

New Braunfels Chamber of Commerce 2019 Legislative Agenda State Priorities

REVIEW



NEW BRAUNFELS CHAMBER
ESTABLISHED 1919

Every two years the Chamber's Government Affairs Committee works diligently to create the Chamber's Legislative Priorities ahead of the upcoming Texas Legislative Session. To create the Legislative Priorities, the Committee hears testimony from state associations such as the Texas Association of Realtors, Texas Economic Development Corporation, Texas Municipal League, Texas Travel Industry Association, Texas Association of Business, and the Texas Association of Counties, and polls the Chamber membership.

Based on the information gathered from the presentations and polls, the Committee comes together to craft a Top

10 Legislative Priorities list. The list is then submitted to the Chamber's Board of Directors for approval. Once approved, the Legislative Priorities are distributed to the Chamber membership and state elected officials. The 2019 Legislative Priorities fell under four categories: Sustainable Economy, Environmental Care, Mobility Solutions, and Pro-Business Climate.

During the Legislative Session, Chamber staff tracks bills that relate to the Legislative Priorities and can formulate a response and take action if needed. Below is a review of the 86th Texas Legislative Session and the Chamber's 2019 State Legislative Agenda.

1

Continue support for state and local tools used to compete for corporate expansions and job growth.

*Sustainable
Economy*

HB 3143, relating to the Property Redevelopment, and Tax Abatement Act, aka Chapter 312 of the Tax Code.

- Extends expiration date to September 1, 2029
- Requires the governing body of a taxing unit to hold a public hearing before adopting, amending, repealing, or reauthorizing an agreement under Chapter 312.
- Requires public notices of certain information within a proposed agreement, and that those notices be provided at least 30 days before the scheduled public hearing.

SB 132, relating to the Texas Leverage Fund

- Creates Texas Leverage Fund as a trust fund held outside the state treasury by the comptroller of public accounts.
- The Texas Leverage Fund may be used to make loans to economic development corporations for eligible projects by the Development Corporation Act and Local Government Code provisions relating to Type A and Type B corporations.

WIN

- Chamber Supported
- Passed House & Senate
- Signed by Governor Abbott

WIN

- Chamber Supported
- Passed House & Senate
- Signed by Governor Abbott

2

Continue the ability to protect residential neighborhoods from activities that would degrade home-owner property values.

HB 4176, relating to short-term rentals

- Allows a property owners' association to adopt and enforce provisions that regulate the use of a short-term rental property.

- Chamber Supported
- No action taken in committee

3

Provide municipalities and the state authority to collect accurate hotel occupancy tax from overnight lodging entities and to enact stricter penalties on those who do not remit their taxes.

HB 3778, HB 3773, & SB 1888, relating to regulation of short-term rentals by municipalities.

- Preemption bill controlling what municipalities may regulate about Short-term rentals.

WIN

- Chamber Opposed
- None Passed

SB 1472 & HB 3779, relating to collection of state, municipal, and county hotel occupancy taxes by a short-term rental marketplace.

- Enforces a short-term rental marketplace to collect the appropriate amount of tax imposed by a municipality and remit those taxes to the state comptroller or to the municipality.

U.S. Supreme Court South Dakota v. Wayfair

- Supreme Court's South Dakota v. Wayfair decision in 2018 eliminates the need for state and localities to enter into voluntary collection agreements with short-term rental marketplaces and provides the legal framework and incentive to tax short-term rental marketplaces in a similar fashion with all other U.S. online businesses.

- Chamber Supported
- No action taken in committee

WIN

- State and local governments urged to terminate voluntary collection agreements in adoption of general marketplace provider legislation

4

Protect the city from legislation that would impose a stricter revenue cap, which would limit the city's ability to meet the needs of its growing population.

SB 2, relating to ad valorem taxation.

- Requires cities, counties and other taxing units to receive voter approval before collecting 3.5% more property tax revenue than the previous year.
- New development does not count towards the revenue growth calculation.
- Unused revenue growth can be banked for three years allowing a taxing unit to exceed the 3.5% threshold in some years.
- Creates transparency in the property appraisal and tax processes.

- Chamber Opposed
- Passed House & Senate
- Signed by Governor Abbott

5

Remove roadblocks for Aquifer Storage Recovery (ASR) in the Texas Water Code and the EAA Act.

*Environmental
Care*

SB 520, relating to NBU's ASR project in the brackish portion of the Edwards Aquifer.

- Modifies the Acts of the 73rd Legislature, Regular Session, 1993 to specify certain conditions for the utility owned by the City of New Braunfels to inject and recover water in a portion of the brackish Edwards Aquifer.

WIN

- Chamber Supported
- Passed House & Senate
- Signed by Governor Abbott

6

Support legislation to provide additional funding to expedite needed congestion relief, connectivity, and safety projects.

Mobility Solutions

2020-2021 Biennial Budget

- An additional \$5+ billion was included in funding for TxDOT over the previous biennium primarily due to increases in Proposition 1 and Proposition 7 funding.
- Continues policy of non-diversion of revenue from State Highway Fund.

SB 69, relating to the authority of the comptroller regarding the Rainy Day Fund.

- Eliminates Proposition 1 sufficient balance process and instead allows the Comptroller to set the sufficient balance at 7 percent of general revenue instead of a committee process.

SB 962, relating to the determination of the sufficient balance of the Rainy Day Fund for the purpose of allocating general revenue to that fund and the state highway fund.

- Changed the expiration date of Proposition 1 from 2024 to 2034.
- Repeals Rainy Day sufficient balance requirements from various Proposition 1 provisions.

