



# 89<sup>th</sup> Legislative Session Recap

# Session Goals

- Build relationships with new and existing local delegation members
- Promote the City's Legislative Program in Austin
  - Build relationships with legislators across the state
  - Coordinate efforts with our partner organizations
- Engage City Council and staff in the legislative process
  - Weekly updates by email
  - Coordination with Council and staff to provide input on relevant legislation

# Session by the Numbers

- 8,719 bills filed in House and Senate
- 1,208 bills passed and/or sent to the Governor
  - Passage rate of 13.8% -- lowest since 1991
- 711 bills tracked by the City
- 160 tracked bills received a committee hearing
- 32 bills registered a position on in committee
  - 8 registered support
  - 24 registered opposition

# Governor's Emergency Items

- Property tax relief
  - HJR 1 & HB 9 – increases business property tax exemption from \$2,500 to \$125,000 (cities, counties, school districts)
  - SJR 2 & SB 4 – increases the homestead exemption from \$100,000 to \$140,000 (school districts)
- Historic investments in Texas' water supply
  - HJR 7 & SB 7 – dedicates \$1 billion a year for the next 20 years, beginning in 2027. Funding will be split evenly between addressing water infrastructure fragility and new water supply projects, including desalination, repairing old water infrastructure, conservation and flood mitigation projects.
- Increasing teacher pay
  - HB 2 – \$8.5 billion invested in public schools including, teacher and support staff pay, operational expenses, special education, educator preparation, early childhood learning and campus safety.
- Expanding career training
  - HB 20 – establishes the Applied Sciences Pathway program, creates the Texas Cyber Command, a purpose-built agency in San Antonio whose mission is to defend, respond, and recover from cyber threats.
  - HB 120 – college, career, and military readiness in public schools, including career and technology education programs.

# Governor's Emergency Items

- Education savings accounts
  - SB 2 – establishes educational savings account program starting in the 2026-27 school year, \$1 billion allocated for the first biennium.
- Bail reform
  - SJR 5 – requires judges to deny bail for certain violent offenses
  - SB 9 – restricts eligibility for release on cashless personal bonds and allow the state to appeal bail decisions
  - SB 40 – prohibits municipalities from using public funds to bail defendants out of jail
- Creating the Texas Cyber Command to protect critical infrastructure
  - HB 150 – creates the Texas Cyber Command, based in San Antonio, to defend, respond, and recover from cyber threats.

# Other Notable Items

## Indirect:

- SB 3 – prohibits the sale and marketing of hemp derived THC products.
- SB 8 – requires counties larger than 100,000 to participate in the Immigration and Customs Enforcement 287(g) Program.
- HB 21 – imposes new regulation and oversight of Housing Finance Corporations (HFC).
- SB 3070 – moves oversight of the Texas Lottery to the Texas Department of Licensing and Regulation.

## Direct:

- HB 1522 – changes the long-standing requirement of 72 hours' notice of a meeting in the Texas Open Meetings Act to a three-business-day standard.
- HB 762 – restrict severance payments to local government employees and contractors to 20 weeks of pay.



# Community Focus

	Bill Number	Summary	Status
●	Budget Amendment 163	\$75 million to construct a new state hospital in Denton County	Failed
●	Budget Amendment 166	\$2 million to facilitate community mental health services in Denton County	Failed
●	SB 19	Restricting municipal use of tax-payer funded lobbying	Failed



## City Services

	Bill Number	Summary	Status
●	SB 412	Revises the conditions of affirmative defense to prosecution for librarians providing potentially harmful materials to children	Signed by Gov.
●	SB 18	Would prohibit municipal libraries that host certain events from receiving state or other public funding.	Failed
●	HB 1227	Would limit the solid waste franchise fee to no more than 2% and eliminate the ability of cities to have or grant exclusive franchises.	Failed
●	HB 3225	Would require libraries to institute age verification and other policies related to certain sexually explicit materials.	Failed
●	HB 3458	Would require pet stores to ethically source pets from shelters, rescues, other animal organizations.	Failed





