;

3. allow a religious organization to circulate or submit a petition in connection with a recall election;
4. 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);
5. require the SOS to review the proposition not later than the seventh day after the date the SOS receives the submission to determine whether the proposition is misleading, inaccurate, or prejudicial;
6. provide that if the SOS determines that the proposition is misleading, inaccurate, or prejudicial, the city shall draft a proposition to cure the defects and give notice of the new proposition;
7. authorize a proposition drafted by a city under Number 6, above, to be submitted to the SOS under the process outlined in Number 4, above;
8. provide that, if the SOS determines that the city has on its third attempt drafted a proposition that is misleading, inaccurate, or prejudicial, the SOS shall draft the ballot proposition;
9. require, in an action in a district court seeking a writ of mandamus to compel the city to comply with Number 1, above, 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 or relator who substantially prevails reasonable attorney's fees, expenses, and court costs;
10. waive and abolish governmental immunity to suit to the extent of the liability created by Number 9(b), above;
11. provide that, following a final judgment that a proposition failed to comply with Number 1, above, 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
12. 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 the illegibility of a signature on a petition submitted to a home-rule city is not a valid basis for invalidating the signature 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. provide that a person who circulates or submits a petition is not required to use a petition form prescribed by the secretary of state or a home-rule city, but that a petition that does not use an officially prescribed form must contain the substantial elements required to be provided on the officially prescribed form;

4. 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;
5. prohibit a city from restricting who may collect petition signatures; and
6. provide that Numbers 4 and 5, above, 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.

S.B. 1459 (Zaffirini) – Voter Assistance: would, among other things: (1) require an election officer to post notice regarding assistance available to voters unable to enter the polling place without assistance or likelihood of injuring the voter's health; (2) provide that a voter is physically unable to enter the polling place if the voter cannot do so without: (a) personal assistance; (b) likelihood of injuring the voter's health; or (c) likelihood of injuring another voter's health, including by infecting them with a disease with which the voter was diagnosed that is capable of person-to-person transmission while voting or waiting to a polling place; and (3) require an election officer, at the request of a voter physically unable to enter the polling place, to deliver a ballot at the polling place entrance or curb to: (a) the voter; and (b) a person accompanying the voter, other than the driver of a vehicle hired to transport the voter to or from the polls for compensation other than reimbursement for mileage.

S.J.R. 51 (Creighton) – Application for Ballot by Mail: would amend the Texas Constitution to prohibit an officer or employee of this state or of a political subdivision of this state from distributing an official application form for an absentee ballot to a person unless the person has requested the distribution.

S.J.R. 58 (Campbell) – Candidate Qualifications: would amend the Texas Constitution to provide that a person is ineligible to be placed on a ballot as a candidate for public office if on the date the person files to be placed on the ballot the person has an outstanding financial obligation payable to the Texas Ethics Commission.

Emergency Management

H.B. 3266 (Raymond) – Local Officials' Contact Information: would provide that: (1) each city manager, mayor, county judge, and director of a city's or county's local health department shall submit to the Texas Division of Emergency Division (TDEM) the person's contact information to be used during a declared state of disaster or in other times of public emergency; (2) each city manager, mayor, and county judge shall submit to the local health department of the city or county, as applicable, in which the person serves as the city manager, mayor, or county judge, the person's contact information to be used during a declared state of disaster or in other

times of public emergency; and (3) information submitted under (1) or (2), above, is confidential and exempt from disclosure under the Texas Public Information Act.

H.B. 3407 (Raymond) – PPE Storage: would provide that: (1) the Texas Division of Emergency Management shall maintain at least six climate-controlled warehouses to store personal protective equipment for disaster response in this state, including public health disasters and communicable or infectious disease emergencies; and (2) the warehouses described in (1) must be: (a) capable of protecting personal protective equipment from damage by the elements and other environmental conditions, including temperature, humidity, light, and airflow, as necessary to preserve the equipment stored in the warehouse; and (b) located throughout this state so that personal protective equipment can be delivered from a warehouse to any location in this state within six hours.

H.B. 3492 (Frank) – Assessment of Fees During Disaster: would provide, among other things, that: (1) if the presiding officer of the governing body of a political subdivision issues an order or proclamation during a declared local state of disaster that restricts the operation of a business or nonprofit entity or a category of businesses, a business or nonprofit entity whose operation is restricted by the order or proclamation may not be assessed any fee, including a permit fee, by the political subdivision during the time the operation of the business or nonprofit entity is restricted by the order or proclamation; (2) if a business or nonprofit entity paid an annual fee or other fee in advance to a political subdivision for the business's or nonprofit entity's operations, the business or nonprofit entity is entitled to a pro rata refund of the fee for the period of time its operations were restricted by an order or proclamation of the political subdivision described by (1); and (3) a business or nonprofit entity may opt to have the amount of any refund due under this section credited toward a future fee requirement.

H.B. 3501 (Frank) – Taxes and Fees in a Disaster: would, among other things, provide that: (1) if the presiding officer of the governing body of a political subdivision issues an order or proclamation during a declared local state of disaster that restricts the operation of a business or nonprofit entity or a category of businesses, a business or nonprofit entity whose operation is restricted by the order or proclamation may not be assessed any tax or fee, including a permit fee, by the political subdivision during the time the operation of the business or nonprofit entity is restricted by the order or proclamation; (2) if a business or nonprofit entity paid an annual fee or other fee in advance to a political subdivision for the business's or nonprofit entity's operations, the business or nonprofit entity is entitled to a pro rata refund of the fee for the period of time its operations were restricted by an order or proclamation of the political subdivision; and (3) a business or nonprofit entity may opt to have the amount of any refund due under (2) credited toward a future fee requirement.

H.B. 3550 (Deshotel) – Disaster Recovery Funds: would provide that the following information is not confidential: (1) an application for or the award of state or federal disaster recovery funds to a governmental body; or (2) an application for or the award of state or federal disaster recovery funds that are allocated or distributed by a governmental body, other than the following information concerning an applicant for that allocation or distribution: (a) the name, social security number, house number, street name, and telephone number of an individual or household that applies for state or federal disaster recovery funds; or (b) the name, tax identification number,

address, and telephone number of a business entity or an owner of a business entity that applies for state or federal disaster recovery funds.

H.B. 3659 (Leach) – Pandemic Liability: would, among other things, provide that: (1) except in a case of reckless conduct or intentional, willful, or wanton misconduct, a physician, health care provider, or first responder is not liable for an injury arising from care, treatment, or failure to provide care or treatment relating to or impacted by a pandemic disease or a disaster declaration issued by the President or governor related to a pandemic disease, including: (2) the immunity provided in (1) applies only to a claim arising from care, treatment, or failure to provide care or treatment that occurred during a period beginning on the date that the president of the United States or the governor makes a disaster declaration related to a pandemic disease and ending 60 days after the date that the declaration terminates; (3) except in the case of reckless conduct or intentional, willful, or wanton misconduct, a health care provider, including a first responder, is immune from civil liability for an act or omission that occurs in, or a health care liability claim that arises out of, giving care, assistance, or advice if: (a) the care, assistance, or advice is provided: (i) in relation to a national or statewide health care emergency that results in a declaration of a state of disaster or emergency by the president of the United States or a declaration of a state of disaster by the governor; (ii) during a period beginning on the date the declaration is made and ending 60 days after the date the declaration terminates; and (iii) within the scope of the provider’s practice under state law; and (4) a person is not liable for injury or death caused by exposing an individual to a pandemic disease during a pandemic emergency unless the claimant establishes that: (a) the person who exposed the individual: (i) knowingly failed to warn the individual of or remediate a condition that the person knew was likely to result in the exposure of an individual to the disease, provided that the person: (A) had control over the condition; (B) knew that the individual was more likely than not to come into contact with the condition; and (C) had a reasonable opportunity and ability to remediate the condition or warn the individual of the condition before the individual came into contact with the condition; or (ii) knowingly failed to implement or comply with government-promulgated standards, guidance, or protocols intended to lower the likelihood of exposure to the disease that were applicable to the person or the person’s business, provided that the person: (A) had a reasonable opportunity and ability to implement or comply with the standards, guidance, or protocols; and (B) refused to implement or comply with or acted with flagrant disregard of the standards, guidance, or protocols; and (b) reliable scientific evidence shows that the failure to warn the individual of the condition, remediate the condition, or implement or comply with the government-promulgated standards, guidance, or protocols was the cause in fact of the individual contracting the disease. (Companion bill is **S.B. 6** by **Hancock**.)

H.B. 3663 (Capriglione) – Federal Disaster Recovery Funds: would provide that the name, tax identification number, address, and telephone number of a business entity or an owner of a business entity that applies for state or federal disaster recovery funds is not confidential under the Public Information Act.

S.B. 6 (Hancock) – Pandemic Liability: would, among other things, provide that: (1) except in a case of reckless conduct or intentional, willful, or wanton misconduct, a physician, health care provider, or first responder is not liable for an injury arising from care, treatment, or failure to provide care or treatment relating to or impacted by a pandemic disease or a disaster declaration issued by the President or governor related to a pandemic disease, including: (2) the immunity

provided in (1) applies only to a claim arising from care, treatment, or failure to provide care or treatment that occurred during a period beginning on the date that the president of the United States or the governor makes a disaster declaration related to a pandemic disease and ending 60 days after the date that the declaration terminates; (3) except in the case of reckless conduct or intentional, willful, or wanton misconduct, a health care provider, including a first responder, is immune from civil liability for an act or omission that occurs in, or a health care liability claim that arises out of, giving care, assistance, or advice if: (a) the care, assistance, or advice is provided: (i) in relation to a national or statewide health care emergency that results in a declaration of a state of disaster or emergency by the president of the United States or a declaration of a state of disaster by the governor; (ii) during a period beginning on the date the declaration is made and ending 60 days after the date the declaration terminates; and (iii) within the scope of the provider's practice under state law; and (4) a person is not liable for injury or death caused by exposing an individual to a pandemic disease during a pandemic emergency unless the claimant establishes that: (a) the person who exposed the individual: (i) knowingly failed to warn the individual of or remediate a condition that the person knew was likely to result in the exposure of an individual to the disease, provided that the person: (A) had control over the condition; (B) knew that the individual was more likely than not to come into contact with the condition; and (C) had a reasonable opportunity and ability to remediate the condition or warn the individual of the condition before the individual came into contact with the condition; or (ii) knowingly failed to implement or comply with government-promulgated standards, guidance, or protocols intended to lower the likelihood of exposure to the disease that were applicable to the person or the person's business, provided that the person: (A) had a reasonable opportunity and ability to implement or comply with the standards, guidance, or protocols; and (B) refused to implement or comply with or acted with flagrant disregard of the standards, guidance, or protocols; and (b) reliable scientific evidence shows that the failure to warn the individual of the condition, remediate the condition, or implement or comply with the government-promulgated standards, guidance, or protocols was the cause in fact of the individual contracting the disease. (Companion bill is **H.B. 3659** by **Leach**.)

S.B. 1195 (Paxton) – In-Person Hospital Visits: would provide, among other things, that a hospital patient has the right to designate at least one essential caregiver with whom the hospital may not prohibit in-person visitation.

S.B. 1250 (Springer) – Operation of Breweries: would provide that an executive order, proclamation, or regulation issued by the governor, during a declared state of disaster, that restricts the operation of or the hours of operation for a business that sells alcoholic beverages may not include: (1) a business that holds a permit or license: (a) issued by the Texas Alcoholic Beverage Commission; (b) for a business in the manufacturing tier of the alcoholic beverage industry; and (c) that authorizes the business to sell alcoholic beverages for on-premises consumption; or (2) a business that holds a brewpub license.

S.B. 1392 (Perry) – Medical Procedures: would provide, among other things, that: (1) the governor, during a declared state of disaster, may not issue an executive order, proclamation, or regulation that limits or prohibits a non-elective procedure; (2) the governor, during a declared state of disaster, may issue an executive order, proclamation, or regulation imposing a temporary limitation or prohibition on a medical procedure other than a non-elective procedure only if the limitation or prohibition is reasonably necessary to conserve resources for non-elective procedures

or resources needed for disaster response; (3) an executive order, proclamation, or regulation issued under (2) may not continue for more than 15 days unless renewed by the governor; and (4) a person subject to an order, proclamation, or regulation who in good faith takes or fails to take any action in accordance with that order, proclamation, or regulation is immune from civil or criminal liability or disciplinary action resulting from that act or failure to act, in addition to any other immunity or limitations of liability provided by law.

S.J.R. 50 (Paxton) – Legislative Review of Disaster Order: would amend the Texas Constitution to provide that: (1) the legislature may review and terminate during a regular or special session an order issued by the governor during a state of disaster or emergency declared by the governor; and (2) the legislature may terminate the order by passage of a resolution approved by a majority vote of the members present in each house of the legislature.

Municipal Courts

H.B. 3505 (White) – Municipal Court: would authorize a court to require a defendant without the defendant's consent to appear, for any proceeding related to the prosecution of a criminal offense, by videoconference if the defendant is confined in a penal institution at the time of the proceeding.

