



2019 STATE AND FEDERAL LEGISLATIVE UPDATE

Intergovernmental Relations Office
Brie L. Franco



INTERGOVERNMENTAL
RELATIONS OFFICE

2019 TEXAS LEGISLATURE: BY THE NUMBERS

Year	Total Bills Introduced	Total Bills Passed	City-Related bills introduced	City-Related bills passed
76 th -1999	5,813	1,622	1,230+	130+
...
84 th -2015	6,476	1,329	1,900+	220+
85 th -2017	6,800	1,208	2,500+	294
86th-2019	7,324	1,429	2,300+	338

- **3,970** Bills/JR's filed in last 10 business days before filing deadline (54%)
- **1,296** Bills/JR's tracked by IGRO



THE AGENDAS

Abbott

- **Property tax reform**, school finance reform, school safety, mental health, and disaster response

Patrick

- **Property tax reform**, school finance reform, free market protection, and taxpayer funded lobbying

Bonnen

- **Property tax reform**, school finance reform, school safety, and combating human trafficking



AUSTIN SENATE DELEGATION



Judith Zaffirini

Natural Resources
& Economic
Development
(Vice-Chair)
Administration
Business &
Commerce
State Affairs



Kirk Watson

Nominations (Vice-
Chair)
Education
Finance
Higher Education



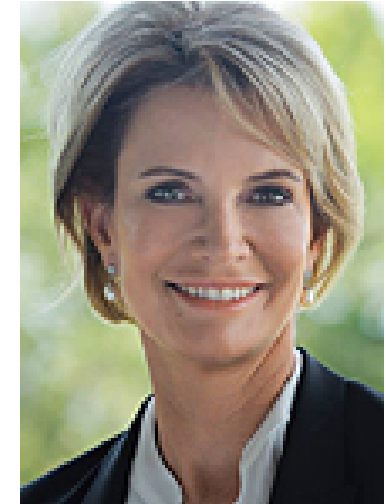
Donna Campbell

Veteran Affairs &
Border Security (Chair)
Business & Commerce
Education
Finance
Health & Human
Services
Intergovernmental
Relations



Charles Schwertner

Intergovernmental
Relations (Vice-Chair)
Business & Commerce
Agriculture
Transportation
Veteran Affairs &
Border Security



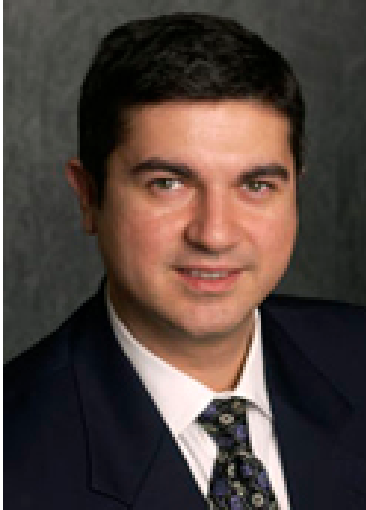
Dawn Buckingham

Nominations – Chair
Criminal Justice
Health & Human
Services
Higher Education



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AUSTIN HOUSE DELEGATION



Eddie Rodriguez

Calendars
State Affairs
Ways & Means



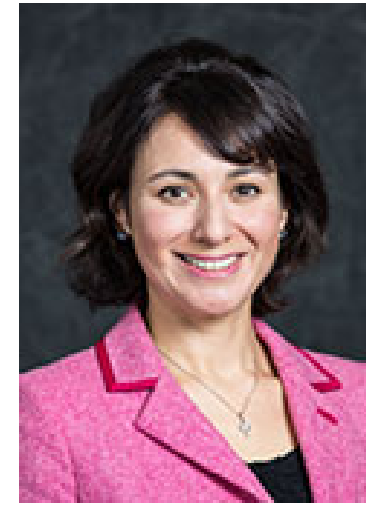
Donna Howard

Appropriations
Appropriations –
S/C on Article III
Higher Education
House
Administration –
Vice Chair



