

Memorandum



DATE September 19, 2014

CITY OF DALLAS

TO The Honorable Members of the Legislative Ad Hoc Committee: Vonciel Jones Hill, (Chair) Mayor Pro Tem Tennell Atkins, Jerry Allen, Dwaine Caraway, Carolyn Davis, Sheffie Kadane, and Philip Kingston

SUBJECT **Proposed Legislative Program for the 84th Session of the Texas Legislature & FY2014-15
Lobbyist Contracts**

On September 22, 2014 the Legislative Ad Hoc Committee will receive a briefing on the proposed legislative program for the 84th Session of the Texas Legislature and FY2014-15 lobbyist contracts. The briefing will be provided by Assistant City Attorney Larry Casto and Brett Wilkinson, Managing Director of the Office of Intergovernmental Services.

Please let me know if you have any questions or require additional information.

A handwritten signature in black ink, appearing to read 'A.C. Gonzalez'.

A.C. Gonzalez
City Manager

C: The Honorable Mayor and City Council
Warren M.S. Ernst, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Forest E. Turner, Assistant City Manager

Joey Zapata, Assistant City Manager
Mark McDaniel, Assistant City Manager
Charles M. Cato, (I) Assistant City Manager
Theresa O'Donnell, (I) Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor & Council

Proposed Legislative Program
for the
84th Session of the Texas Legislature
&
FY2014-15 Lobbyist Contracts

Legislative Ad Hoc Committee
22 September 2014

Purpose

- Discuss changes in the Texas Legislature and anticipated issues
- Review City of Dallas Legislative Proposals for the 84th Session
- Review 2014 - 2015 Lobbyist Contracts

Who's on First?

Big Changes in State Leadership

- New Governor—1st in 14 years: Attorney General Greg Abbott (R) vs. Senator Wendy Davis (D)
- New Lt Governor —1st in 12 years: Senator Dan Patrick (R) vs. Senator Leticia Van de Putte (D)
- New Attorney General —1st in 12 years: Senator Ken Paxton (R) vs. Sam Houston (D)
- New Comptroller—1st in 8 years: Senator Glenn Hegar (R) vs. Mike Collier (D)

Who's on First?

Big turnover in the Senate

- At least eight (8) new members of 31 member Senate in 2015; Over $\frac{1}{2}$ of the Senate (16) has served for less than 3 terms
- Current composition: 19 Republicans, 12 Democrats +/- 1
- Discussion about doing away with 2/3 Rule

Not as much turnover in House as previous 2 Sessions

- Anticipating 22 new members in the 150 member House of Representatives in 2015; $\frac{2}{3}$ of the House (101) has served for less than 3 terms
- Current composition: 95 Republicans, 55 Democrats +/- 5; unlikely Republicans reach $\frac{2}{3}$ number of 100
- Many new Committee Chairs: Appropriations, Ways & Means, Higher Education, Natural Resources

Big Issues for the 84th Session

Big issues are budget, education, transportation, and health care

- Budget revenue looks strong; sales taxes, property taxes, oil & gas, surplus revenue
- The State's education finance scheme was held unconstitutional in a recent court ruling; The Supreme Court is not expected to rule before the end of session and possible special sessions on budget and school finance anticipated
- Transportation; Proposition 1 in November, \$5B in unmet needs, talk of ending diversions, no anticipated additional sources of revenue
- Anticipated debate on Medicaid Expansion

City Issues in the 84th Session

- Debate over property taxes; discussion of increased homestead exemption
- Border Security and related issues – past sessions have resulted in legislation intended to prohibit ‘Sanctuary Cities’
- Streamlined Sales Tax—may be movement to drop margins tax and use new revenue from sales taxes if Federal Marketplace Fairness Act is passed; desire to move more to consumption tax
- Impact fees
- Bond indebtedness; revenue caps and appraisal reform
- Regulatory preemption; zoning, oil and gas, and health and safety
- Eliminate cities’ original jurisdiction over gas utility rates

Dates of Interest

- Tuesday, November 4, 2014: General Election
- Monday, November 10, 2014: Pre-filing of legislation for the 84th Legislature
- Tuesday, January 13, 2015: Legislature convenes
- Friday, March 13, 2015: Bill filing deadline
- Monday, June 1, 2015: Last day of session [*Sine Die*]
- Sunday, June 21, 2015: Last day of veto period

General Principles

The City of Dallas will:

- Support legislation to expand home-rule authority and facilitate the provision of services to Dallas residents
- Oppose legislation that preempts home-rule authority
- Form strategic alliances with other jurisdictions and stakeholders to advance the City's legislative goals