H.B. 3660 (White) – Youth Diversion Program: would, among other things: (1) create a youth diversion program for Class C misdemeanors (other than a traffic offense) for certain children; (2) require each justice and municipal court to adopt a youth diversion plan; (3) allow local governments to enter into interlocal agreements with other local governments to create a regional youth diversion plan; (4) require each justice and municipal court, including courts that collaborate with one or more counties or cities, to maintain a youth diversion plan on file for public inspection; (5) allow a court or local government to adopt rules necessary to coordinate services under a youth diversion plan; (6) allow a court to designate a youth diversion coordinator to assist the court in implementing and administering a youth diversion plan; (7) allow a commissioners court or city council to establish a youth diversion advisory council to facilitate community input, suggest improvements to a youth diversion plan, and make recommendations to accomplish certain objectives; (8) provide that in lieu of taking a child into custody, issuing a citation, or filing a complaint for an offense, a peace officer may issue a warning notice to the child if the youth diversion plan includes guidelines for disposition or diversion of a child's case by law enforcement and other warning notice requirements; (9) provide that in lieu of issuing a citation to a child or filing a complaint in a justice or municipal court, a peace officer may dispose of a case if guidelines for disposition have been adopted and are included in a youth diversion plan and other requirements are met; (10) allow a commissioners court or city council to establish a first offense diversion program; (11) require a youth diversion coordinator, juvenile case manager, or other designated officer of the court to advise a child and the child's parent before a case is filed that the case may be diverted to a youth diversion program if intermediate diversion from court is provided in the youth diversion plan; (12) allow the clerk of a justice or municipal court to collect a local youth diversion administrative fee of \$30 to defray the costs of the diversion of a child's case; (13) require a justice and municipal court to maintain statistics for each diversion strategy authorized and utilized by a youth diversion program; (14) provide that all records generated under a youth

diversion program are confidential except for statistical records; (15) provide that all records and files and information stored by electronic means, or otherwise, relating to a criminal case for a fine-only misdemeanor offense (other than a traffic offense) committed by a child and that is appealed are confidential and may not be disclosed to the public except in certain situations; (16) allow the following to inspect confidential records related to charges against or conviction of child in fine-only misdemeanors (other than a traffic offense): (a) prosecutors; (b) staff of the judges or prosecutors; (c) certain governmental agencies; (d) certain individuals or entities to whom a child is referred for treatment or services; or (e) with leave of a court, any other person having a legitimate interest in the proceeding or the work of the court; (17) provide that if a case involving a child who is eligible for diversion results in a finding of guilt, a justice or judge shall order a child into a youth diversion program, without entering a judgment, sentence, or conviction; (18) allow funds from the local youth diversion fund to be used to pay for the salary and expenses related to the employment or contracting of a juvenile case manager; (19) allow funds from the child safety fund to be used to pay for the costs of a youth diversion program; (20) include municipal courts in the juvenile delinquency prevention fund that allows collection of a \$50 fee, and allow the funds to be used to defray the costs of a youth diversion program; (21) establish a municipal juvenile delinquency prevention and graffiti eradication fee of \$50 that a municipal court clerk shall collect from a defendant who is convicted of a graffiti offense; (22) repeal provisions of state law that allow community service in satisfaction of fines or costs for certain juvenile defendants; and (23) make several conforming changes related to the youth diversion program and the repeal described in (22), above. (Companion bill is **S.B. 512** by **Perry**.)

S.B. 1373 (Zaffirini) – Municipal Courts: would provide that: (1) any officer authorized to collect a fine, fee (including any reimbursement fee) or item of cost may request the trial court in which a criminal action or proceeding was held to make a finding that a fine, fee, or item of cost imposed in the action or proceeding is uncollectible if the officer believes: (a) the defendant is deceased; (b) the defendant is serving a sentence for imprisonment for life or life without parole; (c) the fine, fee, or item of cost has been unpaid for at least 15 years; or (d) the fine, fee, or item of cost is otherwise uncollectible; and (2) the court may order the officer to designate the fine, fee, or item of cost as uncollectible in the fee record.

Open Government

H.B. 3330 (Vasut) – Open Meetings: would, among other things, provide that: (1) a meeting held by telephone conference may be held only if: (a) the meeting is held by an advisory board or an emergency or public necessity exists; and (b) holding a videoconference meeting is difficult or impossible; (2) a member of a governmental body may participate remotely in a meeting of the governmental body by means of a videoconference call if the video and audio feed of the member's participation is broadcast live at the meeting, and: (a) the meeting is held by a governmental body whose territory or jurisdiction includes an area stricken or threatened by a disaster or public health disaster; (b) other law or the governmental body's charter authorizes the member to participate remotely; or (c) before the meeting the member submits a written statement to the chief administrative official of the governmental body indicating that: (i) a quorum of the governmental body has authorized the member to participate remotely; or (ii) the member is unable to attend the meeting in person because of certain specified reasons (e.g., illness, funeral); (3) a meeting may

be held by videoconference call only if the member of the governmental body presiding over the meeting is physically present at one location of the meeting that is open to the public during the open portions of the meeting; and (4) an employee of a governmental body may participate remotely in a meeting of the governmental body by means of a videoconference call if the video and audio feed of the employee's participation is broadcast live at the meeting and certain other requirements are met.

H.B. 3435 (Smithee) – Expedited TPIA Response: would provide, among other things, that:

- (1) a governmental body that receives a written request for information, other than a request for information that may involve a third-party's privacy or property interests, may withhold any information it makes a good faith determination is excepted from required public disclosure under the Texas Public Information Act (TPIA) without requesting a decision from the attorney general, provided that: (a) the governmental body's officer for public information or the officer's designee holds an active training certificate issued by the attorney general; and (b) the governmental body's authorization to withhold information without requesting a decision from the attorney general has not been revoked;
- (2) in order to withhold information under (1), a governmental body must comply with the following requirements the governmental must respond to the requestor not later than the 10th business day after the date the governmental body receives the written request for information by providing the requestor with: (a) a list of the exceptions and, if applicable, the judicial decisions or constitutional or statutory laws the governmental body determines are applicable to the information being withheld; (b) all information the governmental body determines is not excepted from disclosure, including, if applicable, partially redacted information with the redacted portions clearly marked and labeled with the exceptions the governmental body relied on to redact the information; (c) a description of the volume and type of information withheld; and (d) a notice form promulgated by the attorney general that includes, at a minimum: (i) a unique identification number assigned by the governmental body; (ii) a description of the appeal procedure; (iii) an appeal form the requestor must use to appeal the withholding of information; (iv) a reference to the requestor's rights under the TPIA; (v) the name of the individual who has an active training certificate; and (vi) confirmation from the individual named in (2)(d)(v) that the individual reviewed and approved the response;
- (3) the governmental body shall retain, at a minimum, an electronic or paper copy of the notice it provides to the requestor under (2) for the length of time the governmental body retains the request for information;
- (4) on receipt of a response by a governmental body under (2), the requestor may appeal the withholding of information in the response not later than the 30th calendar day after the date the requestor receives the response, and must submit the appeal on the appeal form provided to the responder under (2);
- (5) an appeal filed under (4) is considered a new request, and the governmental body may not seek to narrow or clarify the appeal;
- (6) a governmental body that receives an appeal under (4) shall, within a reasonable time, but not later than the fifth business day after the date the governmental body

receives the appeal, submit to the attorney general: (a) a request for an attorney general's decision; (b) a copy of the original written request for information; (c) a signed statement as to the date on which the written response required by (1) was provided to the requestor, or evidence sufficient to establish that date; (d) a copy of the appeal form received by the governmental body; (e) a signed statement as to the date on which the appeal was received by the governmental body, or evidence sufficient to establish the date; (f) the exceptions that apply and written comments stating the reasons why the stated exceptions apply that would allow the information to be withheld; (g) if the governmental body provided partially redacted information to the requestor in its initial response, an unredacted copy of the information the governmental body provided to the requestor with the copy clearly marked indicating the released portions and the withheld portions labeled with the exceptions the governmental body relied on to withhold the information; and (h) a copy of the specific information the governmental body seeks to withhold, or representative samples of the information, labeled to indicate which exceptions apply to which parts of the copy;

- (7) a governmental body that receives an appeal under (4) shall, within a reasonable time, but not later than the fifth business day after the date the governmental body receives the appeal, send a copy of the comments submitted under (4) to the requestor, except if the written comments disclose or contain the substance of the information requested, the copy of the comments provided to the requestor must be a redacted copy;
- (8) the public information officer for a governmental body that responds to a request or the officer's designee must have completed in the four years preceding the response a course of training of not less than four hours or more than six hours regarding the responsibilities of the governmental body under this bill,
- (9) the office of the attorney general shall provide a certificate to a person who completes the required training under (8) and keep records of the training certificates issued, and a governmental body shall maintain the training certificate of any individual who provides a confirmation of having received such training and make the certificate available for public inspection; and
- (10) if the attorney general determines that a governmental body failed to comply with the requirements of this bill, the office of the attorney general, in its sole discretion, may revoke: (a) the governmental body's authorization to respond for a period not to exceed six months from the date the governmental body receives the notice of revocation form; or (b) the training certificate issued to an individual responsible for the governmental body's failure.

H.B. 3453 (White) – Litigation Exception: would provide that: (1) information relating to litigation of a civil or criminal nature to which the state or a political subdivision, including a city, is or may be a party or to which an officer or employee of the state or a political subdivision, as a consequence of the person's office or employment, is or may be a party is public information under the Public Information Act; (2) the names of the persons involved in the litigation may be withheld only if the litigation is pending or reasonably anticipated on the date that the requestor applies to the officer for public information for access to or duplication of the information; (3) litigation is considered reasonably anticipated under (2) only if a person with an alleged claim, or that person's

attorney, has: (a) threatened in writing to take legal action against the governmental body; or (b) made a written demand for compensation as a result of an alleged claim against the governmental body; (4) information held by a law enforcement agency or prosecutor that deals with the detection, investigation, or prosecution of crime is public information, except that the name of a person being investigated or prosecuted for a crime may be withheld if: (a) release of the information would interfere with the detection, investigation, or prosecution of crime; (b) it is information that deals with the detection, investigation, or prosecution of crime only in relation to an investigation that did not result in conviction or deferred adjudication; (c) it is information relating to a threat against a peace officer or detention officer; or (d) it is information that: (i) is prepared by an attorney representing the state in anticipation of or in the course of preparing for criminal litigation; or (ii) reflects the mental impressions or legal reasoning of an attorney representing the state; (5) an internal record or notation of a law enforcement agency or prosecutor that is maintained for internal use in matters relating to law enforcement or prosecution is public information, except that the name of a person who is part of a law enforcement investigation or who is being prosecuted for a crime may be withheld if: (a) release of the internal record or notation would interfere with law enforcement or prosecution; (b) the internal record or notation relates to law enforcement only in relation to an investigation that did not result in conviction or deferred adjudication; or (c) the internal record or notation: (i) is prepared by an attorney representing the state in anticipation of or in the course of preparing for criminal litigation; or (ii) reflects the mental impressions or legal reasoning of an attorney representing the state; and (6) the name of a person may not be withheld under (4) and (5) in response to a written request for the information made by: (a) a person who is the subject of the information, record, or notation; or (b) if the person described by (6)(a) is deceased, the person's spouse, child, or parent, an administrator of the person's estate, or any of their attorneys.

H.B. 3535 (Hunter) – Public Information: would provide that the Public Information Act does not authorize a governmental body to withhold a date of birth except as permitted by the Health Insurance Portability and Accountability Act, or otherwise provided by constitutional or statutory law. (Companion bill is **S.B. 926** by **Zaffirini**.)

H.B. 3627 (Paddle) – Temporary Suspension of TPIA: would, among other things, provide that: (1) for purposes of suspending the requirements of the Texas Public Information Act (TPIA), during a catastrophe, the term “catastrophe” does not mean a period when staff is required to work remotely and can access information responsive to an application for information electronically, but the physical office of the governmental body is closed; (2) a governmental body may suspend the requirements of the TPIA only once for each catastrophe; (3) a governmental body may suspend the requirements of the TPIA if the governmental body is currently significantly impacted by a catastrophe such that the catastrophe directly causes the inability of a governmental body to comply with the TPIA; (4) a governmental body that initiates a suspension period may not initiate another suspension period related to the same catastrophe, except for a single extension period, and that the combined suspension period for a governmental body may not exceed a total of 14 consecutive calendar days with respect to any single catastrophe; (5) if a governmental body closes its physical offices, but requires staff to work, including remotely, then the governmental body shall make a good faith effort to continue responding to applications for public information, to the extent staff have access to public information responsive to an application, while its administrative offices are closed; and (6) failure to respond to requests in accordance with (5) may constitute a

refusal to request an attorney general's decision or a refusal to supply public information or information that the attorney general has determined is public information that is not excepted from required disclosure. (Companion bill is **S.B. 1225** by **Huffman**.)

S.B. 1225 (Huffman) – Temporary Suspension of TPIA: would, among other things, provide that: (1) for purposes of suspending the requirements of the Texas Public Information Act (TPIA), during a catastrophe, the term “catastrophe” does not mean a period when staff is required to work remotely and can access information responsive to an application for information electronically, but the physical office of the governmental body is closed; (2) a governmental body may suspend the requirements of the TPIA only once for each catastrophe; (3) a governmental body may suspend the requirements of the TPIA if the governmental body is currently significantly impacted by a catastrophe such that the catastrophe directly causes the inability of a governmental body to comply with the TPIA; (4) a governmental body that initiates a suspension period may not initiate another suspension period related to the same catastrophe, except for a single extension period, and that the combined suspension period for a governmental body may not exceed a total of 14 consecutive calendar days with respect to any single catastrophe; (5) if a governmental body closes its physical offices, but requires staff to work, including remotely, then the governmental body shall make a good faith effort to continue responding to applications for public information, to the extent staff have access to public information responsive to an application, while its administrative offices are closed; and (6) failure to respond to requests in accordance with (5) may constitute a refusal to request an attorney general's decision or a refusal to supply public information or information that the attorney general has determined is public information that is not excepted from required disclosure. (Companion bill is **H.B. 3627** by **Paddie**.)

Other Finance and Administration

H.B. 1560 (Goldman) – Licensing and Regulation: would provide for the continuation and functions of the Texas Department of Licensing and Regulation and, among other things, would: (1) deregulate (no longer license) polygraph examiners and auctioneers; and (2) eliminate certain court-ordered driver education programs. (Companion bill is **S.B. 714** by **Buckingham**.)

H.B. 1830 (Cyrier) – Animal Health Commission: this is the Texas Animal Health Commission sunset bill. The bill continues the commission until 2033. (Companion bill is **S.B. 705** by **Lucio**.)

H.B. 1835 (Canales) – Texas Department of Agriculture: this is the Texas Department of Agriculture sunset bill. The bill, among other things: (1) continues the department until 2033; and (2) repeals: (a) the Rural Foundation; (b) the Rural Health & Economic Development Advisory Council; and (c) the Early Childhood Health and Nutrition Interagency Council. (Companion bill is **S.B. 703** by **Buckingham**.)

H.B. 3326 (Slayton) – Abortion: would provide that the governing body of a political subdivision of Texas shall ensure that the political subdivision enforces criminal homicide and assaultive offenses in relation to abortion, regardless of any contrary federal statute, regulation, treaty, order, or court decision.

H.B. 3345 (Wu) – Audits: would: (1) require a governmental entity, including a city, to: (a) make the records relating to any audit of the governmental entity, including any final report, available to the public on request; and (b) not later than the fifth business day after the date the audit is completed, post the final report for the audit on the governmental entity’s Internet website, or if the governmental entity does not have a website, on a publicly accessible Internet website; (2) authorize a governmental entity to redact any confidential information from the report as necessary to comply with state or federal law; (3) provide that a governmental entity that, without good cause, fails to comply with the requirement in (1) is liable to a person for any reasonable expenses the person incurs in trying to access the audit records, including reasonable attorney’s fees; and (4) provide that the term “audit” for purposes of (1) includes a financial audit, a compliance audit, an economy and efficiency audit, and an effectiveness audit, among other things.