Celia Israel

Elections
Homeland Security
& Public Safety



Gina Hinojosa

Defense &
Veterans' Affairs
Human Services –
Vice Chair



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AUSTIN HOUSE DELEGATION



John Bucy III

Culture,
Recreation &
Tourism
Elections



Sheryl Cole

County Affairs
Redistricting
Ways & Means



Vikki Goodwin

Homeland
Security & Public
Safety
Urban Affairs



James Talarico

Juvenile Justice &
Family Issues
Public Education



Erin Zwiener

Agriculture &
Livestock
Environmental
Regulation



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REVENUE CAPS

- Reduces the rollback rate from 8% to 3.5% effective January 1, 2020
 - Election required to exceed 3.5%
- Applies to cities with populations greater than 30,000.
- City may not decrease the compensation in FY 2020 to which a first responder was entitled to in the preceding year
- 8% voter-approval rate still applies to all special taxing units:
 - a taxing unit other than a school district for which the maintenance and operations tax rate proposed for the current tax year is 2.5 cents or less per \$100 of taxable value;
 - a junior college district; or
 - a hospital district.

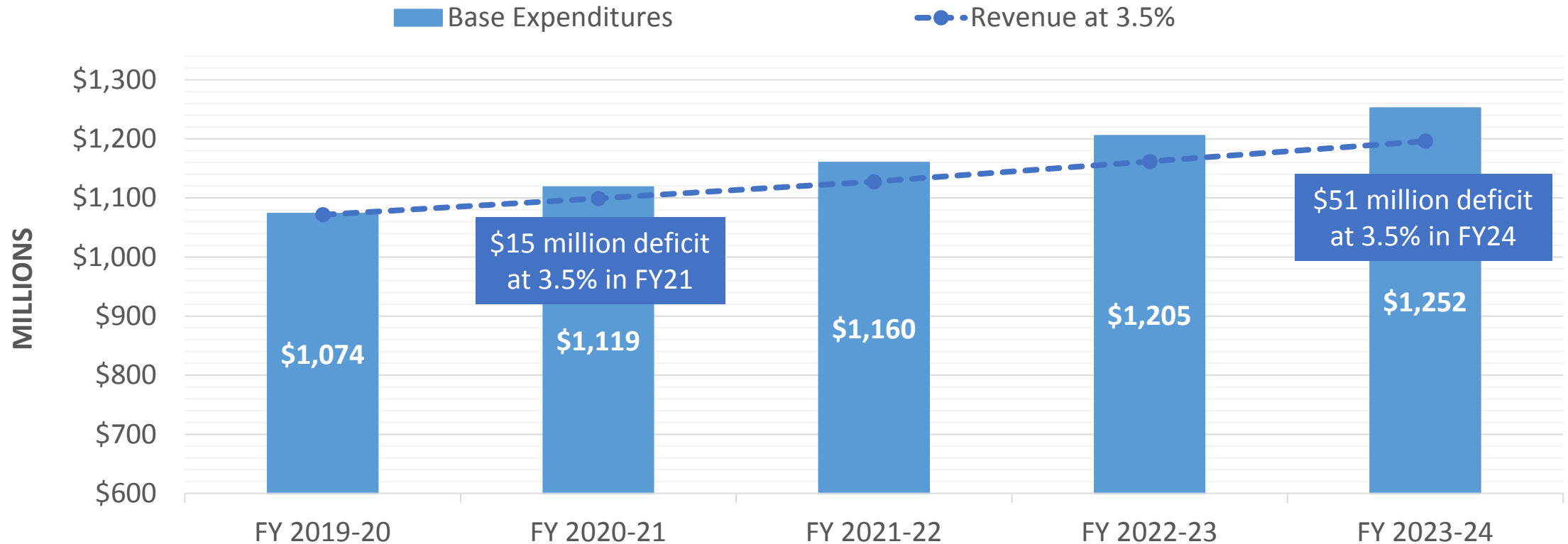


CABLE FRANCHISE FEES: SB 1152

- SB 1152 mandates that the City may collect either a telecommunications or cable franchise fee from companies that provide both services, whichever is greater; the City currently collects both fees
- \$4 million reduction in City revenues in FY 2020; \$5.6 million annual reduction in subsequent years
- Law becomes effective September 1st, 2019