Several toll cessation bills, HB 436, SB 374, HB 505, & HB 1951, relating to cessation of tolls by toll project entities.

- Cessation of tolls.
- A toll project becomes part of the state highway system and the commission shall maintain the project without tolls when the costs of acquisition and construction of the project have been paid.
- Requires voter approval for all new toll projects and limits elections to no more than five years apart for essentially the same project.

HB 3196, relating to the grant program distributing money from the transportation infrastructure fund.

- Adds in-kind contributions as an acceptable form of matching funds for grants from the transportation infrastructure fund.

WIN

- Chamber Supported
- Passed House & Senate
- Signed by Governor Abbott

WIN

- Chamber Supported
- Passed House & Senate
- Signed by Governor Abbott

WIN

- Chamber Supported
- Passed House & Senate
- Signed by Governor Abbott

WIN

- Chamber Opposed
- None Passed

- Chamber Supported
- No action taken in committee

7

Support new and sustainable sources of revenue will be required in order to meaningfully reduce congestion and meet the needs of our growing population.

SB 88, relating to a pilot project for financing certain TxDOT projects.

- Pilot financing project.
- Department may select one non-tolled highway project under a design-build contract to be financed, including through the issuance of bonds, wholly or partly using revenue from transportation reinvestment zones or an economic impact zone.
- Revenue may be used for development and construction, payment of debt, or maintenance.

- Chamber Supported
- No action taken in committee

HB 1370, creating a joint interim committee on high-speed rail development.

- Would create a joint interim committee to create a study regarding high-speed rail.
- The study would evaluate the feasibility of creating a statewide high-speed rail initiative through a public-private partnership and develop a comprehensive statewide development strategy.

- Chamber Supported
- Left pending in committee

8

Support education at the community college level as an important contributor to training students for jobs in the workforce and providing a path for certification.

Pro-Business
Climate

HB 580, authorizes school districts to reimburse private employers for paid internships in career and technology.

- A school district may contract with a private employer to reimburse the employer for all or part of the cost of providing a paid internship or similar program to a student participating in a career and technology education program in the district.

- Chamber Supported
- Left committee but never scheduled for a vote

HB 966 & SB 685, provides a sales and use tax refund or franchise tax credit for businesses that employ certain apprentices.

- Business that employ at least one apprentice for at least seven months during the calendar year would be eligible for a tax refund or franchise tax credit in the amount of 50% of the wages paid or \$2,500.

- Chamber Supported
- Left pending in committee

9

Support funding of Communities in Schools to sustain interventions and support that increases High School graduations, involvement in the military, technical schools and college enrollment/retention for our community's at-risk/low income students.

2020-2021 Biennial Budget

- CIS funded \$30,521,817 in General Revenue and \$3,898,450 in TANF funds in both fiscal years.
- This is an increase from the 2018-2019 Biennial Budget up from \$15,521,817 in General Revenue and \$3,898,450 in TANF funds for both fiscal years. That is an increase of 77.24%.

WIN

- Chamber Supported
- Passed House & Senate
- Signed by Governor Abbott

10

Support career and technology education in conjunction with public schools and community colleges where appropriate to meet the needs of Texas employers.

HB 963, relating to the career and technology education and technology applications allotment.

- Expands the career and technology allotment to include technology applications courses.

WIN

- Chamber Supported
- Passed House & Senate
- Signed by Governor Abbott

SB 508, developing a statewide online education and career advising tool and establishing a grant program to reimburse private employers for paid internships in career and technology programs.

- Subject to availability of federal funding.
- Would develop and implement a statewide online education and career advising tool to assist children in making informed, meaningful, and attainable post-secondary and career plans.
- Would create a grant program for paid internships awarded to schools to reimburse private entities for all or part of a paid internship for a career and technology education program.

- Chamber Supported
- Left pending in committee

HB 341, relating to funding for public school career and technology programs.

- Changes eligibility for allotment from grades 9-12 to 8-12

- Chamber Supported
- No action taken in committee

HB 2819, creating a grant program for school districts to provide career and technology education courses in the summer.

- Would establish a grant program to provide funding to school districts for career and technology education course offered during the summer.

- Chamber Supported
- No action taken in committee

Additional Issues

In addition to the Chamber's Top 10 Legislative Priorities, there are always other issues that the Chamber has an interest in for their potential impact on the New Braunfels community.



Uniform School Start Date – Not Passed

Beginning with the 2018/2019 school year, a state statutory exemption from the uniform school start date requirement through the Districts of Innovation (DOI) program has led to more than two-thirds of Texas school districts opting for their own unique start dates. HB 233 & SB 673 would fix the DOI issue but neither were passed this session.



State Flood Infrastructure Fund – Passed

SB 7 will pull \$1.7 billion from the state's Rainy Day Fund to establish two funds that would provide grants and loans for flood control and mitigation projects. The Flood Infrastructure Fund will assist in financing of drainage, flood mitigation, and flood control projects. The Texas Infrastructure Resiliency Fund was also created as well as SB 8 creating the Texas State Flood Plan, setting up the state's first flood plan.



School Finance Reform – Passed

HB 3 is a complete overhaul of Texas public school finance. It increases per-student funding, expands pre-K offerings, and lessens the state's reliance on Robin Hood payments from wealthier schools. The measure also includes pay raises for veteran teachers and other school employees.



Craft Breweries Beer to Go – Passed

The Texas Hill Country is becoming a hotspot for craft breweries and the state has more than 200 craft breweries. HB 1545 is the sunset review legislation for the Texas Alcoholic Beverage Commission and this session lawmakers amended the bill to allow breweries to sell beer to go, giving our local breweries a big win and an extra revenue stream.