H.B. 3365 (Klick) – Opioid Settlement: would: (1) require the attorney general and comptroller to maintain a copy of a statewide opioid settlement agreement, including any amendments to the agreement, and make the copy available on the attorney general's and comptroller's Internet websites; (2) require funds obtained under a statewide opioid settlement agreement to be distributed in accordance with the term sheet; and (3) provide that a governmental entity may not bring a released claim against a released entity. (Companion bill is **S.B. 1794** by **West**.)

H.B. 3366 (Klick) – Communicable Diseases: would provide that: (1) any documents, including notices or orders, required to be delivered in person or sent by registered or certified mail under the Communicable Disease Prevention and Control Act may be sent by e-mail with a read receipt requested; and (2) for the purposes of court orders for management of persons with communicable diseases, an electronic signature or a faxed signature shall have the same force and effect as the use of a manual signature.

H.B. 3385 (Campbell) – Eminent Domain: would require: (1) the landowner’s bill of rights to notify each property owner that the property owner has the right to submit to the appraisal district office in the county in which the property is taxable a report of decreased value for the owner’s remaining property after the taking; and (2) the statement prepared by the attorney general related to eminent domain to include a copy of the report of decreased value form issued by the comptroller.

H.B. 3391 (C. Turner) – Extension of Consumer Credit: would provide that: (1) a fee paid to a third party to assist a consumer in the transacting, arranging, guaranteeing, or negotiating of an extension of credit may not be contracted for, charged, or received by a creditor or third party in connection with the extension of credit if: (a) the extension of credit is secured by a non-purchase money security interest in personal property or is unsecured; and (b) the proceeds of the extension of credit are used for personal, family, or household purposes; and (2) the amount of a fee contracted for, charged, or received in violation of (1) is considered interest for usury purposes.

H.B. 3400 (Paddie) – Children of Peace Officers: would provide that: (1) on request of a peace officer who is a parent of, or person standing in parental relation to, a student and who reasonably fears for the student's safety, the board of trustees of a school district or the board’s designee shall transfer the student to another district campus or to another school district under an agreement; (2) a transfer must be to a campus or school district, as applicable, agreeable to the peace officer

making the request; and (3) a school district is not required to provide transportation to a student who transfers to another campus or school district under (1), above.

H.B. 3410 (Goldman) – Newspaper Notice: would authorize a governmental entity required by law to provide notice by publication in a newspaper to, as an alternative, satisfy that requirement by posting the notice on the entity’s Internet website.

H.B. 3411 (Button) – Mixed Beverage Tax: would lower the rate of the mixed beverage gross receipts tax from 6.7 percent to 4.7 percent until September 1, 2023, at which point the tax rate increases back to 6.7 percent. (Companion bill is **S.B. 1249** by **Taylor**.)

H.B. 3584 (Murr) – Historical Monuments: would provide: (1) notwithstanding any other law, a monument, marker, or medallion installed by the Texas Historical Commission is state property solely under the commission’s custody and control and may not be altered, removed, relocated, covered, obscured, or concealed without the express written permission of the commission; (2) that the attorney general may file suit in district court to seek civil penalties in of not less than \$50 nor more than \$1,000 for each day of violation and equitable relief in accordance with current state law against a person who violates this amendment; and (3) a waiver of governmental immunity for any county, city, or other political subdivision to the extent liability is created by the amendment. (Companion bill is **S.B. 1501** by **Buckingham**.)

H.B. 3596 (Leach) – Religious Organizations: would authorize a person who alleges that a governmental entity, including a city, enacts, adopts, or issues a statute, order, proclamation, decision, or rule that prohibits or limits religious services, to sue a governmental entity for certain types of relief and waive governmental immunity to the extent of liability for that relief. (See **H.J.R. 72**, below.)

H.B. 3614 (Cain) – Lending and Credit Support Programs: would require: (1) the comptroller to submit to the legislature and post on the comptroller’s Internet website a report on all lending programs and credit support programs in Texas; and (2) a state agency or political subdivision to provide to the comptroller any information necessary for the comptroller to prepare the report in (1).

H.B. 3687 (Capriglione) – Community Advocacy: would: (1) require a political subdivision to prominently display on the political subdivision’s Internet website the following information regarding contracts for services executed by the political subdivision that would require a person to register as a lobbyist under state law: (a) the execution dates; (b) the contract duration terms, including any extension options; (c) the effective dates; (d) the final amount of money the political subdivision paid in the previous fiscal year; (e) the identity of all parties to the contract; (f) the identity of all subcontractors in the contract; and (g) the legislative agenda of the political subdivision; (2) provide that, in lieu of displaying the items described in (1)(a)-(f), above, a political subdivision may post on the political subdivision’s Internet website the contract for those services; and (3) provide that information required to be displayed on a political subdivision’s website under (1) and (2), above, is public information subject to disclosure under the Public Information Act.

S.B. 10 (Bettencourt) – Community Censorship: would:

- (1) prohibit the governing body of a city or county from spending public money or providing compensation in any manner to directly or indirectly influence or attempt to influence the outcome of any legislation pending before the legislature;
- (2) provide that the prohibition in (1), above, does not prevent:
 - a. an officer or employee of a city or county from providing information for a member of the legislature or appearing before a legislative committee at the request of the member of the legislature or the committee;
 - b. an elected officer of a city or county from advocating for or against or otherwise influencing or attempting to influence the outcome of legislation pending before the legislature while acting as an officer of the city or county; or
 - c. an employee of a city or county from advocating for or against or otherwise influencing or attempting to influence the outcome of legislation pending before the legislature if those actions would not require a person to register as a lobbyist under the state lobby registration requirement;
- (3) provide that if a city or county engages in an activity prohibited in (1), above, a taxpayer or resident of the city or county is entitled to appropriate injunctive relief to prevent any further prohibited activity; and
- (4) provide that a taxpayer or resident who prevails in an action under (3), above, is entitled to recover reasonable attorney's fees and costs incurred in bringing the action from the city or county, as applicable.

S.B. 1206 (Hall) – Presidential Executive Orders: would provide that: (1) the state and the governing body of a city, county, or special district or authority may not implement or enforce a federal executive order that has not been affirmed by a vote of Congress of the United States and signed into law, as prescribed by the Constitution of the United States, that exceeds state law; and (2) provide that the state and the governing body of a city, county, or special district or authority and no person employed by, or otherwise under the direction or control of, those entities may enforce or attempt to enforce any federal order, rule, or regulation described by (1).

S.B. 1248 (Creighton) – Cooperation with Federal Agency: would, among other things, prohibit a political subdivision from cooperating with a federal agency in implementing an agency rule that a report published by the Texas attorney general indicates has been found by a court to violate the rights guaranteed to the citizens of the United States by the United States Constitution. (Companion bill is **H.B. 3046** by **Middleton**.)

S.B. 1249 (Taylor) – Mixed Beverage Tax: would lower the rate of the mixed beverage gross receipts tax from 6.7 percent to 4.7 percent until September 1, 2023, at which point the tax rate increases back to 6.7 percent. (Companion bill is **H.B. 3411** by **Button**.)

S.B. 1289 (Eckhardt) – Firearms: would, among other things, provide that a person commits an offense if the person intentionally, knowingly, or recklessly possesses or goes with a firearm on premises owned or leased by a governmental entity.

S.B. 1297 (Zaffirini) – Child Water Safety Requirements: would: (1) provide that an organization, including a school, preschool, kindergarten, nursery school, or day camp or youth

camp that takes a child in its care or under its supervision to a body of water (including a pool) or otherwise allows a child access to a body of water shall: (a) determine whether the child is able to swim or is at risk when swimming; and (b) if the organization does not own or operate the body of water, provide the owner or operator of the body of water a written or electronic disclosure that clearly identifies each child who is unable to swim or is at risk when swimming; and (2) require the organization, during the time each child who is unable to swim or is at risk when swimming has access to a body of water, to: (a) provide the child an approved personal flotation device; and (b) ensure the child is wearing the appropriate personal flotation device and the device is properly fitted for the child. (Companion bill is **H.B. 1676** by **Goodwin**.)

S.B. 1337 (Schwertner) – Emergency Services Districts: would allow an emergency services district to provide public health services, contract with a local government to provide those services, and charge a reasonable fee for performing those services for or on behalf of a person or entity. (Companion bill is **H.B. 639** by **White**.)

S.B. 1363 (Bettencourt) – School District Partnership: would: (1) prohibit the board of trustees of a school district from entering into a contract on or after September 1, 2021 to partner with a municipality to operate a district campus; and (2) authorize the board of trustees of a school district to renew a contract entered into before September 1, 2021, to partner with a municipality for the operation of a district campus.

S.B. 1425 (Bettencourt) – Zero-Based Budgeting: would, among other things, for a city with a population of 225,000 or more, require the budget officer to prepare a zero-based budget every 12th year.

S.B. 1437 (Bettencourt) – Efficiency Audits: would, for a city with a population of 500,000 or more, require the city council to conduct an efficiency audit before seeking voter approval of a property tax rate that exceeds the voter-approval tax rate.

S.B. 1461 (Springer) – Commercial Activity: would, with certain exceptions, prohibit a city from adopting or enforcing an ordinance, rule, or regulation that imposes a restriction, condition, or regulation on commercial activity.

S.B. 1473 (Miles) – Emergency Services Districts: would require an emergency services district board to remove territory from a district on request of a city, only if the city has secured an alternative emergency service provider for the portions of territory located in the city's extraterritorial jurisdiction. (Companion bill is **H.B. 2323** by **Schofield**.)

S.B. 1486 (Hughes) – Juvenile Curfew: would, except for purposes of emergency management, prohibit a political subdivision from adopting or enforcing an order, ordinance, or other measure that imposes a curfew to regulate the movements or actions of persons younger than 18 years of age. (Companion bill is **H.B. 561** by **Israel**.)

S.B. 1501 (Buckingham) – Historical Monuments: would provide: (1) notwithstanding any other law, a monument, marker, or medallion installed by the Texas Historical Commission is state property solely under the commission's custody and control and may not be altered, removed,

relocated, covered, obscured, or concealed without the express written permission of the commission; (2) that the attorney general may file suit in district court to seek civil penalties in of not less than \$50 nor more than \$1,000 for each day of violation and equitable relief in accordance with current state law against a person who violates this amendment; and (3) a waiver of governmental immunity for any county, municipality, or other political subdivision to the extent liability is created by the amendment. (Companion bill is **H.B. 3584** by **Murr.**)

Personnel

H.B. 3259 (Sanford) – Injuries in the Scope of Duty: would provide, among other things, that: (1) an employer, including a city (but excluding a city that has adopted civil service for its fire fighters or peace officers), may not take an adverse employment action against a peace officer, detention officer, county jailer, or fire fighter who has sustained a compensable injury on the basis of the person's inability to perform the duties for which the person was elected, appointed, or employed before the person is certified as having reached maximum medical improvement, unless the person's treating doctor indicates that the person is permanently restricted from returning to perform the duties for which the person was elected, appointed, or employed; (2) an employer that violates (1), above, shall be liable for reasonable damages incurred by the person as a result of the violation in an amount not to exceed \$100,000; and (3) sovereign immunity to suit and from liability is waived, and a peace officer, detention officer, county jailer, or fire fighter may sue an employer for damages described in (2), above, and reinstatement to the person's former position of employment.

H.B. 3620 (C. Turner) – Unemployment Compensation: would provide, among other things, that: (1) for purposes of eligibility for unemployment compensation, an individual's base period is the four consecutive completed calendar quarters, prescribed by the Texas Workforce Commission (TWC), in the five consecutive completed calendar quarters preceding the first day of an individual's benefit year; (2) for an individual precluded because of a medically verifiable illness or injury from working during a major part of a calendar quarter of the period that would otherwise be the individual's base period, the base period is the first four calendar quarters of the five consecutive calendar quarters preceding the calendar quarter in which the illness began or the injury occurred if the individual files an initial claim for benefits not later than 24 months after the date on which the individual's illness or injury began or occurred; (3) for an individual who does not have sufficient benefit wage credits to qualify for benefits under the computation of the base period as provided by (1) or (2), the base period is the four most recently completed calendar quarters preceding the first day of the individual's benefit year; (4) for an individual who does not have sufficient benefit wage credits to qualify for benefits under the computation of the base period as provided by (1), (2), or (3), the base period is the three most recently completed calendar quarters preceding the first day of the individual's benefit year and the portion of the calendar quarter in which the individual's benefit year commences that occurs before the first day of the individual's benefit year; (5) for purposes of establishing qualifications for benefits under the base period computation provided under (3) or (4), an individual for whom wage information for the most recent calendar quarter or current calendar quarter is not yet accessible to or obtainable by the TWC may demonstrate that qualification by providing an affidavit supported by payroll documentation available to the individual for that calendar quarter; (6) work is not suitable and

benefits may not be denied to an otherwise eligible individual for refusal to accept new work if: (a) the place of performance of the work offered is in violation of federal, state, or local protocols relating to the spread of infectious diseases, including COVID-19; or (b) the work offered presents an unreasonable risk of exposure to infectious diseases, including COVID-19, that cannot be mitigated with reasonable care; (7) if TWC finds that in any seven-day period the number of initial claims filed is more than five times the number of initial claims filed in the preceding seven-day period, the Commission shall suspend for a period of 30 days the following eligibility conditions to authorize an individual who is otherwise eligible to receive benefits under this subtitle to receive those benefits: (a) the condition that an individual be actively seeking work; and (b) the condition that an individual have been totally or partially unemployed for a waiting period; and (8) the total extended benefit amount payable to an eligible individual for the individual's eligibility period is increased to 60 percent of the total amount of regular benefits that were payable to the individual in the individual's applicable benefit year, provided that, if TWC finds that in any seven-day period the number of initial claims filed under is more than five times the number of initial claims filed in the preceding seven-day period, TWC may not seek to recover the amount of any improper benefits received during the 30-day period beginning on the first day of the seven-day period in which the increased number of initial claims were filed.

H.B. 3623 (C. Turner) – Workers' Compensation: would provide that: (1) post-traumatic stress disorder suffered by a health care provider is a compensable injury only if it is based on a diagnosis that: (a) the disorder is caused by one or more events occurring in the course and scope of the health care provider's employment during a public health disaster; and (b) the preponderance of the evidence indicates that the event or events were a producing cause of the disorder; and (2) the date of injury for post-traumatic stress disorder suffered by a health care provider is the date on which the health care provider first knew or should have known that the disorder may be related to the health care provider's employment.

