

A blue-tinted photograph of the Austin skyline, featuring several tall skyscrapers and a bridge spanning a body of water in the foreground. The sky is filled with clouds.

City of Austin Legislative Update

89th State Legislature & 119th United States Congress

Joint Subcommittee with Travis County and Austin Independent School District
Monday, March 3, 2024

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Agenda



01

**Legislative State
Legislative Program**

02

**DRAFT
Federal Legislative
Program**

03

What's Next?



89th Texas Legislative Session

Fire Fighter Pension – HB 2802 (Bucy)



- **The Challenge**

- Pension Review Board (PRB) watch list for two years.
- Unfunded liability projected to reach \$327.5M by 2025, exceeding a 100-year payback period (state law requires ≤ 30 years).
- The AFRF Board proposed automatic COLAs, increasing liability to \$416.5M.

- **The Solution**

- Reforms ensure long-term fund sustainability while protecting benefits.
- Tier B Membership for new hires (starting Jan. 1, 2026).
- City contributions increase by 43% (phased over 3 years).
- New Board Composition: Adding two citizen seats with investment expertise.

- **Why Now?**

- Voluntary Funding Soundness Restoration Plan (FSRP) prevents costly state-mandated reforms.
- Ensures financial stability while maintaining one of Texas' most generous pension plans.
- Protects first responders' retirement without burdening taxpayers.



89th Legislative Session – Property Taxes

- **Governor's Emergency Item: Property Tax Relief**
 - Builds on previous tax reforms, including **\$40B in relief and a 10.7-cent cut to school district M&O tax rates.**
- **Key components of Governor's Plan**
 - Using **\$10B from the budget surplus** for additional relief.
 - **Speeding up tax rate compression** for school districts.
 - **Increasing the business personal property tax exemption** for small businesses.
 - **Capping property value increases** at 20% for properties up to \$5M.
 - **Requiring two-thirds voter approval for all tax increases.**



89th Legislative Session – Property Taxes

- **Appraisal Caps**
 - Lower the appraisal cap for homesteads and other properties.
 - May shift tax burdens to new homeowners and businesses.
- **Revenue Caps**
 - Restrict how much revenue cities can collect from property taxes.
 - Could reduce funding for essential services, including public safety and infrastructure.
- **Tax Rate Elections**
 - Require stricter voter approval processes for tax rate increases.
 - Some proposals mandate elections even for minor adjustments, making it harder for cities to respond to growth and economic shifts.
- **Elimination of Property Taxes**
 - Completely eliminates property taxes by 2035 and create a joint interim committee to conduct a comprehensive study of alternative methods of taxation to replace local tax revenue that will be lost when property taxes are eliminated.

HB 1715 – Guns in Publicly-Owned Venues



- **Bill Summary**

- Requires government-owned or -managed facilities (e.g., Austin Convention Center, Palmer Events Center) to allow licensed handgun holders to carry firearms.
- Prohibits event organizers from enforcing weapons-free policies on-site.

- **Impacts**

- **Client Retention at Risk:** Many event organizers prefer weapons-free venues and may move events outside Austin or Texas.
- **Revenue Loss:** Flexibility in setting security policies is key for customer service and Austin's competitiveness as a major event destination.
- **Key Data:**
 - **2023:** 51.8% of Austin Convention Center events were **weapons-free** (110 out of 212).
 - **2024:** Increased to **58%** (124 out of 211 events).



89th Legislative Session – Land Use

- **SB 840 (Hughes) – Mixed-Use & Multifamily Expansion:** Requires cities to allow mixed-use or multifamily development in zones that permit office, retail, or commercial uses while limiting local authority over density, height, setbacks, and fees.
- **SB 844 (Hughes) – Petition Threshold for Rezoning:** Increases the threshold for valid protests against zoning changes from 20% to 60% in certain cases, making it easier for property owners to rezone and harder for neighbors to block zoning changes.
- **SB 854 (Middleton) – Housing on Religious Land:** Allows multifamily and mixed-use development on land owned or leased long-term by religious institutions, overriding local zoning regulations and restricting city-imposed development standards.
- **HB 950 (Hayes) – Disannexation for Lack of City Services:** Allows property owners to disannex if full municipal services (police, fire, water, roads, etc.) are not provided within a set timeframe, limiting Austin's ability to manage growth and land use planning.
- **HB 369 (Tepper) – Elimination of HOME Program:** Prohibits cities from allowing multiple units on single-family lots without 100% approval from nearby property owners, effectively nullifying Austin's HOME Phase 1 zoning reforms.
- **HB 878 (Vasut) – Small Lot & ADU Restrictions:** Restricts municipal authority over minimum lot sizes, density, and accessory dwelling units, undermining Austin's HOME Phase 2 zoning changes and limiting local site development standards.