PRIORITY INITIATIVE

FOCUS ON COMMUNITY

Promoting the development of vibrant, safe and sustainable neighborhoods is a priority for the City of Dallas. Pursue legislation related to:

- Removal of Blight – especially dealing with abandoned, vacant and nuisance properties
- Urban Land Bank – expand allowable uses, shorten timeframes, and reduce costs for conveying properties to end users
- Code Enforcement – expedite notice and cure of code violations

**SUPPORT INITIATIVES
BY
KEY FOCUS AREA**

Culture, Arts, Recreation & Education

- Promote efforts to support the Arts
- Allow greater flexibility for public parks to work with private organizations to enhance public use of park lands
- Continue telecommunications discounts for libraries and programs that promote shared digital content and workforce development and training in public libraries
- Support Tuition Revenue Bonds for UNT Dallas campuses and other public institutions



Clean, Healthy Environment

- Reduce nitrogen oxide [“NOx”] emissions in non-attainment regions of Texas through regulation and inspections of diesel-powered on-road and off-road sources
- Reduce solid waste going into municipal landfills
- Establish “Texas Recycles Tires” program, similar to computer and TV recycling programs
- Enhance enforcement of civil citations
- Expand authority to inspect and regulate retirement facilities and group homes



Economic Vibrancy

- Encourage water conservation and reuse alternatives, allow for voluntary transfer of surface water and development of new water supplies and infrastructure through streamlined processes
- Support multi-modal choices and funding options for transportation, including High Speed Rail, light rail, streetcars, surface roads, pedestrian/bicycle/trails
- Support legislation naming Dallas as host of the 2036 Texas Bicentennial
- Remove prohibition on city authority to build permanent structures on city rights of way



E-GOV

- Ensure correct allocation of sales taxes between jurisdictions
- Require disclosure of sales price for commercial property
- Allow collection of attorneys fees in frivolous ethics complaints and exempt pending ethics complaints from Chapter 552
- Allow submission of public information act requests via website and adequate charges to cover compliance costs
- Permit add-on fee for collections agencies in delinquent cases so the municipality can receive the full amount due
- Satisfy notice requirement by publication on government's official website



E-GOV

- Set off individual/entities debt to local governments before refund or claim payment from state
- Provide for greater transparency and allow for broader options of funding mechanisms related to pension plans
- Ensure lawyer-client privileged information is exempt from public information act without seeking Attorney General opinion
- Exempt information disclosed to adverse party in on-going litigation from public information act
- Assure that protections under public information act can not be circumvented by subpoenas or requests made to third parties
- Create an offense to protect governmental entities from false representations material to a governmental proceeding and allow for treble damages to allow governmental entity to recoup costs associated with false statement



Public Safety

- Increase penalties for graffiti repeat offenders and for burglaries of safes
- Create an on-premises “consumption only” license to allow for better regulation of the premises
- Allow for civil enforcement of handicap parking violations
- Provide State-wide oversight and funding for Texas Task Force 2
- Include obstruction of overpass, alley, bridge, and tunnels to list of passageways under offenses against public order and decency in Texas Penal Code
- Reform 911 fee statute to cover cost of service



FEDERAL & STATE
FISCAL YEAR 2014-2015
LOBBYIST CONTRACTS

Overview

Recommend approval of contracts for legislative services with:

- CapitalEdge Strategies (Ralph Garboushian)
- Paul Schlesinger and Hector Alcalde
- Randy Cain
- Kwame Walker
- Jesse Romero
- HillCo Partners

CapitalEdge Strategies - Ralph Garboushian (Federal)

- Dallas is represented by CapitalEdge (Ralph Garboushian)
 - Monitors federal legislation impacting Dallas and works with the Texas Congressional Delegation and the Executive Branch to advance City's interests and priorities as directed by City Council
 - Works closely with national municipal organizations, including National League of Cities ["NLC"], U.S. Conference of Mayors, and International City/County Management Association to ensure awareness of the City's position and agenda
 - Briefs Council Members and staff at annual meetings of NLC, and visits the City annually and at other times requested by the City
 - Works closely with City officials and staff to develop legislative and grant strategies
- Dallas joined the Texas Cities Legislative Coalition ["TCLC"] in 1988
 - TCLC is comprised of Dallas, Austin, Arlington, and Denton

Capital Edge Recent Successes

Successfully fought federal legislative and regulatory efforts to:

- Preempt city authority to manage and collect fees for use of public rights-of-way, preserving \$30 million/year
- Eliminate city's ability to collect hotel occupancy taxes
- Preempt city zoning authority
- Cap or eliminate the tax exemption for municipal bonds