GENERAL FUND BASE FORECAST



- Revenue forecast reflects lower revenue cap and \$5.6 million reduction in franchise fees.
- Expenditure forecast reflects 30 officers per year and 1 new Fire/EMS station opening per year.



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TEXAS LEGISLATURE LENS: PRIORITY ISSUES

Austin Water	Austin Energy	Revenue Caps	Cable Fees
Super Preemption	Annexation Part II: ETJ Regulation	No City Lobbying	Bathrooms
Zoning / Short- term Rentals	Employees' Rights and Benefits	Red Light Cameras	Planned Parenthood



WHAT PASSED: BILLS WITH A NEGATIVE IMPACT

1. “Save Chick-fil-A” (SB 1978)
2. Historical designation (HB 2496)
3. Board of Adjustment (HB 2497)
4. Regulation of building materials (HB 2439)
5. Land development applications (HB 3167)
6. Annexation Part II / Shady Hollow and SPAs (SB 1468)



WHAT PASSED: BILLS WITH A POSITIVE IMPACT

1. Sgt. Jonathan J. Dunbar memorial highway (SB 1134)
2. Richard Overton memorial highway (HB 1821)
3. Sobering center (SB 306)
4. Waste worker safety (HB 61)
5. Recyclable materials (SB 649)
6. Texas Facilities Commission ledger (HB 2977)
7. Texas State Library and Archives Commission easement (HB 2978 / HB 1962)
8. Save Historic Muni District (SB 2553)
9. Landlord flooding disclosure (HB 3815)



TEXAS FACILITIES COMMISSION LEDGER: HB 2977

- HB 2977 (Rep. Howard / Sen. Watson) would allow for the transfer, sale, or exchange of real property or an interest in real property between the City of Austin and the Texas Facilities Commission
- Currently the City has a ledger with the TFC of at least \$5.8 M
- The bill was signed by the Governor and went into effect on June 10th, 2019



TEXAS STATE LIBRARY ARCHIVES COMMISSION EASEMENT: HB 2978

- HB 2978 (Rep. Howard / Sen. Watson) relates to an agreement between the Texas State Library and Archives Commission and the City of Austin regarding an easement across commission property
- The bill was signed by the Governor and went into effect on June 14th, 2019



FEDERAL LEGISLATIVE UPDATE: 116TH CONGRESS



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AUSTIN FEDERAL DELEGATION



John Cornyn



Ted Cruz



Michael McCaul (R-TX10)



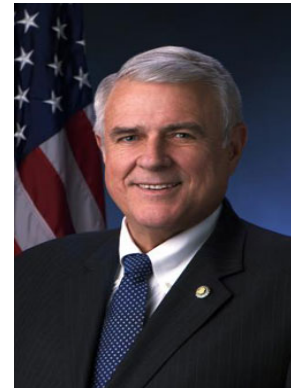
Bill Flores (R-TX17)



Chip Roy (R-TX21)



Roger Williams (R-TX25)



John Carter (R-TX31)



Lloyd Doggett (D-TX35)

116TH CONGRESS

- As expected, divided government has constrained legislating
- The House has had a busy legislative calendar
- The Senate has focused on nominations
- Infrastructure will probably **not** be exception to gridlock
- Local Authority continues to face Challenges
- The Administration continues to move its deregulatory agenda
- Cities will have to work hard to maintain funding for core local government programs in FY 2020



