

**Texas Public Policy Foundation** 

## **Center for Local Governance 8/1/1 Texas Legislature in Review**

By James Quintero and Jess Fields

ust before the start of the 84<sup>th</sup> regular session of the Texas Legislature, then-Governor-elect Greg Abbott, speaking to a large conservative gathering, expressed concern over a troubling trend: the "Californiazation" of Texas. He remarked:

The truth is Texas is being "California-ized" and you may not even be noticing it. It's being done at the city level with bag bans, fracking bans, [and] tree-cutting bans. We are forming a patchwork quilt of bans and rules and regulations that are eroding the Texas Model.



Now think about it—few things are more important in Texas than private property rights. Yet some cities are telling citizens that you don't own some of things on your property that you have purchased and owned for a long time. Things like trees. This is a form of collectivism.

Some cities claim that the trees on private property belong to the community, not to the private property owner. Large cities that represent about 75 percent of the population in this state are doing this to us. *Unchecked over-regulation by cities will turn the Texas miracle into the California nightmare faster than you can spell TPPF.* (Emphasis mine.)

With those comments, the governor shined a light on a serious and growing policy problem—local government overreach—and set the tone for the session to come.

Throughout the 84<sup>th</sup> session, checking local government overreach, oftentimes justified using a liberal interpretation of local control, was a top priority for conservatives, and the effort was not in vain.

## Fracking and Property Taxes

Though supporters of the status quo did their best to stymie conservative efforts, they failed to stop good government reforms from advancing on a number of fronts, including preventing municipal fracking bans, achieving structural property tax reform, realizing a slew of local debt reforms, putting an end to so-called "rolling polling," and providing greater government transparency.

Of these policy victories, one of this session's biggest achievements came with the passage of House Bill 40, legislation aimed at preempting municipal fracking bans, such as the one passed in the city of Denton. Denton-style fracking bans not only pose a major threat to the statewide economy, but also usurp Texans' private property rights. That the Legislature overwhelmingly rejected this oppressive and unnecessary form of local tyranny was resounding win for those of the limited government mind-set.

Impressively, conservatives also scored major victories on property taxes. In addition to a permanent increase in the homestead exemption, pending voter approval, the legislature also passed Senate Bill 1760, which requires the boards of local governing bodies to achieve a supermajority before raising property taxes. This relief combined with reform will ease the burden on homeowners and businesses.

## On Local Debt

On local debt, one of Texas' most problematic policy areas, several reforms were realized this session. Among them was a commonsense reform in the area of certificates of obligation (COs), which are nonvoter-approved debt instruments. Under the provisions of House Bill 1378, local governments cannot issue a CO if voters have rejected a bond proposition for the same purpose within the preceding three years.

In addition, lawmakers also put stringent new restrictions on local governments' issuance of capital-appreciation bonds (CABs), which allow local governments to defer principal and interest payments for decades. School districts, in particular, were abusing CABs to get around the 50-cent debt test, which limits how much bond debt a school district can take on.

What's more, lawmakers took steps to stop the practice of "rolling polling," whereby an entity moves polling locations during the early-voting period to target certain voting populations in the hopes of achieving a certain outcome.

Conservatives were also successful in stopping bad local debt legislation. House Bill 506 would have allowed some school districts, which are the most heavily indebted of any type of local government entity, to get even further into debt by relaxing the 50-cent debt limit, but the effort was stopped in the House.

## TEXAS PUBLIC POLICY FOUNDATION

State lawmakers also expanded transparency requirements for local governments, thereby providing Texans with greater access to public information. Some of the new transparency measures include making available aggregate and per capita local debt information, providing the public with video recordings of certain public meetings, and additional reporting requirements.

And although legislation to prevent cities from enacting likely illegal plastic bag bans did not pass, all the bills filed—many by North Texas lawmakers—raised public awareness, which was undoubtedly put pressure on local lawmakers like the Dallas City Council which recently voted to repeal the city's 5-cent fee on plastic bags. Already, efforts are underway to duplicate

conservatives' success in Dallas in other cities with similar restrictions.

To be sure, conservatives didn't achieve everything that they had set out to do this session. Many important local government reforms, including addressing involuntary annexation reform, restoring local pension control, and instituting ballot-box transparency, saw some legislative progress but were ultimately left on the table for a later date.

Nevertheless, this session's concerted effort to address local government overreach proved a success that will, no doubt, serve as a building block for an even-greater push in the next legislative session.

