



TEXAS MUNICIPAL LEAGUE
Empowering Texas cities to serve their citizens

President **Martha Castex-Tatum**, Vice Mayor Pro Tem, Houston
Executive Director **Bennett Sandlin**

May 20, 2021

The Honorable Joan Huffman
Chair, Senate Committee on Jurisprudence
Texas State Senate
PO Box 12068
Austin, Texas 78711-2068

Dear Madam Chair,

First of all, thank you for your work on this issue throughout the session, in particular on Senate Bill 23. Texas cities strongly support their police departments and have sought all along to provide perspective on the issue to ensure that any legislation relating to funding law enforcement services fully accounts for the many nuances of municipal budgeting.

We do have some practical concerns about the engrossed version of H.B. 1900. While the bill contains some necessary exceptions to a defunding determination, like those for cities with overall budget reductions and funding reductions due to capital expenditures or disasters in the previous year, we believe that the bill should provide additional clarification on other circumstances in which the governor's office must grant exemptions from the defunding determination. Because of the reality that there are numerous circumstances under which a city could be characterized as a defunding city for circumstances beyond the city council's control, we believe H.B. 1900 should at least contain language prohibiting the governor's office from making a defunding determination absent a finding by the governor's office that a city budget decision has a significant adverse impact on public safety within the city.

The lack of clear guidance to the governor's criminal justice division on when a defunding determination is appropriate heightens the chances of a city being penalized under the bill for circumstances beyond the city's control. That makes the penalty application in H.B. 1900 all that much more problematic. The disannexation penalty is particularly short-sighted, and, if implemented, would be extremely damaging to Texans who live in our largest Texas cities.

Section 2.02 of the engrossed version of H.B. 1900 requires that a defunding municipality "shall hold a separate election in each area annexed in the preceding 30 years by the defunding municipality on the question of disannexing the area." This disannexation penalty would create far more problems than it would solve. First, the process described in the bill would require cities to spend taxpayer dollars on, in some cases, upwards of 100 separate special elections on the question of disannexation. Disannexation elections would be required in areas that were annexed by consent, areas that include a solitary tract of land owned by one property owner, and even areas that are purely commercial in nature and have no voters present,

among others. Nevertheless, cities would be required to hold a separate election in each different area annexed in the preceding 30 years. Additionally, under existing law in Local Government Code Sec. 43.148, cities would technically be required to refund taxes and fees going back 30 years to areas that disannex, though attempting to determine the amount paid by existing property owners over a 30 year period and the relationship of that revenue to budgeted expenditures on services benefitting the property would be practically impossible to determine.

More consequentially, if the disannexation penalty for a defunding city remains in the bill, it could lead to numerous service gaps within the city limits that are technically unincorporated areas of the county, not to mention islands of city territory that could exist miles from the contiguous city limits. This creates massive challenges for the provision of essential water and sewer utility services, public safety services, maintenance of transportation infrastructure, jurisdiction of law enforcement, and allocation of sales and use taxes, among other issues. Existing city residents would be saddled with a higher property tax burden for existing services that the recently disannexed residents would continue to enjoy if surrounded by the city limits.

Regardless of one's position on matters of public safety funding, it should be readily apparent to most reasonable observers that the disannexation procedures in H.B.1900 would be extremely detrimental to Texans living in and around cities that are deemed to be defunding cities. We request that Section 2.02 be struck from the bill in its entirety.

We appreciate your consideration of these comments. City officials across the state stand willing to help you craft language that ensures support of local law enforcement while avoiding any unintended impact on local decision making.

Sincerely,

A handwritten signature in black ink, appearing to read 'Monty Wynn', with a stylized flourish at the end.

Monty Wynn
Director, Grassroots and Legislative Services
Texas Municipal League