89th Legislative Session – Homelessness

- **Collaborative Approach**
 - **Statewide engagement** with legislators, service providers, counties, and philanthropists.
 - Legislative working groups focused on policy solutions and funding strategies.
- **City of Austin's Legislative Priorities**
 - **Support** funding & policies for **housing, mental health, and substance use services**.
 - **Oppose** restrictions on cities' ability to implement **Housing First** policies.
 - **Support** secure **data-sharing** among service providers to improve coordination.



89th Legislative Session – Homelessness

- **Data Coordination**
 - **HB 636 (Walle):** Creates a statewide data-sharing network to improve homelessness response.
- **Access to Identification**
 - **HB 505 (Bucy) / HB 1712 (Collier) / HB 1042 (Bhojani):** Waives fees for homeless individuals to obtain birth records and IDs.
- **Shelter & Housing Services**
 - **HB 2724 (Cole):** Requires equitable access policies for state-funded emergency shelters.
 - **HB 2808 (Rose):** Creates grants for youth homelessness programs.
 - **HB 2746 (Cole):** Establishes a state-run text-to-donate program for homeless services.
- **Local Government Oversight**
 - **SB 617 (Schwertner):** Requires public hearings before converting city property into homeless housing.

89th Legislative Session: **Additional Areas of Focus**



Super
Preemption

Community
Advocacy

DEI

Taxes & Debt

Water &
Infrastructure

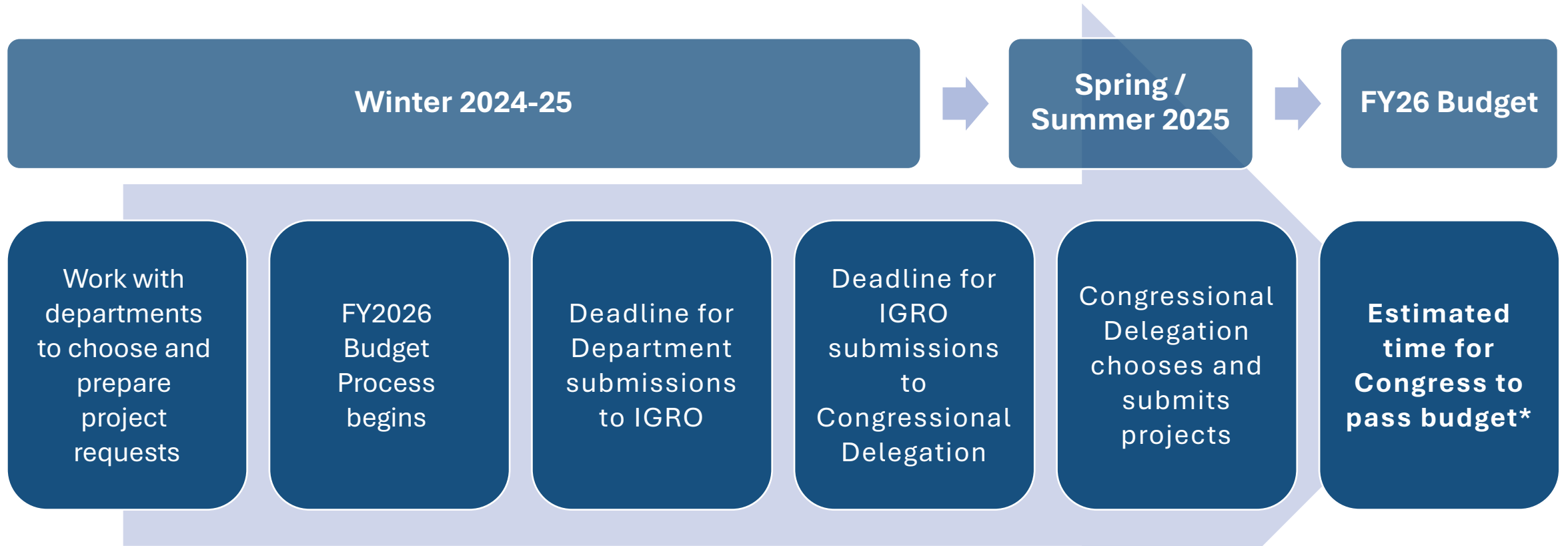
Transportation



119th United States Congress

FY26 Community Project Funding Requests

General Timeline Based on Previous Budget Cycles



***Please note that these timelines are based on previous deadlines.**

IGRO will update as necessary once a formal earmark process announcement is made by Congress.

Responding to Executive Actions



- **Closely Watching Federal Actions**
 - Actively monitoring the new administration's policies and legislative priorities.
 - We are assessing potential impacts on city services, funding, and regulatory authority.
- **Responding to Executive Orders**
 - Reviewing executive actions that may affect housing, transportation, public safety, energy, and environmental policies.
 - Engaging with federal partners and advocacy groups to protect city priorities.
 - Preparing to adapt local policies and programs as needed in response to federal changes.

Next Steps



- Receive Committee feedback
- Outreach meetings continue with legislative delegations and stakeholders throughout session
- Weekly legislative updates to City leadership

Questions?



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