S.B. 22 (Springer) – Disease Presumption: would provide, among other things, that a firefighter, peace officer, or emergency medical technician who contracts a disease that is the basis of a state declared disaster that results in such individual's death or total or partial disability is presumed to have contracted the disease during the course and scope of employment as a firefighter, peace officer, or emergency medical technician.

S.B. 1205 (Schwertner) – Request for Employment Records: would provide that: (1) a law enforcement agency that obtains written consent from a person licensed by the Texas Commission on Law Enforcement (TCOLE) to view the person's employment history shall make an electronic copy of the person's employment history available to a hiring law enforcement agency on request; and (2) TCOLE, by rule, shall prescribe the manner by which a law enforcement agency shall make a person's employment records electronically available to a hiring law enforcement agency, and such rules must provide appropriate privacy and security protections. (Companion bill is **H.B. 8** by Pacheco.)

S.B. 1309 (Creighton) – Discrimination: would, among other things, prohibit discrimination on the basis of sexual orientation or gender identity or expression of an individual in public accommodations and by an employer, including a city.

S.B. 1359 (Hughes) – Mental Health Leave Policy: would provide, among other things, that: (1) each law enforcement agency shall develop and adopt a policy allowing the use of mental health leave by peace officers employed by the agency who experience a traumatic event in the scope of that employment; and (2) the policy adopted under (1) must: (a) provide clear and objective guidelines establishing the circumstances under which a peace officer is granted mental health leave and may use mental health leave; (b) entitle a peace officer to mental health leave without a deduction in salary or other compensation; (c) enumerate the number of mental health leave days available to a peace officer; and (d) detail the level of anonymity for a peace officer who takes mental health leave.

S.B. 1401 (Springer) – Quarantine Leave: would provide that: (1) a political subdivision, including a city, shall place a fire fighter, peace officer, or emergency medical technician employed by the political subdivision on paid quarantine leave if the person is ordered by a supervisor or a health authority to quarantine or isolate due to a possible or known exposure to a communicable disease while on duty; (2) an individual described in (1) who is on quarantine leave shall be entitled to: (a) all employment benefits and compensation, including leave accrual, pension benefits, and health benefit plan benefits; and (b) costs related to the quarantine, including lodging, medical, and transportation costs; and (3) a political subdivision may not reduce any leave balance accrued by a fire fighter, peace officer, or emergency medical technician in connection with the quarantine leave required by (1). (Companion bill is **H.B. 2073** by **Burrows**.)

S.B. 1450 (Birdwell) – Workers Compensation: would provide that lifetime income benefits are paid until the death of an employee for, among other things: (1) a physically traumatic injury to the brain resulting in permanent cognitive defects that: (a) render the employee permanently unemployable without significant accommodations; or (b) affect the non-vocational quality of the employee's life so as to eliminate the employee's ability to engage in a range of usual cognitive processes; (2) third degree burns that cover at least 40 percent of the body and require grafting, or third degree burns covering the majority of: (a) both hands; (b) both feet; (c) one hand and one foot; or (d) one hand or foot and the face; and (3) permanent and total disability in certain circumstances if the employee is: (a) a first responder; and (b) employed by a political subdivision that self-insures, either individually or collectively. (Companion bill is **H.B. 3120** by **Capriglione**.)

Purchasing

H.B. 3583 (Paddie) – Energy Savings Performance Contract: would: (1) limit the scope of an energy savings performance contract by, among other things, excluding from the term “energy savings performance contract” the design or construction of a highway, road, street, bridge, underground utility, water supply project, water plant, wastewater plant, water and wastewater distribution or conveyance facility, wharf, dock, airport runway or taxiway, drainage project, or other similar or related civil engineering construction project; (2) prohibit modifying the scope of an energy savings performance contract through a change order or addendum that adds to the scope of work for projects not awarded under an original contract; (3) repeal the law that exempts energy savings performance contracts from certain contracting and delivery procedures for construction contracts. (Companion bill is **S.B. 1554** by **Hinojosa**.)

H.B. 3656 (C. Turner) – Construction Workers: would, among other things, (1) require a person who contracts to perform certain construction to properly classify each person providing construction services as either an employee or independent contractor; (2) provide that a person for whom an individual is providing construction services is not required to report to the Texas Workforce Commission (Commission) that the individual is an employee if the person shows that the individual is an independent contractor under the criteria in the bill, and provides to the individual, and files with the IRS, an IRS Form 1099, or similar form; and (3) require the Commission to notify a governmental entity if the Commission determines a contractor has violated the provisions of the bill.

H.B. 3674 (Capriglione) – Purchase of Personal Protective Equipment: would, among other things: (1) require a governmental entity, including a municipality, purchasing personal protective equipment to ensure the bid documents provided to all bidders and the contract include a requirement that the personal protective equipment be produced in the United States; (2) require a governmental entity to adopt rules to promote compliance with this requirement; and (3) provide an exception for a governmental entity responsible for the purchase if: (a) personal protective equipment produced in the United States is not: (i) produced in sufficient quantities; (ii) reasonably available; or (iii) of a satisfactory quality; (b) use of personal protective equipment produced in the United States will increase the total cost of the purchase by more than 20 percent; or (c) complying with that section is inconsistent with the public interest.

S.B. 1400 (Hughes) – State Preference: would, among other things: (1) provide that, with certain exceptions, a political subdivision authorized to deploy resources in response to a disaster must, when purchasing personal protective equipment, give preference to equipment manufactured in Texas and offered for sale by a bidder in Texas; and (2) allow a city, when making a purchase of certain property or services, enter into a contract with a bidder whose principal place of business is Texas, regardless of whether that bidder is the lowest bidder, if the city finds the bidder offers the best combination of contract price and additional economic development opportunities for the city. (Companion bill is **H.B. 1865** by Cain.)

Transportation

H.B. 3286 (Schofield) – Parking: would provide that: (1) a county or city with a population greater than 220,000 may accept a written request for the posting of signs that regulate parking of commercial motor vehicles in a public right-of-way adjacent to commercial property after 10 p.m. and before 6 a.m., if the request is signed by the owner or managing member of a commercial property who operates a business on the property; (2) a county or city that receives a request meeting the requirements of (1) may post signs as requested, or as determined necessary by the county or city, in a public right-of-way that is within ten feet of a property line that is adjacent to the right-of-way; and (3) a sign posted under (2) must: (a) state, in letters at least two inches in height, that overnight parking of a commercial motor vehicle is restricted from 10 p.m. to 6 a.m. in the right-of-way, or a portion of the right-of-way; (b) display arrows that properly delineate the area subject to parking restriction; and (c) be placed facing a public roadway giving access to the right-of-way.

H.B. 3486 (S. Thompson) – Alert System: would: (1) require the Texas Department of Transportation (TxDOT) to enter into an agreement with a private entity to provide information necessary for certain statewide alert systems (e.g., Amber Alerts, Silver Alerts) through a system of dynamic message signs that are: (a) located across the state; and (b) capable of displaying digital images useful in locating the missing individual; (2) require that the agreement in (1) generate net revenue to the state, and prohibit tax revenue from being used to fund the installation and operation of the dynamic message signs; and (3) provide that TxDOT does not have to comply with (1) if it would result in the loss of federal highway funding or other punitive action would be taken against the state due to noncompliance with federal law, regulation, or policy. (Companion bill is **S.B. 826** by **Hughes**.)

S.B. 1274 (Nichols) – Highway Maintenance: would: (1) authorize a Texas Department of Transportation district engineer to temporarily lower a prima facie speed limit for a highway in a district if the district engineer determines that the prima facie speed limit for the highway is unreasonable or unsafe because of highway maintenance activities at the site; and (2) provide that a temporary speed limit established under (1): (a) is a prima facie prudent and reasonable speed limit enforceable in the same manner as other prima facie speed limits; and (b) supersedes any other established speed limit that would permit a person to operate a motor vehicle at a higher rate of speed. (Companion bill is **H.B. 3282** by **Canales**.)

S.B. 1290 (Eckhardt) – Pedestrians and Bicycles: would require the operator of a motor vehicle to exercise due care to avoid colliding with a pedestrian or a person operating a bicycle on a highway or street.

S.B. 1375 (Huffman) – Parking: would: (1) in order to aid in the enforcement of an ordinance regulating the operation of vehicles for hire, allow a home rule city to authorize an employee to initiate the removal and storage of a vehicle operated in violation of its ordinance without authorization by a peace officer; and (2) in order to aid in the enforcement of an ordinance regulating parking, allow a city to authorize an employee to initiate the removal and storage of a vehicle in an area where on-street parking is regulated and that: (a) is parked illegally; or (b) is parked legally, but has been unattended for more than 48 hours and is reasonably believed to be abandoned. (Companion bill is **H.B. 914** by **Hernandez**.)

S.J.R. 59 (Nichols) – State Highway Fund: would amend the Texas Constitution to provide that all revenue received from fees for permits for oversize or overweight vehicles that general law directs to the state highway fund be used only to acquire, construct, and maintain public roadways. (Companion resolution is **H.J.R. 161** by **Ashby**.)

Utilities and Environment

H.B. 13 (Paddie) – Texas Energy Disaster Reliability Council: would, among other things: (1) create the Texas Energy Disaster Reliability Council to: (a) prevent an extended power outage caused by a disaster; (b) implement procedures to manage emergencies caused by a disaster; (c) maintain records of critical infrastructure facilities to maintain service in a disaster; (d) coordinate

the delivery of fuel to electric generators in a disaster; (e) monitor supply chains in the electric grid to minimize service disruptions; and (f) study and make recommendations on methods to maintain reliability in the electric grid, including gas supply networks, during a disaster; (2) require the council to convene as soon as reasonably possible during or prior to a disaster to address an extended power outage caused by a disaster in order coordinate fuel supplies and to minimize the duration of the extended power outage; (3) provide that in carrying out its functions, the council may consult and coordinate with: (a) the United States Department of Energy; (b) the United States Department of Homeland Security; (c) the North American Electric Reliability Corporation; (d) the Texas Reliability Entity; (e) federal and state agencies; (f) members of the electric industry; (g) members of the gas industry; and (h) grid security experts; (4) require an electric or gas utility to provide any information requested by the council; and (5) require the council to prepare a report to the legislature on the reliability and stability of the electric supply chain in Texas.

H.B. 14 (Goldman) – Electricity Supply Chain Mapping: would: (1) create the Texas Electricity Supply Chain Mapping Committee to: (a) map the state's electricity supply chain in order to designate priority electricity service needs in extreme weather events; (b) identify critical infrastructure sources along the electricity supply chain; (c) develop a communication system between the critical infrastructure sources, the Public Utility Commission, and ERCOT to ensure that electricity supply is prioritized to those sources in an extreme weather event; (d) make recommendations on measures to prepare facilities that provide electric and gas service to maintain service in an extreme weather event; (e) designate priority service needs in extreme weather events; and (f) publish a report; and (2) require the PUC to create and maintain a database identifying the critical infrastructure sources with priority electricity needs during an extreme weather event.

H.B. 3308 (Lucio III) – Storm Mitigation Special Districts: would, among other things, provide that: (1) the governing body of a local government may establish a program to create districts to facilitate the use of conduit financing for certain storm mitigation and resiliency, energy, water, and indoor air projects to record owners of real property; (2) a local government shall be authorized to issue bonds, notes, and other evidences of indebtedness to provide loans under the program; and (3) a local government may enter into a contract with the record owner of property within a district to finance one or more qualified projects on the property and the contract may provide for the repayment of the cost of a project through assessments on the property benefited.

H.B. 3362 (Reynolds) – Electricity: would, among other things: (1) provide that a retail electric customer is entitled to: (a) participate in demand response programs through retail electric providers and demand response providers; and (b) receive notice from the retail electric provider that serves the customer: (i) when the independent organization for the ERCOT power region issues an emergency energy alert about low operating reserves to providers of generation in the power region; or (ii) of imminent rolling outages and the length of time the outages are planned or expected to last; (2) require the Public Utility Commission to adopt rules that require each retail electric provider in the ERCOT power region to create a residential demand response program to reduce the average total residential load by at least: (a) one percent of peak summer and winter demand by December 31, 2022; (b) two percent of peak summer and winter demand by December 31, 2023; (c) three percent of peak summer and winter demand by December 31, 2024; and (d) five percent of peak summer and winter demand by December 31, 2025; and (3) require the PUC to adopt rules that require all electric utilities, municipally owned utilities, and electric

cooperatives that own transmission and distribution assets in this state to file and implement an outage plan that includes a plan for shutting off customer access to electricity in the event of the need for rolling outages to prevent brown-outs and black-outs. (Companion bills are **S.B. 2052** by **Menéndez** and **S.B. 2109** by **Schwertner**.)

H.B. 3382 (Rogers) – Notice of Excavations: would require, not later than two hours after the time the notification center receives a notice of intent to excavate from an excavator or from a different notification center, the notification center must notify each owner of land in the proposed area of excavation.

H.B. 3412 (T. King) – Concrete Crushing Facilities: would require the Texas Commission on Environmental Quality to require certain concrete crushing facilities to remove the aggregate produced by the facility not later than the 30th day after the expiration of the authorization to operate.

H.B. 3460 (Hernandez) – Grant Program: would: (1) require the comptroller to establish and administer a program to provide grants to local governments which may be used only to provide direct financial assistance to the local governments' eligible residents who were affected by the winter disaster of 2021; (2) require the comptroller to establish: (a) the formula to be used to distribute the grants to local governments; (b) deadlines for the disbursement and spending of grant money; (c) a standardized application process to be used by each local government that receives a grant under the bill; and (d) procedures for: (i) monitoring the disbursements of grants by local governments to ensure compliance with the bill; and (ii) the return of grant money that was not used by a local government to provide direct financial assistance; (3) provide that a local government may: (a) use grant money awarded under the bill only for the purpose described by (1); (b) provide direct financial assistance to an eligible resident in any amount that is not less than \$1,000 or more than \$2,500 if the local government determines that the eligible resident was affected by the winter disaster of 2021; (c) prioritize the award of grants to eligible residents most in need of assistance, as determined by the local government; and (d) contract with a qualifying nonprofit to ensure the local government's eligible residents are made aware of the grant program; and (4) provide that the comptroller may solicit and accept gifts, grants, and donations from any source for the purpose of awarding grants under the bill.