116TH CONGRESS, 1ST SESSION: KEY ISSUES

- Budget
 - Sequestration and FY 2020 Appropriations
- Infrastructure
 - Surface Transportation Reauthorization
 - ~~Infrastructure Package?~~
- Local Control
 - Telecommunications: Preserving Ability To Manage Rights-of-way
 - Cable Franchising
 - Autonomous Vehicles
 - Drones
- Immigration
- 2020 Census
- U.S. Army Futures Command
- Public Health
 - Opioids
 - Increasing Funding and Expansion of Services
- Housing and Community Development
 - Community Development Block Grant (CDBG) & HOME Investment Partnerships Program (HOME)
 - New Markets, Fair Housing and Low-Income Housing Tax Credits
- New Programs?
 - Energy Efficiency and Conservation Block Grant (EECBG)



FY 2020 APPROPRIATIONS

The 2011 Budget Agreement set extremely tight budget caps for a decade through FY 2021, including FY 2020.

- President Trump and Congress agreed to raise spending caps in for FY 2018 and FY 2019, giving Republicans an increase in Defense spending caps and Democrats an increase in non-Defense spending caps.

Absent a new agreement for FY 2020, congressional appropriators will be facing austerity as they craft FY 2020 spending bills:

- **The 2011 budget caps would require a 10 percent cut below the FY 2019 level to Defense discretionary spending and**
- **A 9 percent cut below the FY 2019 level to non-Defense discretionary spending.**



FY 2020 APPROPRIATIONS

House appropriators are already moving spending bills using a spending cap that assumes the sequester will be waived.

- Talks between the House, Senate, and Administration on waiving the spending caps have begun.
- At stake for the City: funding for core local government grant programs and other programs that benefit Austin.
- The wild card: the federal government hits its debt limit in late summer/early fall – the same time the fiscal year begins.



COMMUNITY DEVELOPMENT

- Community Development Block Grant (CDBG)
 - Increased 10% to \$3.3 billion in FY 2018. Maintained for FY 2019.
 - Austin FY 2017 = \$7,195,728
 - Austin FY 2018 = \$7,895,853
 - Austin FY 2019 = \$7,772,037
- HOME Investment Partnerships Program (HOME)
 - Increased 43% to 1.362 billion in FY 2018. Slight decrease for FY 2019.
 - Austin FY 2017 = \$2,546,781
 - Austin FY 2018 = \$3,428,034
 - Austin FY 2019 = \$3,031,607
- Key Issues for 2019:
 - CDBG & HOME Funding
 - Low-Income Housing Tax Credit (LIHTC) Enhancement
 - New Markets Tax Credit Program (NMTC) Renewal



ABIA EXPANSION

- Five year reauthorization of federal aviation programs is largely a status quo bill.
- One major change: the new law requires FAA to create a regulatory framework for drones.
- The City is working with FAA and the delegation to secure a letter of intent for ABIA expansion.
- A letter of intent allows the City to sign contracts ahead of receiving federal Airport Improvement Program grants.



SURFACE TRANSPORTATION

FAST Act Reauthorization

The 116th Congress has begun work on the reauthorization of federal surface transportation programs, which expire at the end of FY 2020.

- Cap Metro funded through FY 2020 (Highway Trust Fund)
- Cities will have to work hard to maintain and increase sub-allocation of federal highway funds to the urbanized areas, to maintain and grow the Transportation Alternatives Program, and possibly to maintain the federal transit program.
- Congress is struggling to find revenue for the dwindling Highway Trust Fund.



2020 CENSUS

The 2020 Census will require a robust complete count effort.

- The Council and other trusted community leaders will be key to complete count efforts.
- Travis County is partnering with the City to facilitate participation in the Census.
- The State has not given counties and cities any resources to aid in complete count efforts.

Texas is expected to gain 2 to 3 new House seats after the 2020 Census.

- Texas (like every other state) will have to redraw its congressional districts in time for the 2022 elections.
- The City of Austin will also have to redraw City Council districts.



QUESTIONS?



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