# Land Use and Development

	Bill Number	Summary	Status
●	SB 1844	Modifies petition requirements from “majority of qualified voters” to “majority of property owners” from a specified area to petition for disannexation and expands areas eligible for petition if the city does not provide “full municipal services.”	Signed by Gov.
●	HB 24	Adds new provisions for comprehensive zoning ordinance notifications and modifies the protest thresholds for properties immediately adjoining the area seeking a zoning change to 60% (instead of 20%); also changes super majority requirement to simple majority for most zoning changes.	Sent to Gov.
●	HB 2844	Significantly pre-empts the city’s ability to regulate food trucks including placement and operations, and places health inspections primarily at the state level.	Sent to Gov.
●	SB 15	Prohibits cities from adopting residential zoning requirements that require lots larger than 3,000 square feet in new developments 5 acres and larger. Also, for existing residential lots 4,000 square feet and less, pre-empts city regulation of setback, parking, open space, height, bulk and design.	Sent to Gov.
●	SB 785	Requires allowing HUD-code manufactured homes within the city by right in at least one residential zoning district.	Sent to Gov.
●	SB 840	Requires a municipality to allow mixed-use residential and multi-family uses (or developments) in any zoning districts that allow office, commercial, retail, warehouse, or mixed-used developments.	Sent to Gov.
●	SB 1567	Pre-empts cities from regulating the number of unrelated persons within a dwelling unit.	Sent to Gov.
●	SB 1883	Limits impact fee adjustments to no more than every three years and increases the approval threshold and committee requirements.	Sent to Gov.



# Taxation and Financial Strategies

	Bill Number	Summary	Status
●	SB 1173	Increases the competitive bidding threshold from \$50,000 to \$100,000	Signed by Gov.
●	SB 1851	Imposes financial penalties on cities for failure to conduct an annual audit.	Signed by Gov.
●	HB 9	Increases the business property tax exemption from \$2,500 to \$125,000	Signed by Gov.
●	HB 19	Limits a city's maximum annual debt to 20% of property tax collection average, requires all debt related elections to be moved to November, modifies acceptable uses of COs	Failed



## Utilities (Water)

	Bill Number	Summary	Status
●	SB 480	Allows municipalities to enter into agreements with other entities to participate in joint research or planning regarding water resources	Signed by Gov.
●	HJR 7 SB 7	Dedicates \$1 billion a year for the next 20 years, beginning in 2027. Funding will be split evenly between addressing water infrastructure fragility and new water supply projects, including desalination, repairing old water infrastructure, conservation and flood mitigation projects.	Sent to Gov.
●	SB 1261	Extends the existing SWIFT program from 30 to 40 years for financing of certain regional water supply projects.	Sent to Gov.
●	SB 2885	Provides for the use of reclaimed water that has been treated to meet certain standards as part of an aquifer storage and recovery project.	Sent to Gov.
●	SB 1253	Requires municipalities to provide credits against impact fees to builders and developers for certain water conservation and reuse projects	Sent to Gov.



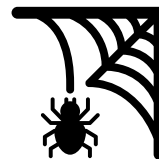
## Utilities (Electric)

	Bill Number	Summary	Status
●	SB 6	Establishes state policy on large load interconnections to the ERCOT grid to better forecast load growth and electricity needs.	Sent to Gov.
●	SB 75	Establishes the Texas Grid Security Commission to make the ERCOT grid more resilient from electromagnetic pulse attacks.	Sent to Gov.
●	HB 144 SB 1789	Establishes reporting requirements for utilities to inspect poles.	Sent to Gov.
●	SB 1697	Utilities must provide a customer guide for solar installations with utility invoice.	Sent to Gov.
●	SB 2434	Prioritizes the flow of natural gas to power plants during an emergency.	Failed
●	SB 715 HB 3356	Moves up the firming requirements for renewable generators from 2027 to 2025.	Failed
●	SB 388	Mandates 50% of electric generation in ERCOT be sourced from natural gas.	Failed



# Constitutional Amendments

- 18 total amendments will be considered by Texas voters in November 2025
- Highlights:
  - SJR 3 – establishing the Dementia Prevention and Research Institute of Texas (DPRIT) and funding \$3 billion to provide for research on and prevention and treatment of dementia, Alzheimer's disease, Parkinson's disease, and related disorders.
  - SJR 18 – prohibiting the imposition of a tax on the realized or unrealized capital gains of an individual, family, estate, or trust
  - SJR 34 – provides that parents have the right "to exercise care, custody, and control of the parent's child, including the right to make decisions concerning the child's upbringing"
  - SJR 37 – clarifies that noncitizens are not permitted to vote
  - SJR 84 – provides for a temporary exemption from ad valorem taxation of the appraised value of an improvement to a residence homestead that is completely destroyed by a fire.



# Halloween Capital of Texas!

Huge thanks to Representative Hayes and Senator Parker for their sponsorship and support!



# Next Steps

- June 22 – Governor’s veto period ends
  - Bills not signed or vetoed become law
- June 27 – TML Legislative Wrap Up
- September 1 – Bill effective date
  - Staff will be working on implementation of new bills.
  - Any new bills requiring Council direction or consideration will be brought to Council.
- Fall 2025 – Interim Charges
  - Staff and consultant will be engaging delegation members and state agencies in the interim process