H.B. 3470 (Thierry) – Electricity: would, among other things: (1) provide that the penalty for a violation of a reliability standard adopted by the independent organization or of a Public Utility Commission rule relating to reliability in the wholesale electric market may be in an amount not to exceed \$100,000 and that each day a violation continues or occurs is a separate violation for purposes of imposing a penalty; (2) require the PUC to adopt rules to establish a classification system for violations of (1) based on various factors; (3) provide that the PUC may, on its own motion, issue a cease and desist order: (a) after providing notice and an opportunity for a hearing if practicable or without notice or opportunity for a hearing; and (b) if the PUC determines the conduct of a person is fraudulent, among other things; (4) provide that the PUC may impose an administrative penalty against a person who violates a cease and desist order; (5) add certain additional requirements for certification of an independent organization for the ERCOT power region; (6) provide that a municipally owned utility or electric cooperative shall provide the utility's or cooperative's customers access to interconnection of distributed renewable generation

and payment for surplus electricity produced; (7) require the governing body of a municipally owned utility or board of directors of an electric cooperative to provide oversight and adopt rates, rules, and procedures to allow interconnection and payment for surplus electricity on or before the 120th day after the date the governing body or board receives a bona fide request for interconnection; (8) require a municipally owned utility or electric cooperative that had retail sales of 500,000 megawatt hours or more in 2010 shall file the utility's or cooperative's interconnection and surplus electricity rates, rules, and procedures with the State Energy Conservation Office not later than January 1, 2022, and make timely updates to the filed rates, rules, and procedures; and (9) require the PUC to provide for access to easily comparable information regarding retail electric providers' offers to residential distributed renewable generation owners for their surplus electricity on a website.

H.B. 3475 (Rose) – Load Shedding: would: (1) require the Public Utility Commission to adopt rules that require each electric utility, municipally owned utility, and electric cooperative to exclude any circuits that provide power to a grocery store from participation in the utility or cooperative's attempt to shed load in response to a rolling blackout initiated by an independent organization; and (2) provide that the PUC may adopt criteria to determine which grocery stores are entitled to be excluded from load shedding under (1).

H.B. 3476 (Schofield) – Certificates of Convenience and Necessity: would: (1) prohibit a city from requiring, as a condition of consent to grant a retail public utility a certificate of public convenience and necessity for a service area within the boundaries of the extraterritorial jurisdiction of a municipality, that all water and sewer facilities be designed and constructed in accordance with the municipality's standards for facilities; and (2) provide that the Public Utility Commission must include, as a condition of a certificate of public convenience and necessity granted for a service area within the extraterritorial jurisdiction of a city, that all water and sewer facilities be designed and constructed in accordance with the PUC's standards for water and sewer facilities.

H.B. 3539 (Zwiener) – Natural Gas: would require the Railroad Commission to require storage facilities to maintain onsite generation necessary to pump gas from the facility for a minimum of 12 hours.

H.B. 3543 (Larson) – Bill Payment: would require: (1) the comptroller to establish a program to provide bill payment assistance using state money appropriated for that purpose to retail customers of municipally owned utilities, electric cooperatives, and retail electric providers in the ERCOT power region; and (2) the program in (1) to: (a) provide assistance only for unusually high bills for services provided after February 13, 2021, and before February 19, 2021; (b) establish criteria for determining whether a bill is unusually high; (c) allow a customer to apply for assistance to the municipally owned utility, electric cooperative, or retail electric provider that served the customer during the time period (a); and (d) require a municipally owned utility, electric cooperative, or retail electric provider that receives an application under (c) to: (i) submit the application to the comptroller; and (ii) provide to the customer any assistance sent by the comptroller to the utility, cooperative, or provider in response to the application.

H.B. 3594 (Leach) – Concrete Plants: would: (1) provide that, at the time a standard permit for a permanent concrete plant that performs wet batching, dry batching, or central mixing is filed with the Texas Commission on Environmental Quality (TCEQ), the central baghouse must be located at least 440 yards from a public or private airport; and (2) require the TCEQ by rule to prohibit the operation of a concrete crushing facility within 440 yards of a public or private airport.

H.B. 3603 (Leach) – Concrete Plants: would provide that if a concrete batch plant withdraws its application for a standard permit, the applicant may not submit an application for the same plant earlier than the 365th day after the date on which the original application is withdrawn.

H.B. 3604 (Leach) – Concrete Plants: would extend the distance within which a concrete plant or crushing facility must be from a single- or multi-family residence, school, or place of worship from 440 yards to 880 yards. (Companion bill is **S.B. 953** by **Hinojosa**.)

H.B. 3615 (P. King) – District Cooling Systems: would: (1) define “district cooling system” as a system that produces chilled water at a central plant and pipes that water to buildings for air conditioning; (2) define “municipally owned utility” as, among other things, any district cooling system operated by the utility; (3) provide that information related to a chilled water program or program designed to used chilled water to reduce peak demand is not confidential as a public power utility competitive matter under the Public Information Act; and (4) and provide that information reasonably related to a municipally owned utility’s rate review process and how the city or municipally owned utility sets rates for electric service and chilled water service or any other service designed by the city or municipally owned utility to curb peak demand or shift load are subject to disclosure under the Public Information Act. (Companion bill is **S.B. 1470** by **Buckingham**.)

H.B. 3637 (Goodwin) – Mobile Source Emissions: would: (1) establish the Texas Transportation Electrification Council, which is administratively attached to the Texas Department of Transportation; (2) require the council to: (a) develop a comprehensive plan for the development of public electric vehicle charging infrastructure and associated technologies in Texas through the year 2040; (b) provide policy recommendations that state agencies may adopt to encourage an adequate network of public electric vehicle charging infrastructure and associated technologies to meet the future electrified transportation needs in Texas; and (c) conduct an assessment of existing and planned public electric vehicle charging infrastructure and associated technologies in Texas; (3) provide that in performing the council’s duties, the council shall seek advice and input from municipally owned electric utilities and state and local transportation agencies, among others; (4) require the council to prepare and submit to the governor, the lieutenant governor, each member of the legislature, and relevant state and federal agencies a written report of the council's findings that includes the information in (2); and (5) require the Texas Commission on Environmental Quality to conduct a study on policies pertaining to the recovery and recycling of lithium-ion and other propulsion batteries sold with electric vehicles in Texas.

H.B. 3639 (Lopez) – Utility Shutoffs: would, among other things provide that: (1) not later than three hours after an electric utility, municipally owned utility, or electric cooperative intentionally shuts off electric power to a customer in response to an emergency event, the utility or cooperative shall notify the customer of the shutoff by e-mail or text message and the notice must include the

following information: (a) the estimated time and date that the utility or cooperative will restore electric power to the customer; and (b) whether the shutoff is part of a rolling outage; and (2) not later than three hours after a retail public utility intentionally shuts off water service to a customer in response to an emergency event, the utility shall notify the customer of the shutoff by e-mail or text message and the notice must include the estimated time and date that the utility will restore water service to the customer.

H.B. 3648 (Geren) – Natural Gas: would require: (1) the Public Utility Commission to work with the Railroad Commission of Texas (RRC) and adopt rules to designate certain gas entities and facilities as critical during an energy emergency; (2) at a minimum, the PUC’s rules to: (a) ensure that transmission and distribution utilities, municipally owned utilities, electric cooperatives, and ERCOT are provided with the designations as required by (3), below; (b) provide for a prioritization for load-shed purposes of the entities and facilities designated under (1) during an energy emergency; and (c) provide discretion to transmission and distribution utilities, municipally owned utilities, and electric cooperatives to prioritize power delivery and power restoration among the customers on their respective systems, as circumstances require; and (3) that the RRC adopt rules that: (a) determine eligibility and designation requirements for persons owning, operating, or engaging in the activities under the RRC’s jurisdiction to provide critical customer designation and critical gas supply information, as defined by the RRC, to transmission and distribution utilities, municipally owned utilities, electric cooperatives, and ERCOT; and (b) consider essential operational elements when defining critical customer designations and critical gas supply information, including natural gas production, processing, transportation, and the delivery of natural gas to generators.

H.B. 3650 (Lucio III) – Water and Sewer: would, among other things, transfer the powers, duties, functions, programs, and activities of the Public Utility Commission of Texas relating to the economic regulation of water and sewer service, including the issuance and transfer of certificates of convenience and necessity, the determination of rates, and the administration of hearings and proceedings involving those matters from the PUC to the Texas Commission on Environmental Quality.

S.B. 1209 (Schwertner) – Concrete Plants: would, among other things, provide that at a Texas Commission on Environmental Quality (TCEQ) meeting or hearing regarding the issuance or renewal of a standard permit for certain aggregate production operations and concrete batch plants TCEQ shall: (1) accept written questions about the facility from the public until the 15th day before the date of the hearing or meeting; and (2) not later than the 14th day before the date of the hearing or meeting, notify certain entities (including each city and county in which the facility is located or proposed to be located) of the date, time, and place of the hearing or meeting. (Companion bill is **H.B. 1912** by **Wilson**.)

S.B. 1242 (Buckingham) – Electricity: would, among other things, provide that in an application proceeding for a municipally owned utility seeking a certificate for a new transmission line or facility in the extraterritorial jurisdiction of the municipality, an electric utility may file a motion requesting that the Public Utility Commission consider granting the certificate to the electric utility.

S.B. 1261 (Birdwell) – Greenhouse Gases: would: (1) provide that to the extent not preempted by federal law, the state has exclusive jurisdiction over the regulation of greenhouse gas emissions in Texas; and (2) preempt a city or other political subdivision from enacting or enforcing an ordinance or other measure that directly or indirectly regulates greenhouse gas emissions.

S.B. 1262 (Birdwell) – Restriction on Regulation of Utility Services: would: (1) define “regulatory authority” as the Public Utility Commission, Railroad Commission, or the governing body of a municipality, in accordance with the context; (2) define “utility” as a person, company, or corporation engaged in furnishing water, gas, telephone, light, power, or sewage service to the public; (3) prohibit a regulatory authority, planning authority, or political subdivision of this state from adopting or enforcing an ordinance, resolution, regulation, code, order, policy, or other measure that has the purpose, intent, or effect of directly or indirectly banning, limiting, restricting, discriminating against, or prohibiting the connection or reconnection of a utility service or the construction, maintenance, or installation of residential, commercial, or other public or private infrastructure for a utility service based on the type or source of energy to be delivered to the end-use customer; (4) prohibit an entity, including a regulatory authority, planning authority, political subdivision, or utility, from imposing any additional charge or pricing difference on a development or building permit applicant for utility infrastructure that: (a) encourages those constructing homes, buildings, or other structural improvements to connect to a utility service based on the type or source of energy to be delivered to the end-use customer; or (b) discourages the installation of facilities for the delivery of or use of a utility service based on the type or source of energy to be delivered to the end-use customer; and (5) provide that the bill does not limit the ability of a regulatory authority or political subdivision to choose utility services for properties owned by the regulatory authority or political subdivision. (Companion bill is **H.B. 17** by **Deshotel**.)

S.B. 1294 (Eckhardt) – Environmental Justice Commission: would, among other things: (1) define “permitting facility” as a facility required to obtain a permit from the Texas Commission on Environmental Quality for wastewater discharge, injection wells, and under the Solid Waste Disposal Act and Clean Air Act; (2) define “environmental justice community” as a United States census block group, as determined in accordance with the most recent United States census, for which: (a) 30 percent or more of the noninstitutionalized population consists of persons who have an income below 200 percent of the federal poverty level; or (b) 50 percent or more of the population consists of members of racial minority or ethnic minority groups; (3) create the Office of Environmental Justice (OEJ) within TCEQ to protect the public health, general welfare, and physical property of environmental justice communities in regard to issuance of permits; (4) provide that when TCEQ is considering a permit within three miles of an environmental justice community, that the OEJ shall provide a recommendation not later than the 7th day after the last day of the public comment period applicable to the permit to TCEQ on whether the permit should be issued and shall, in making its recommendation, consider: (a) whether the cumulative effects of pollution from the proposed permitted facility or change to an existing facility on the affected environmental justice community exceed the statewide average; and (b) any existing or anticipated vulnerabilities in the affected environmental justice community; and (5) provide that TCEQ shall consider the recommendation of the OEJ in making its determination about whether to issue a permit in addition to other factors required by law. (Companion bill is **H.B. 1191** by **Goodwin**.)

S.B. 1303 (Blanco) – Electricity and Schools: would provide that: (1) each electric utility that provides electric service to a retail customer shall offer to a school district or open-enrollment charter school served by the electric utility time-of-use rates to promote efficient: (a) charging of electric school buses; and (b) energy use in school buildings; (2) each transmission and distribution utility in the ERCOT power region shall offer to any retail electric provider in its service area that serves a school district or open-enrollment charter school a rate structure that allows the retail electric provider to offer time-of-use rates to the district or school to promote efficient: (a) charging of electric school buses; and (b) energy use for school buildings; (3) provide that a regulatory authority shall provide a mechanism for approving a tariff in accordance with (1) and (2); (4) provide that a school district or open-enrollment charter school may contract with an electric utility to: (a) install make-ready infrastructure on the utility's side of the meter required to facilitate interconnection of electric vehicle charging equipment, including a new service connection, transformer, conductor, connector, conduit, or meter; and (b) provide any necessary construction to comply with local regulations related to the charging equipment; (5) electric utilities shall use their best efforts to: (a) encourage and facilitate interconnection processes for school energy sources; and (b) provide information about distribution system capacity and needs to market providers of on-site distributed renewable generation, energy storage, and electric school buses; (6) a school district or open-enrollment charter school, or a person acting on behalf of a school district or open-enrollment charter school, may, without registering as a power generation company: (a) provide distribution system grid services using a school energy source or a combination of school energy sources; and (b) receive appropriate compensation for electricity sold under (6)(a); and (7) the independent organization for the ERCOT power region shall adopt rules or protocols to allow a school district or open-enrollment charter school, or a person acting on behalf of a school district or open-enrollment charter school, to sell energy and ancillary services from school energy sources in the wholesale market without registering as a power generation company.

S.B. 1350 (Miles) – Concrete Plants: would, among other things, provide that the only person who may request a hearing in relation to certain permits for a concrete plant that performs wet batching, dry batching, or central mixing are: (a) the city or county in which the proposed plant will be located; and (b) persons actually residing in a permanent residence within 440 yards of the proposed plant. (Companion bill is **H.B. 1627** by **S. Thompson**.)