Protected core local government programs such as CDBG, HOME, HOPWA and Homeland Security Funding

- Assisted the City with identifying and securing competitive grants – resulting in \$375 million in funding to the City over the last five years
- Defeated proposals to consolidate all Homeland Security grants into a state block grant, potentially stripping the City and its regional partners of \$14-\$20 million/year

Defeated provision in flood insurance legislation mandating flood insurance for large portions of central Dallas, saving Dallas property owners millions of dollars

Hector Alcalde and Paul Schlesinger (Federal)

- Provides the City with advice, assistance and advocacy strategies to achieve the following objectives in connection with the Trinity River Corridor Project:
 - Funding for flood control in annual appropriations bills and Corps of Engineers annual work plans
 - Enactment of necessary provisions in Water Resource Development Act legislation to advance the project
 - Assistance with other components of the Trinity Project as directed by the City Council
- Provides legislative support on federal transportation and water infrastructure issues that support the City Council's strategic priorities

Hector Alcalde & Paul Schlesinger

Success

Helped to secure:

- \$97 million dollars for the Dallas Floodway Extension Project (DFE), \$95 million above the amounts requested by the Administration. Funding for DFE was accomplished almost entirely through “ads”
- Nearly \$100 million for Trinity River bridges
- Over \$11 million for the Dallas Floodway study, nearly \$7 million above cumulative amount of the Administration requests
- \$459 million for federal authorization of the Dallas Floodway, prior to completion of the Army Corps study process. The typical Corps process would likely have resulted in a project with much more limited scope

Crafted clarifying legislation, despite the congressional earmark ban, that specifically includes west levee interior drainage as part of the above-referenced authorization

Consistently played a role in assisting the City with strategies to work with the Corps through the many obstacles related to implementation of Trinity River Corridor flood control projects

General Lobbyists (State)

Randy Cain, Kwame Walker, Jesse Romero

- All lobbyists conduct necessary research, information gathering, and other supporting activities by maximizing the use of legislative contacts
- Review, analyze and monitor interim committee activities as requested by the City Attorney
- Study and recommend legislative initiatives for the upcoming State Legislative session
- Draft legislation as directed by the Assistant City Attorney

HillCo Partners (State)

- Hillco Partners represents the City on water issues in the Texas legislature and with State Agencies
- Works with City staff to represent the City on state level municipal water with a particular emphasis on protecting water sources, securing revenue streams, streamline permitting authority, and protecting home rule authority
- Advises the City on legislative actions and helps develop both short-term and long-term legislative strategies with respect to municipal water issues

State Successes

- Nine (\$9) million dollars for Texas Task Force 2 since 2005
- Preserved water district's ability to designate reservoir sites and implement water supply strategies
- Supported Dallas Tourism Public Improvement District in 2011, resulting in anticipated \$10 million/year for tourism promotion
- Authorized city-owned convention center hotel
- \$11.2 million in homelessness funding since 2009
- Secured Comprehensive Development Agreement authority for Dallas transportation projects
- Restored municipality's portion of local mixed beverage tax, averaging \$1.7 million/year
- Protected municipal authority to charge franchise fees for use of public rights of way, approximately \$30 million/year
- Secured authorization and initial funding for UNT Law School and UNT's South Dallas campus

Office Space

- As a cost-saving measure, the City will include compensation of \$8,100 in Randy Cain's contract for use of office space
- This includes rent, parking, internet and utilities for the length of the contract (12 months)
- For the past two sessions, the City has paid over \$9,000 for shorter terms
 - 83rd Session- \$9,299 for 10 months (\$11,149 for 12 months)
 - 82nd Session- \$3,499 for 4 months (\$10,530 for 12 months)

STATE & FEDERAL LOBBYIST CONTRACTS

- Fiscal Year 2014-2015 Lobbyist Contracts

LOBBYIST	FOCUS	AMOUNT
CapitalEdge Strategies	Federal	\$160,000
Paul Schlesinger	Federal	\$43,650
Hector Alcalde	Federal	\$73,800
HillCo Partners	State	\$86,250
Randy Cain	State	\$83,100
Kwame Walker	State	\$45,000
Jesse Romero	State	\$30,000
Total		\$521,800

City Council Timeline

- 22 September 2014 – Legislative Ad Hoc Committee Briefing
- 15 October 2014 – Legislative & Lobbyist Briefing to full Council
- 22 October 2014 – Council vote on Legislative Program and Lobbyist Contracts