

Briefing

89th Texas Legislative Session Update



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89th Session Filing Statistic

- As of the filing deadline on March 14, 2025 there were **8,919 pieces of legislation** filed*
- To date, cities are tracking **2,555 bills** impacting municipal operations.
- This number includes bills and joint resolutions for constitutional amendments – it does not include concurrent resolutions for policy studies.
- Local bills can be filed after the deadline, as well as emergency items with a 4/5ths consent of members in that chamber



Senate Passes SB 1

- The Senate unanimously passed its version of the state budget for 2026-2027; scheduled for a hearing in the House.
- The budget approves a plan to spend \$153.5 billion in state revenue.
- With federal funds included in the bill, SB 1 would spend \$336 billion.
- Key budget items include
 - Funding to lower school property taxes and to raise the homestead exemption up to \$140,000, pending voter approval.
 - \$500 million for a business category tax cut
 - Public schools will see a \$500 million increase in the amount of money they receive for school safety.
 - \$5.1 billion to cover the increase in teacher compensation passed by the Senate in the form of SB 26.
 - \$6.5 billion to border security
 - \$5 billion to double the Texas Energy Fund
 - \$2.5 billion for the Texas Water Fund + \$1 billion constitutionally dedicated



Land Use Mandates & Preemption

- **SB 15** - Relating to size and density requirements for residential lots in certain municipalities; authorizing a fee. **PASSED THE SENATE**
 - **HB 3919** - Relating to size and density requirements for residential lots in certain municipalities; authorizing a fee. **SCHEDULED FOR HEARING**
 - **SB 854**- Relating to municipal regulation of multifamily and mixed-use development on religious land. **VOTED OUT OF COMMITTEE**
 - **HB 3172** - Relating to municipal regulation of multifamily and mixed-use development on religious land. **HEARD IN COMMITTEE**
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Land Use Mandates & Preemption

- **SB 840** - Relating to certain municipal and county regulation of certain multifamily and mixed-use residential development projects and conversion of certain commercial buildings. **PASSED THE SENATE**
 - A municipality shall allow mixed-use residential use and development or multifamily residential use and development in a zoning classification that allows office, commercial, retail, warehouse, or mixed-use use or development as an allowed use under the classification
 - Cannot restrict density that is more restrictive than 36 units per acre; height more restrictive than the tallest height allowed on commercial property; or setbacks greater than 25 feet.
 - A municipality may not require a traffic impact analysis or construction of improvements or payment of a fee to mitigate traffic effects related to the proposed converted building or provision of additional parking spaces, other than the parking spaces that already exist on the site of the proposed converted building;



Land Use Mandates & Preemption

- **HB 23 by Rep. Harris** - Relating to the authority of certain persons to obtain third-party review of plats and property development plans, permits, and similar documents, and the inspection of an improvement related to such a document. **VOTED OUT OF COMMITTEE.**
- **HB 24 by Rep. Orr** - Relating to procedures for changes to a zoning regulation or district boundary. **HEARD IN COMMITTEE**
 - Increase the threshold for a protest of a zoning change in certain instances to 60%, requiring a $\frac{3}{4}$ majority of the council.



Beach Access & Space Flight

- **SB 2188 by Sen Adam Hinojosa - Relating to space flight activities.**
VOTED OUT OF COMMITTEE
 - Current state law since 2013 allows for a county that borders the Gulf of Mexico AND contains a launch site with Federal Aviation Administration (FAA) approval to temporarily close beach access in reasonable proximity of a launch to protect public health and safety.
 - SB 2188 transfers beach closure authority only to a municipality with less than 150,000 in population AND located in the county referenced in the 2013 statute, AND the city contains a spaceport.
 - The transfer to the municipality applies to weekday closures; the county still controls any possible weekend closures.
 - Closures would now require 48-hour notice under a new statute.



DEAAG Legislation

- **HB 2564 by Wilson** - relating to the evaluation of Defense Economic Adjustment Assistance Grant applications. **HEARD IN COMMITTEE**
 - Streamlines the grant review process by only considering the Texas Military Preparedness Commission's evaluation.
- **HB 561 by Lopez** - Relating to the eligibility of certain local governmental entities affected by the realignment of defense worker jobs or facilities to receive grants. **HEARD IN COMMITTEE**
 - Allows for a municipally owned utility to apply for a grant without coordination with the city council.



Intergovernmental Affairs

- **HB 1585 by Bell** - Relating to the areas of operation of housing finance corporations. **VOTED OUT OF COMMITTEE**
- **HB 1080 by Curry** - Relating to the publication of required notice by a political subdivision by alternative media. **HEARD IN COMMITTEE**
 - It allows for the online posting of official notices. The political subdivision must hold a public hearing to demonstrate that the alternative media has greater circulation.



First Responder Legislation

- **HB 2217 by Wharton** - Relating to establishing a grant program to equip motor vehicles used by peace officers with certain bullet-resistant components. **HEARD IN COMMITTEE**
- **HB 1593 by Campos** - Relating to an advisory committee to study suicide prevention and peer support programs in fire departments in this state. **HEARD IN COMMITTEE**
- **HB 2063 by Fairly** - Relating to creating a database of the firefighting equipment in the state available for use in responding to wildfires. **VOTED OUT OF COMMITTEE**
 - Requires to the state agency to compile a statewide database



Tax & Economic Development

- **HB 9 by Rep. Meyers** - Relating to an exemption from ad valorem taxation of a portion of the appraised value of tangible personal property a person owns that is held or used for the production of income. **PLACED ON HOUSE CALENDAR**
 - Creates a new business personal property tax exemption up to \$250,000 in value.
 - The increase would also increase the “No New Revenue” tax rate for local political subdivisions meaning the state would shift the tax burden to real property owners.



Tax & Economic Development

- **HB 134 by Rep. Meyers** - Relating to the location at which certain sales are consummated for purposes of local sales and use taxes. **VOTED OUT OF COMMITTEE**
 - The bill shifts sales tax collection from an “origin” to a “destination” style for businesses with more than 20 employees and more than \$500,000 in revenue.
- **SB 878 by Sen. Birdwell** - Relating to limitations on the use of public money under certain economic development agreements or programs adopted by certain political subdivisions. **VOTED OUT OF COMMITTEE**
 - Limits Ch. 380 agreements to 25-year terms comprised of one 10-year term and three 5-year extensions



Debt Instruments

- **HB 1453** - Relating to the issuance of anticipation notes and certificates of obligation by certain local governments. **HEARD IN COMMITTEE**
 - Filed version: Anticipation Notes cannot be filed 5 years for the same purpose after being defeated at a general election bond; eliminated from the definition of public work for Certificates of Obligation public safety facilities, animal shelters, libraries, judicial facilities, and parks.
 - Committee Substitute: Drops Anticipation Notes language, eliminates airports, streets, and wharves/docks from Public Works definition; adds certain public safety facilities and jails.



Water Supply Funding

- **SB 7 & SJR 66 by Sen. Perry** –Proposing a constitutional amendment dedicating a portion of the revenue derived from state sales and use taxes and insurance premium taxes to the Texas water fund.
 - Creates an Office of Water Supply Conveyance Coordination at the TWDB to standardize standards and guidance of a pipeline network
 - Places 80% of the constitutionally dedicated funding in the New Water Supply for Texas Fund & 20% in the Texas Water Fund
- **HB 16 & HJR 4 by Rep. Harris-** Proposing a constitutional amendment to dedicate a portion of the revenue derived from state sales and use taxes to the Texas water fund.
 - Places 100% of the constitutionally dedicated funding in the Texas Water Fund.