S.B. 1352 (Miles) – Public Utility Commission/Energy Blackouts: would require: (1) the Public Utility Commission to adopt rules to develop a process for obtaining emergency reserve power generation capacity as appropriate to prevent blackout conditions caused by shortages of generated power in the ERCOT power region; (2) the rules in (1) to provide: (a) parameters for estimating the amount of emergency reserve power generation capacity necessary to prevent blackout conditions; and (b) mechanisms for equitably sharing the costs of making the reserve capacity available and the costs of generated power provided to prevent blackout conditions; (3) an independent organization for the ERCOT power region to adopt procedures and enter contracts as necessary to ensure the availability of a defined amount of emergency reserve power generation capacity the organization may call on to prevent blackouts caused by shortages of generated power; and (4) the independent organization to use all other sources of power and demand reduction available before the independent organization calls on the emergency reserve power generation capacity to prevent blackout conditions. (Companion bills are **H.B. 2470** by **Rodriguez**, **H.B. 2472**

by **Thierry, H.B. 2480** by **Reynolds, H.B. 2506** by **Jarvis Johnson, H.B. 2657** by **Larson, H.B. 3178** by **Rosenthal**, and **H.B. 4167** by **Fierro**.)

S.B. 1382 (Creighton) – Water Wells: would provide that: (1) a hospital may drill a water well on property owned by the hospital for the purpose of producing water to supplement the hospital's water supply in the event that an emergency or natural disaster prevents the hospital from receiving water from the hospital's usual source; and (2) the authority of a groundwater conservation district to regulate groundwater production or other law governing a groundwater conservation district is not affected by (1).

S.B. 1443 (Campbell) – Power Outage: would, among other things: (1) require the Public Utility Commission to adopt rules that require each retail electric provider and electric cooperative that sells electricity to a customer to implement a registration process by which a new customer of that retail electric provider or electric cooperative may report to that retail electric provider or electric cooperative that the customer is a vulnerable customer; (2) require a retail electric provider or electric cooperative that sells electricity to a customer to maintain customer information to allow that retail electric provider or electric cooperative to quickly identify vulnerable customers during a power outage and notify the relevant transmission and distribution utilities to prioritize those customers for power restoration; and (3) require the PUC to adopt rules that require each retail electric provider and electric cooperative that sells electricity to a customer that chooses to implement a mass alert system to communicate to individual customers of potential emergency situations and power outages to notify each of their customers of the existence of such mass alert system in certain circumstances.

S.B. 1470 (Buckingham) – District Cooling Systems: would: (1) define “district cooling system” as a system that produces chilled water at a central plant and pipes that water to buildings for air conditioning; (2) define “municipally owned utility” as, among other things, any district cooling system operated by the utility; and (3) provide that information related to a chilled water program or program designed to used chilled water to reduce peak demand is not confidential as a public power utility competitive matter under the Public Information Act; and (4) provide that information reasonably related to a municipally owned utility’s rate review process and how the city or municipally owned utility sets rates for electric service and chilled water service or any other service designed by the city or municipally owned utility to curb peak demand or shift load are subject to disclosure under the Public Information Act. (Companion bill is **H.B. 3615** by **P. King**.)

S.B. 1482 (Zaffirini) – Solid Waste Landfill Facilities: would: (1) define “special flood hazard area” as the land in a floodplain subject to not less than one percent chance of flooding in a year as designated by the director or administrator of the Federal Emergency Management Agency; (2) provide that the Texas Commission on Environmental Quality may not issue a permit for a new municipal solid waste landfill facility or a lateral expansion of an existing municipal solid waste landfill facility that is contingent on the removal of the facility from a special flood hazard area; (3) provide that TCEQ may not issue a permit for a new municipal solid waste landfill facility or a lateral expansion of an existing municipal solid waste landfill facility if a part of the facility is or will be located in a special flood hazard area unless the applicant has obtained a letter from FEMA of map change demonstrating the entire facility has been removed from the special flood

hazard area; and (4) require that TCEQ coordinate with all applicable regional and local governments to verify that all required map changes to the Flood Insurance Rate Map have been acquired from FEMA and that all necessary permits have been issued for the facility by the governmental entities or agencies with jurisdiction over the facility.

S.B. 1488 (Hall) – Bulk-Power System Equipment: would require the Public Utility Commission to: (1) adopt rules that prohibit the acquisition, importation, transfer, or installation of bulk-power system equipment in Texas as part of a transaction that the PUC determines presents an undue security or safety risk to the bulk-power system in Texas because of potential: (a) sabotage to or subversion of the design, integrity, manufacturing, production, distribution, installation, operation, or maintenance of the bulk-power system in Texas; or (b) catastrophic effects for the security or resiliency of critical infrastructure or the economy of Texas; (2) design or negotiate measures to mitigate risks described in (1); (3) require that a person acquiring, importing, transferring, or installing bulk-power system equipment in Texas incorporate a mitigation measure in the acquisition, importation, transfer, or installation; (4) establish and publish criteria for pre-approving particular equipment and particular vendors in the bulk-power system equipment market as compliant with the bill; and (5) publish a list of pre-approved equipment and vendors.

Coronavirus (COVID-19) Updates

The Texas Municipal League is open for business. The building is closed to all but essential personnel and most staff is working remotely, but the League remains open for business and is fully ready to serve. Cities are encouraged to call or email for legal assistance, help with ordinances, or for general advice or assistance. Let us know how we can assist you and your city.

Call TML staff at 512-231-7400, or email the legal department for legal assistance at legalinfo@tml.org; Rachael Pitts for membership support at RPitts@tml.org; and the training team for questions about conferences and workshops at training@tml.org.

The League has prepared a coronavirus clearinghouse [web page](#) to keep cities updated. In addition, everyone who receives the *Legislative Update* should receive an email update each Tuesday with information on new developments. The email updates are our primary means of communication during the pandemic. Those emails are archived [chronologically](#) as well as by [subject matter](#).

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WHAT IF CERTIFICATES OF OBLIGATION GO AWAY?

By **Drew Masterson**, Masterson Advisors LLC

For several sessions, the Texas legislature has debated doing away with Certificates of Obligation (COs). As we enter the 87th legislative session, it is important to reflect on the important role that COs play in financing critical water, sewer, and other enterprise system infrastructure throughout the State. It is also crucial to understand the unintended consequences that would result from eliminating COs. The elimination of COs would result in immediate and significant negative impacts on water and sewer rate payers across Texas. The use of revenue bonds to finance water and sewer infrastructure instead of COs would result in: 1) higher interest rates, 2) increased issuance costs, 3) the issuance of additional debt to fund inefficient debt service reserve funds, and 4) increased water and sewer rates to satisfy dramatically higher debt service coverage ratios. To illustrate this impact, we estimate that one of our top 25 population Texas city clients would need to immediately raise water and sewer rates by 18 percent and then impose additional rate increases over time if it were forced to fund water and sewer infrastructure through revenue bonds rather than COs.

History of COs

COs were initially authorized by the Certificate of Obligation Act of 1971. Before COs, Texas cities would buy equipment from car dealerships and other equipment vendors by providing the vendors with a note for the purchase amount. The vendors would then trade the notes in a very inefficient, physical market where brokers would buy the notes and sell them to investors. My father was one of those brokers.

The advent of COs allowed Texas cities to pool their equipment financings into a single issuance and issue COs for cash, greatly reducing interest rates and transaction costs. Eventually, the Legislature added real property and public works to the qualified purposes for issuing COs. While COs are not subject to an automatic election, they are approved by the elected governing body of an issuer and are additionally subject to a robust notice and petition process. The issuance of COs requires the publication of two notices in the local paper, the posting of notice on the issuer's website, and a 45-day waiting period prior to the governing body approving their sale. During the 45-day waiting period a petition of a minimum of five percent of the issuer's regis-

tered voters can require an election on the issuance of the COs to go before the voters. As a result, COs are subject to voter accountability on multiple levels. The petition process has been used on a number of occasions to require an election on the issuance of COs.

COs Result in Lower Interest Rates

Because COs pledge a city or county's tax base to their repayment, they typically get high bond ratings and carry low interest rates. Also, because the interest to the investor generally remains tax-exempt, the rates are even lower. We have had multiple cities sell COs this past year with 20-year amortizations at rates of approximately 1.5 percent. Because of these low interest rates, issuers frequently issue COs for their revenue or enterprise system infrastructure and pay the COs from revenues of the enterprise system. This is referred to as self-supporting debt, and it allows the issuer to lower the interest costs paid by revenue system rate payers. According to the Municipal Advisory Council of Texas, approximately 54 percent of all COs issued have a self-supporting component, and 35 percent of the total amount of COs outstanding are self-supporting from revenues other than taxes.

Prior to the financial market meltdown in 2008, it was very common for Texas cities to issue water and sewer revenue bonds to finance their utility infrastructure. Most of these revenue bonds were rated a few notches lower than the cities' property tax backed bonds. To avoid paying the higher interest rates associated with lower rated revenue bonds, cities would purchase AAA rated bond insurance. In 2007 there were seven AAA rated bond insurance companies that insured approximately 60 percent of the municipal bond market. Competition was high and premiums were low. Since 2007, all seven of these AAA rated insurers have been downgraded, gone out of business, or stopped offering new coverage. For a number of years, there were no operating bond insurers. Today we have two AA rated insurers that cover just six to eight percent of the market annually.

As a result, many cities converted to enhancing their utility revenue bonds with their tax base. They issue COs instead of revenue bonds. Most Texas cities' ratings on COs are higher than currently available through bond insurers. Issuing COs instead of revenue bonds can save from 10

basis points (0.1 percent) to 30 basis points (0.3 percent) depending on the respective ratings in today's market. That is significant savings. When a ten basis point savings is applied to the amount of outstanding self-supporting COs, Texas cities are saving \$3 million per year.

Reduction in Issuance Costs

COs allow for the funding of multiple types of enterprise fund projects in a single issuance alongside tax supported projects. Small- and medium-sized cities save on issuance expenses by combining what might be multiple different types of revenue bond issues into one issuance. The most common enterprises to be funded by COs are water and sewer utilities. We also see self-supporting COs issued for airports, economic development corporation projects, drainage utilities, tax increment reinvestment zones, and public improvement districts in addition to property tax supported projects such as roads. Combining two or more uses into a single issuance avoids the issuance costs associated with multiple separate bond issues. Additionally, COs have less complicated legal and debt structures than revenue bonds, which results in additional savings to issuers. Such efficiencies could easily be more than \$100,000 per issue. In total, Texas taxpayers have saved an estimated \$123 million in issuance costs by issuing self-supporting COs.

Debt Service Reserve Funds

Debt service reserve funds are typically required to be funded from bond proceeds when revenue bonds carry a rating below the AA rating category. Typical reserve fund requirements can be as high as ten percent of the principal amount of the bonds being issued, meaning that the issuer is having to increase the amount of debt it has outstanding in order to fund a reserve fund. This results in additional costs being passed on to the rate payer.

Debt service reserve funds are also an inefficient use of cash. In the low interest rate environment over the last 10 years, debt service reserve funds have become very expensive because they earn almost nothing. Borrowing at 2 percent and reinvesting at .25 percent is a losing proposition. This loss or negative arbitrage is an estimated \$6 million per year on outstanding self-supporting COs.

Coverage Requirements

The main impact to issuers if COs are eliminated would be an increase in the amount of debt service coverage

or cushion that they would be required to maintain. Debt service coverage is the amount of cushion that a city's revenue fund has after paying debt service each year. If revenues are \$11 million and expenses are \$6 million then cash flow available for debt service is \$5 million. If debt service is \$3 million, then the extra cushion is \$2 million. In industry terms, we divide the \$5 million of cash flow by the \$3 million of debt service and get coverage of 167 percent. Investors and rating agencies want to see high levels of cushion or coverage so that they are protected from fluctuations in revenues or expenses. With self-supporting COs, coverage can be just enough to pay debt service. In the above example revenues could be \$9 million, less expenses of \$6 million leaving \$3 million to pay debt service. 100 percent coverage means that there is just exactly enough money to pay debt service.

When a city issues COs for utility fund projects, debt service coverage is not required. Most cities that only have self-supporting COs for their utility funds likely want at least a balanced budget in their utility funds and can use cash balances to smooth out any budget deficits. But with revenue bonds, investors and rating agencies measure credit quality in part by the amount of cushion that exists in the budget before having a shortfall on paying bonds. With revenue bonds, cities become beholden to bond covenants and rating criteria for debt service coverage. Cities issuing revenue bonds instead of COs would need to maintain coverage levels between 140 percent and 200 percent to get to the AA rated category.

If a city has been operating with self-supporting COs and coverage levels around 100 percent and then suddenly switches to revenue bonds that require high coverage levels, utility rates will have to be increased dramatically to generate additional revenue to flow to the bottom line as coverage. In the above example, if a city was at 100 percent coverage with \$9 million of revenues, they would need to increase revenues by over 22 percent to get to \$11 million of revenue and 167 percent coverage.

Rate increases take at least a year to become manifest in a city's audited financial statements. So, if cities using self-supporting COs have to suddenly switch to issuing revenue bonds, they would need to immediately increase water and/or sewer rates. Those rate increases would take a year to flow down to the bottom line and boost debt

service coverage before that first revenue bond issue. We estimate that many cities would need to boost revenue bond coverage by 25 percent to 75 percent. So, if they were at 125 percent currently, they would need to go to 175 percent or 200 percent prior to applying for revenue bond ratings. Using one of our top 25 population Texas cities as an example, an increase in coverage of 50 percent would mean an immediate 18 percent increase in water rates. A similar sewer rate increase would be required as well. In short, self-supporting COs keep this cushion or coverage in the ratepayers' pockets.

A Critical Tool for Texas Water Development Board Financial Assistance

When cities participate in Texas Water Development Board (TWDB) financial assistance programs, they must generally issue some form of debt to the TWDB to evidence the loan. Because COs are an efficient and secure form of financing for the reasons described above, cities frequently issue self-supporting COs to the TWDB. The loss of COs would significantly complicate TWDB financings and make it more difficult to access the low cost loans offered by the TWDB for critical water and sewer infrastructure.

COs Allow Issuers to Address Emergencies

Because COs allow issuers to access the market efficiently, they can be critical tools for addressing capital expenditures that arise in response to emergencies or to finance capital improvements required to address regulatory requirements.

