



**December 5, 2016**

## **TCAA PRE-SESSION UPDATE AND OVERVIEW**

### **INTRODUCTION**

The Texas Legislature begins its 85<sup>th</sup> Regular Session on January 10<sup>th</sup>, 2017, and Texas Community Association Advocates (TCAA) looks forward to a productive and successful session for community associations and the homeowners they serve. Since the Texas Legislature only meets in regular session for a few months every other year, it is important for TCAA and its members to hit the ground running. Preparations are already well underway to ensure the continued protection and support of community associations across the state.

### **LEGISLATIVE OVERVIEW**

The defining issue of the upcoming legislative session is likely to be the state budget. Unlike the last legislative session, in which budget writers had the luxury of surplus revenues, the next Legislature is likely to face a much tougher budget climate. This budget crunch is largely a result of plummeting oil prices and declining sales tax receipts over the last two years. Complicating the matter are a few looming budget items with large price tags, including fixing the state foster care system, managing continued growth in the Medicaid caseload, and improving the state's school finance system. Budget experts at the capitol have warned lawmakers to prepare to make hard choices next session, and budget writers have in turn warned state agencies to prepare to make cuts of 4-10 percent of their operating expenses.

At the same time that the Legislature is grappling with these budget constraints, the political leadership at the Texas capitol has made it clear that their list of legislative priorities also include sometimes-contentious issues such as school choice, abortion, transgender bathroom access, and election security. Lawmakers have also expressed their intent to reduce state debt and deliver more statewide tax cuts despite the recent decline in state revenues.

Governor Greg Abbott, Lieutenant Governor Dan Patrick, and Speaker Joe Straus are each expected to return for the next legislative session, providing some measure of stability at the capitol. Nearly two-thirds of the Texas House, however, has served two terms or fewer, and the Texas Senate has also seen an unusually large amount of turnover in recent years. The Republican Party continues its dominance in Texas politics, controlling both legislative chambers and every statewide office, and after the most recent November elections, Republicans exercise the same measure of control at the federal level. It remains to be seen whether this unusual level of consolidated power allows the party to effectively implement its legislative agenda at both the state and federal levels.

### **COMMUNITY ASSOCIATION ISSUES**

TCAA will be monitoring hundreds of bills during the next legislative session, as well as communicating regularly with legislators and stakeholders. The highest priority for TCAA in these efforts is to limit further

micro-management and regulation through statutory frameworks which result in increased operating costs to community associations. TCAA will seek to preserve the existing authority of community associations to be largely self-regulated and self-governed, without further undue government interference, so that they may continue to best serve homeowners in Texas. A recent nationwide survey of owners living within deed restricted communities indicates strong support of community association living with a recognized benefit being clean, attractive neighborhoods with protected property values. It is TCAA's goal to bring to this type of information to the attention of our Legislature. TCAA also wants to ensure that the Legislature allows additional time for implementation of the most recently negotiated and adopted regulatory changes, including but not limited to the numerous requirements relating to notices, elections, meetings, and collections, before rushing to address those issues again this session. The bottom line is that TCAA is proud of the work being done by community associations and the professionals that serve them, and wants to continue that success.

In addition, TCAA is monitoring a few specific issues at the Texas capitol. First, we want to make sure that the appropriate use of electric generators and solar devices by homeowners has been finally resolved. There will also likely be continued discussions regarding appropriate locations for homeowners to carry firearms. The issue of permissible flag types and locations will probably also be revisited. Leasing restrictions will likely be a topic of discussion as well this session. On all of these issues, TCAA will participate in negotiations in good faith to achieve fair and balanced legislation which ensures that the best interest of community associations and homeowners are protected.

Finally, TCAA will remain skeptical of any efforts to erode a community association's existing right to use the judicial system, including full access to the courts and the right to be represented by an attorney, as necessary to collect on outstanding debts owed to the association. Likewise, TCAA will work to protect existing law allowing community associations to decide for themselves the appropriate level of certification and regulation needed for community association management. Our hope is that the state avoids any temptation to unnecessarily overregulate an industry as healthy and productive as community associations. TCAA looks forward to working with the 2017 Texas Legislature, and we look forward to hearing from you about the issues of concern to you and your neighbors.

### **TCAA Needs Your Support**

The success of TCAA is largely dependent on its supporters and the gracious contributions they offer toward the preservation of Texas community associations. We respectfully request that you consider becoming a supporter of TCAA. Any denomination is appreciated and will go toward the furtherance of our cause. Those submitting contributions may follow the procedure below; we thank you sincerely:

#### **Checks may be remitted to:**

TCAA (Texas Community Association Advocates, Inc.)  
823 Congress Avenue, Ste. 230  
Austin, TX 78701

#### **To make a contribution online:**

Visit the TCAA website, [www.txcaa.org](http://www.txcaa.org), log in and complete the contribution form.

For more information on suggested contributions visit our website at [www.txcaa.org/levels-of-support](http://www.txcaa.org/levels-of-support).