

Briefing

89th Texas Legislative Session Update



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March 18, 2025



89th Session Filing Deadline Statistic

- As of the filing deadline on March 14, 2025 there were **8,898 pieces of legislation** filed.
- This number includes bills and joint resolutions for constitutional amendments – it does not include concurrent resolutions for policy studies.
- To date, cities are tracking 1,688 bills impacting municipal operations.



Windstorm Legislation

- **HB 3689 by Rep. Hunter** – Relating to the funding of excess losses and operating expenses of the Texas Windstorm Insurance Association
 - Provides for up to \$1 billion of state funding following a catastrophe to cover excess losses by TWIA and prevent skyrocketing windstorm insurance premiums



Land Use Mandates & Preemption

- **SB 15** - Relating to size and density requirements for residential lots in certain municipalities; authorizing a fee
 - Greenfield sites larger than five acres can be authorized for a lot as small as 1,400 square feet
 - For lots under 4,000 square feet, the bill prevents cities from requiring building regulations like setbacks, height, and bulking
 - No consideration for buffer zones around seaports or airports.
 - **SB 854** - Relating to municipal regulation of multifamily and mixed-use development on religious land.
 - Prohibits a municipality from requiring a proposed multifamily or mixed-use development on religious land to obtain a zoning or land use change, special exception, variance, conditional use approval, special use permit, comprehensive plan amendment, or other land use classification or approval to permit the proposed use and development.
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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.
 - Allows a developer to transition to 3rd party review of platting and development documents immediately without the “shot clock” period
 - **HB 24 by Rep. Orr** - Relating to procedures for changes to a zoning regulation or district boundary.
 - Increase the threshold for a protest of a zoning change to 60%, requiring a $\frac{3}{4}$ majority of council.
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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.
 - 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.
 - 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
 - Limits Ch. 380 agreements to 25-year terms comprised of one 10-year term and three 5-year extensions



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