Summary

COs serve as a highly efficient credit enhancement tool for Texas cities' enterprise fund bond issues. COs save on interest rates, issuance costs, reserve funds and coverage requirements. Based on the amount of COs currently outstanding that support different enterprise funds like water and sewer utilities, Texas cities have generated an estimated \$15 million in interest savings per year and an additional \$123 million in reduced issuance costs. Even more significantly, if COs are eliminated some cities will immediately have to increase water and sewer rates by an estimated 18 percent to increase debt service coverage to achieve desired bond ratings. ★

RatingsDirect®

Summary:

Bastrop City, Texas; General Obligation

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Credit Profile

US\$11.835 mil GO rfdg bnds taxable ser 2021A dtd 04/13/2021 due 08/01/2034		
<i>Long Term Rating</i>	AA/Stable	New
US\$3.225 mil GO rfdg bnds ser 2021 dtd 04/13/2021 due 08/01/2032		
<i>Long Term Rating</i>	AA/Stable	New

Rating Action

S&P Global Ratings assigned its 'AA' long-term rating to Bastrop, Texas' proposed \$3.2 million series 2021 general obligation (GO) refunding bonds and \$11.8 million taxable series 2021A GO refunding bonds. At the same time, S&P Global Ratings affirmed its 'AA' long-term and underlying (SPUR) ratings on the city's previously issued GO bonds and certificates of obligation. The outlook is stable.

The GO bonds and certificates of obligation are payable from the proceeds of an annual ad valorem tax levied on all taxable property in the city, within the limits prescribed by law. The maximum allowable rate in Texas is \$2.50 per \$100 of assessed value (AV) for all purposes, with the portion dedicated to debt service limited to \$1.50. Bastrop's total tax rate is well below the maximum, at 57.94 cents, 19.49 cents of which is dedicated to debt service. Based on the application of our criteria, "Issue Credit Ratings Linked To U.S. Public Finance Obligors' Creditworthiness" (published Nov. 20, 2019), we view the limited-tax debt on par with the city's general creditworthiness. The city does not levy ad valorem taxes on a narrower or distinctly different tax base, and there are no limitations on the fungibility of resources available for the payment of debt service. Bond proceeds will be used to refund a portion of the city's debt outstanding for savings.

A limited pledge of the net revenue of the city's water and sewer system--not to exceed \$1,000--further secures the certificates. Given the limited nature of the additional pledged revenue, we base our ratings on these obligations on Bastrop's ad valorem tax pledge.

Credit overview

Bastrop is a growing community located 30 miles southeast of Austin along State Highway 71 in central Texas. The city's location along the Highway 71 corridor, which links Austin and Houston, has added to a period of sustained growth and development. Despite the economic headwinds posed by the COVID-19 pandemic, development in the city remains strong, supporting Bastrop's expectation of ongoing tax base growth. New economic growth has ultimately contributed to higher tax revenue for the city to support stability in its growing budget fueled by the increasing service demands of its population base. In addition to budget stability, our view reflects the city's history of very strong reserve levels and liquidity supported by a strong framework of financial management with regular budget monitoring, established targets for reserves, and utilization of planning tools. We also note that despite the winter storm in February and the presence of a municipal-owned electric utility, Bastrop's financial position is not expected to

be materially affected. The city purchases power through a wholesale power purchase contract with the Lower Colorado River Authority, limiting its direct exposure to market price spikes during the storm, and available reserves in the electric fund are healthy. Although Bastrop lacks near-term plans for additional debt, we understand that growth-related pressures could necessitate additional debt to address infrastructure and capital improvements over the medium-to-long term.

The rating reflects our view of the city's:

- Strong economy, with access to a broad and diverse metropolitan statistical area (MSA);
- Strong management, with good financial policies and practices under our Financial Management Assessment (FMA) methodology;
- Adequate budgetary performance, with operating results that we expect could deteriorate in the near term relative to fiscal 2020, which closed with operating surpluses in the general fund and at the total governmental fund level;
- Very strong budgetary flexibility, with an available fund balance in fiscal 2020 of 37% of operating expenditures;
- Very strong liquidity, with total government available cash at 125.7% of total governmental fund expenditures and 8.0x governmental debt service, and access to external liquidity we consider strong;
- Very weak debt and contingent liability profile, with debt service carrying charges at 15.6% of expenditures and net direct debt that is 140.3% of total governmental fund revenue; and
- Strong institutional framework score.

Environmental, social, and governance factors

The rating incorporates our view regarding the health and safety risks posed by the COVID-19 pandemic, specifically how stay-at-home orders and an extended economic slowdown could affect the city's revenue. However, we do not view the city as at heightened risk compared with the rest of the sector. The city's location along the Colorado River and near the Gulf of Mexico does expose it to elevated environmental risks including severe weather and flooding compared with the sector standard. To mitigate against this risk, Bastrop maintains insurance coverage while holding very strong fund balances to support its ability to absorb one-time expenditures or revenue shortfalls. Otherwise, we consider governance risks to be in line with those of the sector.

Stable Outlook

Downside scenario

We could lower the rating if reserves were to deteriorate to a level we no longer consider very strong, following either an ongoing structural imbalance or planned use of reserves for capital.

Upside scenario

We could raise the rating if Bastrop's debt profile were to moderate coupled with continued economic growth that leads to materially improved wealth and incomes more in line with the those of higher-rated peers, all else equal.

Credit Opinion

Strong economy

We consider Bastrop's economy strong. The city, with an estimated population of 9,154, is in Bastrop County in the Austin-Round Rock, TX MSA, which we consider broad and diverse. The city has projected per capita effective buying income of 81.9% of the national level and per capita market value of \$123,155. Overall, the city's market value rose by 2.3% over the past year to \$1.1 billion in 2021. The county's average unemployment rate was 6% in 2020, up from 3.0% in 2019. For more information on S&P Global Economics' view on the recovering U.S. economy, see "Staying Home For The Holidays," published Dec. 2, 2020, on RatingsDirect.

Bastrop, encompassing approximately 11 square miles, is 30 miles southeast of Austin in Bastrop County, Texas. Major industries include light manufacturing, retail, financial institutions, restaurants, and insurance companies. The city is well positioned for future growth due to its location along the Highway 71 corridor, which links Austin and Houston. The leading employers include Bastrop Independent School District (1,427 employees), Hyatt Regency Lost Pines Resort (650), Bastrop County (464), MD Anderson Cancer Center (439), and H.E.B. Food Stores (408).

Despite the economic headwinds posed by the COVID-19 pandemic, Bastrop has continued to steadily grow, as evidenced by its expanding tax base and rising sales tax collections. Since fiscal 2010, taxable AV has increased by an average of 6.5% per year. Over that time, the tax base nearly doubled to just over \$1.1 billion. In addition, it remains very diverse, as the top 10 taxpayers comprise 14% of AV. Recent economic growth has been supported by a combination of residential and commercial development. The city's residential sector is expanding, supporting likely tax base growth in the near term. In recent years, Bastrop has also started to see interest in mixed-use development. This trend is supported by the city's updated land-use codes that are now more supportive of higher-density development. Over the next two years, we expect the local economy will remain strong.

Strong management

We view the city's management as strong, with good financial policies and practices under our Financial Management Assessment (FMA) methodology, indicating financial practices exist in most areas, but that governance officials might not formalize or monitor all of them on a regular basis.

The city's formal operating reserve policy calls for the maintenance of 35% of expenditures for the enterprise funds and 25% for the general fund. Management's investment policy follows guidelines outlined by state statutes and requires at least quarterly updates to the city council with holdings and earnings information. Other key practices include management's conservative revenue and expenditure assumptions based on at least five years of historical trend analysis and monthly financial reports to the city council; the city can also adjust its budget monthly, if necessary. Bastrop adheres to a basic debt management policy. Although not formalized, management maintains a long-range financial plan for the general fund. The plan forecasts revenue and expenditure trends for four years beyond the current budget year. Bastrop does not have an adopted capital improvement plan.

Adequate budgetary performance

Bastrop's budgetary performance is adequate, in our opinion, reflecting the near-term risk associated with the city's reliance on economically sensitive revenue including sales taxes and permitting fees. In addition, we believe that

population growth and increasing service demands could also lead operating results to moderate somewhat over the near term. The city had operating surpluses of 15% of expenditures in the general fund and of 5.2% across all governmental funds in fiscal 2020. However, our assessment could improve should revenue trends and operating performance remain resilient despite current budgetary headwinds.

Bastrop's audited general fund is a consolidation of two separate budgeted funds: the general operating fund and the innovation fund. The innovation fund is used to record one-time expenditures to improve city operations financed from excess reserves in the city's general fund and electric utility fund. Given the one-time nature of the expenditures financed from the innovation fund, we have adjusted our view of general fund performance to exclude expenditures in this fund. Operating results in the underlying general fund have been positive in the past three fiscal years.

In fiscal 2020, Bastrop reported a nearly \$1.2 million increase in the general fund balance. The primary sources of general fund revenue are sales taxes (42%), property taxes (29%), licenses and permits (9%), and charges for services (4%). In the past five years, the two leading revenue sources have steadily risen, largely due to residential and retail development. Sales collections have increased 38% since fiscal 2014. For fiscal 2020, estimated sales tax revenue was 7% higher than budgeted. The large surplus in fiscal 2020 was also fueled by strong permitting revenue collections that were \$536,000 or 80% higher than budgeted. The city also received approximately \$477,000 in federal aid from the CARES Act that it used to fund certain personnel costs and purchases of personal protective equipment.

The fiscal 2021 adopted budget for the general operating fund is balanced. Consistent with recent history, the city expects to perform positively relative to the budget in 2021, supporting our expectation of near-term stability in budgetary performance.

Very strong budgetary flexibility

Bastrop's budgetary flexibility is very strong, in our view, with an available fund balance in fiscal 2020 of 37% of operating expenditures, or \$4.2 million.

Bastrop has historically maintained very strong reserves exceeding 30% of recurring expenditures. Based on our expectations for balanced operating results in fiscal 2021, we do not expect the city's available fund balances to materially weaken in the near term. The city has historically used available reserves exceeding its 25% policy threshold to fund nonrecurring expenses. However, we don't expect that reserves will be drawn down below that point and therefore, expect budgetary flexibility will remain very strong.

The total tax rate for fiscal 2021 was 57.94 cents per \$100 of AV, marking the first increase in the tax rate since fiscal 2015. The tax rate distribution is 38.45 cents for the general fund and 19.49 cents for debt service.

Very strong liquidity

In our opinion, Bastrop's liquidity is very strong, with total government available cash at 125.7% of total governmental fund expenditures and 8.0x governmental debt service in 2020. In our view, the city has strong access to external liquidity if necessary.

We believe the city's liquidity position will remain very strong over the near term due to an absence of plans or significant outstanding needs that could materially reduce cash balances. Bastrop's strong access to capital markets has been demonstrated through its history of issuing tax-backed GO bonds and certificates of obligation over the past

20 years. All of Bastrop's investments comply with Texas statutes. As of Sept 30, 2020, the city's investable funds consisted of demand deposits, money market funds, certificates of deposit, U.S. government securities, and local government investment pools, which we view as conservative. The city has eight privately placed debt obligations outstanding (\$6.2 million or 10% of total direct debt). However, the obligations do not contain any provisions, such as any non-standard events of default or acceleration, that we view as a potential liquidity risk.

Very weak debt and contingent liability profile

In our view, Bastrop's debt and contingent liability profile is very weak. Total governmental fund debt service is 15.6% of total governmental fund expenditures, and net direct debt is 140.3% of total governmental fund revenue.

Our assessment of the city's debt profile has weakened due to a modest increase in governmental funds debt service carrying charges to over 15% of expenditures and slower overall debt amortization following the issuance of water and sewer revenue bonds in 2019 and 2020. The city's 10-year debt amortization is now 60%.

Bastrop does not have any swaps or variable-rate debt. Total direct outstanding is approximately \$63.1 million, including utility revenue bonds and tax-backed GO bonds, certificates of obligation, and tax notes. Our ratios have been adjusted to reflect the portion of tax-backed and utility revenue-secured debt supported by the city's enterprise funds. Bastrop does not have any plans for additional tax-backed debt over the near term. However, city officials expect to issue additional utility supported debt to finance a new wastewater treatment plant.

Pension and other postemployment benefits (OPEB) liabilities

We do not view pension and OPEB liabilities as an immediate credit risk for the city. Despite a somewhat extended amortization, the pension plan is well funded, and annual pension and OPEB costs remain manageable relative to the size of the city's total operating budget. We do not expect a material increase in pension and OPEB contributions that could threaten Bastrop's fiscal stability in the near term.

The city participates in the following plans as of Dec. 31, 2019 (latest measurement date):

- Texas Municipal Retirement System (TMRS), 86.36% funded with a net pension liability equal to \$3.0 million. Contributions are actuarially determined, and the city has historically fully funded its annual required costs. Actuarial assumptions include a 6.75% discount rate and 26-year closed amortization period.
- Supplemental Death Benefits Fund (SDBF), which provides group-term life insurance benefits to active and retired members of the TMRS pension plan. The plan is funded on a pay-as-you-go basis, and the city's total OPEB liability for SDBF was \$372,019. Benefit payments were \$2,398 in 2020.
- Retiree Health Plan, which provides health insurance benefits to retired employees. The city amended its retiree medical policy, effective June 1, 2016, so that benefits are no longer provided after Medicare eligibility and retirees are required to be at least 58 years old at retirement and have at least 25 years of service with the city to be eligible for city paid coverage. The plan is funded on a pay-as-you-go basis, and the total OPEB liability was \$898,994 as of Sept. 30, 2020.

Bastrop's combined required pension and actual OPEB contributions totaled 5.2% of total governmental fund expenditures in 2020. The city made its full annual required pension contribution in 2020.

Strong institutional framework

The institutional framework score for Texas municipalities is strong.

Related Research

- Through The ESG Lens 2.0: A Deeper Dive Into U.S. Public Finance Credit Factors, April 28, 2020
- Criteria Guidance: Assessing U.S. Public Finance Pension And Other Postemployment Obligations For GO Debt, Local Government GO Ratings, And State Ratings, Oct. 7, 2019
- Alternative Financing: Disclosure Is Critical To Credit Analysis In Public Finance, Feb. 18, 2014
- S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013

Ratings Detail (As Of March 11, 2021)		
Bastrop GO		
<i>Long Term Rating</i>	AA/Stable	Affirmed
Bastrop GO		
<i>Long Term Rating</i>	AA/Stable	Affirmed
Bastrop GO		
<i>Long Term Rating</i>	AA/Stable	Affirmed
Bastrop GO (AGM)		
<i>Unenhanced Rating</i>	AA(SPUR)/Stable	Affirmed
Bastrop GO (ASSURED GTY)		
<i>Unenhanced Rating</i>	NR(SPUR)	

Many issues are enhanced by bond insurance.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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Preliminary

City of Bastrop, Texas

\$3,265,000 General Obligation Refunding Bonds, Series 2021

Debt Service Comparison

Date	Total P+I	Existing D/S	Net New D/S	Old Net D/S	Savings
09/30/2021	23,127.08	426,300.00	448,379.00	455,575.00	7,196.00
09/30/2022	517,950.00	-	517,950.00	552,550.00	34,600.00
09/30/2023	510,350.00	-	510,350.00	544,350.00	34,000.00
09/30/2024	517,600.00	-	517,600.00	551,000.00	33,400.00
09/30/2025	279,250.00	-	279,250.00	307,050.00	27,800.00
09/30/2026	282,650.00	-	282,650.00	310,000.00	27,350.00
09/30/2027	280,750.00	-	280,750.00	307,650.00	26,900.00
09/30/2028	283,700.00	-	283,700.00	310,150.00	26,450.00
09/30/2029	281,350.00	-	281,350.00	307,350.00	26,000.00
09/30/2030	273,850.00	-	273,850.00	304,400.00	30,550.00
09/30/2031	286,350.00	-	286,350.00	313,600.00	27,250.00
09/30/2032	283,250.00	-	283,250.00	312,000.00	28,750.00
Total	\$3,820,177.08	\$426,300.00	\$4,245,429.00	\$4,575,675.00	\$330,246.00

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	326,174.14
Net PV Cashflow Savings @ 1.670%(AIC)	326,174.14
Transfers from Prior Issue Debt Service Fund	(27,000.00)
Contingency or Rounding Amount	1,048.08
Net Present Value Benefit	\$300,222.22
Net PV Benefit / \$3,465,000 Refunded Principal	8.664%
DV01	1,844.70

Refunding Bond Information

Refunding Dated Date	5/06/2021
Refunding Delivery Date	5/06/2021

Preliminary

City of Bastrop, Texas

General Obligation Refunding Bonds, Series 2021

Tax Supported Portion

Debt Service Comparison

Date	Total P+I	Existing D/S	Net New D/S	Old Net D/S	Savings
09/30/2021	4,887.50	223,300.00	225,235.30	226,875.00	1,639.70
09/30/2022	245,700.00	-	245,700.00	251,150.00	5,450.00
09/30/2023	238,950.00	-	238,950.00	244,250.00	5,300.00
09/30/2024	247,200.00	-	247,200.00	252,350.00	5,150.00
Total	\$736,737.50	\$223,300.00	\$957,085.30	\$974,625.00	\$17,539.70

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	21,024.04
Net PV Cashflow Savings @ 1.585%(AIC)	21,024.04
Transfers from Prior Issue Debt Service Fund	(7,000.00)
Contingency or Rounding Amount	2,952.20
Net Present Value Benefit	\$16,976.24
Net PV Benefit / \$705,000 Refunded Principal	2.408%
DV01	160.20

Refunding Bond Information

Refunding Dated Date	5/06/2021
Refunding Delivery Date	5/06/2021

Preliminary

City of Bastrop, Texas

General Obligation Refunding Bonds, Series 2021

Self-Supported (Utility) Portion

Debt Service Comparison

Date	Total P+I	Existing D/S	Net New D/S	Old Net D/S	Savings
09/30/2021	18,239.58	203,000.00	223,143.70	228,700.00	5,556.30
09/30/2022	272,250.00	-	272,250.00	301,400.00	29,150.00
09/30/2023	271,400.00	-	271,400.00	300,100.00	28,700.00
09/30/2024	270,400.00	-	270,400.00	298,650.00	28,250.00
09/30/2025	279,250.00	-	279,250.00	307,050.00	27,800.00
09/30/2026	282,650.00	-	282,650.00	310,000.00	27,350.00
09/30/2027	280,750.00	-	280,750.00	307,650.00	26,900.00
09/30/2028	283,700.00	-	283,700.00	310,150.00	26,450.00
09/30/2029	281,350.00	-	281,350.00	307,350.00	26,000.00
09/30/2030	273,850.00	-	273,850.00	304,400.00	30,550.00
09/30/2031	286,350.00	-	286,350.00	313,600.00	27,250.00
09/30/2032	283,250.00	-	283,250.00	312,000.00	28,750.00
Total	\$3,083,439.58	\$203,000.00	\$3,288,343.70	\$3,601,050.00	\$312,706.30

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	305,049.54
Net PV Cashflow Savings @ 1.678%(AIC)	305,049.54
Transfers from Prior Issue Debt Service Fund	(20,000.00)
Contingency or Rounding Amount	(1,904.12)
Net Present Value Benefit	\$283,145.42
Net PV Benefit / \$2,760,000 Refunded Principal	10.259%
DV01	1,684.50

Refunding Bond Information

Refunding Dated Date	5/06/2021
Refunding Delivery Date	5/06/2021

Preliminary

City of Bastrop, Texas

\$11,830,000 General Obligation Refunding Bonds, Taxable Series 2021A

Debt Service Comparison

Date	Total P+I	Existing D/S	Net New D/S	Old Net D/S	Savings
09/30/2021	49,332.09	686,693.75	733,352.50	750,662.51	17,310.01
09/30/2022	338,935.98	914,187.50	1,253,123.48	1,332,125.02	79,001.54
09/30/2023	338,535.58	922,387.50	1,260,923.08	1,340,325.02	79,401.94
09/30/2024	342,889.48	928,912.52	1,271,802.00	1,346,850.04	75,048.04
09/30/2025	946,866.18	359,187.50	1,306,053.68	1,387,125.02	81,071.34
09/30/2026	1,304,332.98	-	1,304,332.98	1,383,537.52	79,204.54
09/30/2027	1,335,664.14	-	1,335,664.14	1,412,537.52	76,873.38
09/30/2028	1,403,816.64	-	1,403,816.64	1,489,037.52	85,220.88
09/30/2029	1,428,970.18	-	1,428,970.18	1,511,037.52	82,067.34
09/30/2030	1,440,802.18	-	1,440,802.18	1,525,537.52	84,735.34
09/30/2031	1,454,620.52	-	1,454,620.52	1,531,775.02	77,154.50
09/30/2032	1,461,368.76	-	1,461,368.76	1,535,400.04	74,031.28
09/30/2033	1,461,761.76	-	1,461,761.76	1,540,162.50	78,400.74
09/30/2034	455,266.16	-	455,266.16	481,275.00	26,008.84
Total	\$13,763,162.63	\$3,811,368.77	\$17,571,858.06	\$18,567,387.77	\$995,529.71

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	1,015,017.08
Net PV Cashflow Savings @ 2.124%(AIC)	1,015,017.08
Transfers from Prior Issue Debt Service Fund	(145,000.00)
Contingency or Rounding Amount	2,673.34
Net Present Value Benefit	\$872,690.42
Net PV Benefit / \$11,040,000 Refunded Principal	7.905%
DV01	9,401.30

Refunding Bond Information

Refunding Dated Date	5/06/2021
Refunding Delivery Date	5/06/2021

Preliminary

City of Bastrop, Texas

General Obligation Refunding Bonds, Taxable Series 2021A

Tax Supported Portion

Debt Service Comparison

Date	Total P+I	Existing D/S	Net New D/S	Old Net D/S	Savings
09/30/2021	13,744.58	153,195.00	165,592.80	167,320.63	1,727.83
09/30/2022	98,212.36	241,830.00	340,042.36	370,081.26	30,038.90
09/30/2023	98,089.16	244,070.00	342,159.16	372,321.26	30,162.10
09/30/2024	97,890.36	246,170.00	344,060.36	374,421.26	30,360.90
09/30/2025	357,587.16	-	357,587.16	390,251.26	32,664.10
09/30/2026	354,533.16	-	354,533.16	388,771.26	34,238.10
09/30/2027	370,822.16	-	370,822.16	400,931.26	30,109.10
09/30/2028	401,134.16	-	401,134.16	435,171.26	34,037.10
09/30/2029	410,429.30	-	410,429.30	444,571.26	34,141.96
09/30/2030	418,732.30	-	418,732.30	450,051.26	31,318.96
09/30/2031	421,066.96	-	421,066.96	451,731.26	30,664.30
09/30/2032	422,831.20	-	422,831.20	452,731.26	29,900.06
09/30/2033	424,204.70	-	424,204.70	454,530.00	30,325.30
Total	\$3,889,277.56	\$885,265.00	\$4,773,195.78	\$5,152,884.49	\$379,688.71

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	382,061.04
Net PV Cashflow Savings @ 2.098%(AIC)	382,061.04
Transfers from Prior Issue Debt Service Fund	(50,000.00)
Contingency or Rounding Amount	1,346.78
Net Present Value Benefit	\$333,407.82
Net PV Benefit / \$3,166,000 Refunded Principal	10.531%
DV01	2,602.15

Refunding Bond Information

Refunding Dated Date	5/06/2021
Refunding Delivery Date	5/06/2021

Preliminary

City of Bastrop, Texas

General Obligation Refunding Bonds, Taxable Series 2021A

Water & Wastewater Supported Portion

Debt Service Comparison

Date	Total P+I	Existing D/S	Net New D/S	Old Net D/S	Savings
09/30/2021	25,291.57	398,825.40	420,697.99	428,884.06	8,186.07
09/30/2022	172,117.26	484,569.80	656,687.06	684,687.12	28,000.06
09/30/2023	171,917.06	488,967.80	660,884.86	689,085.12	28,200.26
09/30/2024	171,594.00	492,919.44	664,513.44	693,036.76	28,523.32
09/30/2025	371,101.30	307,105.30	678,206.60	707,222.62	29,016.02
09/30/2026	678,403.60	-	678,403.60	706,917.32	28,513.72
09/30/2027	686,290.86	-	686,290.86	715,953.32	29,662.46
09/30/2028	707,647.36	-	707,647.36	740,012.82	32,365.46
09/30/2029	717,683.96	-	717,683.96	746,455.82	28,771.86
09/30/2030	721,099.96	-	721,099.96	753,197.32	32,097.36
09/30/2031	728,058.90	-	728,058.90	756,088.38	28,029.48
09/30/2032	728,985.16	-	728,985.16	757,593.76	28,608.60
09/30/2033	729,288.16	-	729,288.16	759,283.88	29,995.72
09/30/2034	383,651.26	-	383,651.26	411,490.12	27,838.86
Total	\$6,993,130.41	\$2,172,387.74	\$9,162,099.17	\$9,549,908.42	\$387,809.25

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	404,462.53
Net PV Cashflow Savings @ 2.140%(AIC)	404,462.53
Transfers from Prior Issue Debt Service Fund	(70,000.00)
Contingency or Rounding Amount	3,418.98
Net Present Value Benefit	\$337,881.51
Net PV Benefit / \$5,558,125 Refunded Principal	6.079%
DV01	4,840.20

Refunding Bond Information

Refunding Dated Date	5/06/2021
Refunding Delivery Date	5/06/2021

Preliminary

City of Bastrop, Texas

General Obligation Refunding Bonds, Taxable Series 2021A

BEDC Supported Portion

Debt Service Comparison

Date	Total P+I	Existing D/S	Net New D/S	Old Net D/S	Savings
09/30/2021	7,747.97	87,020.00	97,247.15	98,134.38	887.23
09/30/2022	52,814.96	136,880.00	189,694.96	209,108.76	19,413.80
09/30/2023	52,753.36	137,920.00	190,673.36	210,148.76	19,475.40
09/30/2024	57,653.96	138,020.00	195,673.96	210,248.76	14,574.80
09/30/2025	202,464.46	-	202,464.46	220,228.76	17,764.30
09/30/2026	200,733.86	-	200,733.86	218,308.76	17,574.90
09/30/2027	208,630.96	-	208,630.96	226,228.76	17,597.80
09/30/2028	225,993.96	-	225,993.96	244,588.76	18,594.80
09/30/2029	232,779.96	-	232,779.96	250,948.76	18,168.80
09/30/2030	233,978.96	-	233,978.96	252,748.76	18,769.80
09/30/2031	234,698.30	-	234,698.30	254,148.76	19,450.46
09/30/2032	240,111.30	-	240,111.30	255,148.76	15,037.46
09/30/2033	240,212.30	-	240,212.30	256,455.00	16,242.70
Total	\$2,190,574.31	\$499,840.00	\$2,692,893.49	\$2,906,445.74	\$213,552.25

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	215,302.95
Net PV Cashflow Savings @ 2.098%(AIC)	215,302.95
Transfers from Prior Issue Debt Service Fund	(25,000.00)
Contingency or Rounding Amount	(2,479.18)
Net Present Value Benefit	\$187,823.77
Net PV Benefit / \$1,783,000 Refunded Principal	10.534%
DV01	1,467.00

Refunding Bond Information

Refunding Dated Date	5/06/2021
Refunding Delivery Date	5/06/2021

Preliminary

City of Bastrop, Texas

General Obligation Refunding Bonds, Taxable Series 2021A

Electric Supported Portion

Debt Service Comparison

Date	Total P+I	Existing D/S	Net New D/S	Old Net D/S	Savings
09/30/2021	2,547.97	47,653.35	49,814.56	56,323.44	6,508.88
09/30/2022	15,791.40	50,907.70	66,699.10	68,247.88	1,548.78
09/30/2023	15,776.00	51,429.70	67,205.70	68,769.88	1,564.18
09/30/2024	15,751.16	51,803.08	67,554.24	69,143.26	1,589.02
09/30/2025	15,713.26	52,082.20	67,795.46	69,422.38	1,626.92
09/30/2026	70,662.36	-	70,662.36	69,540.18	(1,122.18)
09/30/2027	69,920.16	-	69,920.16	69,424.18	(495.98)
09/30/2028	69,041.16	-	69,041.16	69,264.68	223.52
09/30/2029	68,076.96	-	68,076.96	69,061.68	984.72
09/30/2030	66,990.96	-	66,990.96	69,540.18	2,549.22
09/30/2031	70,796.36	-	70,796.36	69,806.62	(989.74)
09/30/2032	69,441.10	-	69,441.10	69,926.26	485.16
09/30/2033	68,056.60	-	68,056.60	69,893.62	1,837.02
09/30/2034	71,614.90	-	71,614.90	69,784.88	(1,830.02)
Total	\$690,180.35	\$253,876.03	\$943,669.62	\$958,149.12	\$14,479.50

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	13,635.19
Net PV Cashflow Savings @ 2.174%(AIC)	13,635.19
Contingency or Rounding Amount	386.76
Net Present Value Benefit	\$14,021.95
Net PV Benefit / \$532,875 Refunded Principal	2.631%
DV01	491.95

Refunding Bond Information

Refunding Dated Date	5/06/2021
Refunding Delivery Date	5/06/2021