



FOCUS *report*

Appropriations and spending	1
Taxes and revenue	2
Economic development and business regulation	3
Criminal justice and public safety	3
Health and human services	6
Public and higher education	7
Energy, environment, and natural resources	8
General government	9

Topics for the 88th Legislature

The Texas Legislature may consider a variety of topics during its regular session that began on January 10, 2023, including property tax relief, border security initiatives, school choice, rural health care, and how to allocate an expected budget surplus. This report highlights many, although by no means all, of the issues the 88th Legislature could consider during the session.

A total of 21 agencies are under review this session by the Sunset Advisory Commission, including the Texas Juvenile Justice Department, the Texas Commission on Environmental Quality, the Public Utility Commission of Texas, and the Texas Water Development Board. During each regular legislative session, the commission reviews state agencies based on a schedule established in law and provides recommendations to the Legislature on whether to continue certain agencies and how to revise their operations.

Appropriations and spending

When the 88th Legislature writes the state budget for fiscal 2024-25, it will consider agency spending requests in the context of expected state revenue. Some proposals for state spending are discussed in this report under specific topic categories.

Legislators will examine state agencies' spending requests for fiscal 2024-25 and could consider proposals to use projected surplus revenue for the upcoming biennium, including growing the state's Economic Stabilization Fund or establishing new funds to address specific state needs.

Revenue estimate. The Biennial Revenue Estimate [issued](#) by the comptroller's office at the beginning of the legislative session indicates that the state will have \$188.23 billion for general-purpose spending for fiscal 2024-25. This is a 26.3 percent increase from the corresponding amount of funds available for the previous biennium. The available funds include an expected \$32.69 billion surplus at the end of fiscal 2023 due to increased sales tax and severance tax revenues.

Economic Stabilization Fund. The Legislature could consider a variety of proposals related to the state's Economic Stabilization Fund (ESF or "rainy day fund"). The Texas Constitution limits the biennial ESF balance to 10 percent of certain general revenue deposited during the previous biennium. The comptroller has estimated the ESF balance will reach \$27.13 billion in fiscal 2025, exceeding the estimated \$26.38 billion constitutional cap for fiscal 2024-25. Lawmakers could consider proposals to raise the cap on the ESF. They also could consider dedicating a portion of the projected surplus to further increase the amount in the ESF or to establish other funds. Proposals allocating ESF funds to address other state priorities also could be considered.

Spending limits. Proposals to revise current limits on state expenditure growth or to impose new limits could be discussed. Currently, under Texas Constitution [Art. VIII, sec. 22](#), expenditures subject to the tax spending limit may not exceed the estimated growth rate of the Texas economy. In November, the Legislative Budget Board (LBB) adopted an estimated growth rate of 12.33 percent for the 2024-25 biennium. Under this rate, the budget surplus is projected to be greater than the amount by which the budget is allowed to increase. Legislators could debate whether to exceed the tax spending limit to allow the state to spend more of the projected surplus or to use the funds for purposes not subject to the spending cap.

Supplemental appropriations for fiscal 2023. The Legislature could consider additional spending for the current fiscal year in a supplemental appropriations bill. This could include funds for state hospital construction and additional inpatient capacity, a one-time legacy payment to the Employees Retirement System of Texas (ERS), assistance for school safety initiatives, maintenance and improvement projects for certain state facilities and historical sites, state park acquisitions, a pay increase for classified state employees, or certain state financial obligations.

Strategic fiscal review of certain agencies. This budget cycle, 12 agencies underwent strategic fiscal review, a process designed to comprehensively examine an agency's budget and activities. [SB 68](#) by Nelson, enacted in 2019 by the 86th Legislature, requires the LBB to conduct a strategic fiscal review of each state agency under review by the Sunset Advisory Commission and subject to the legislative appropriations process. As part of the strategic fiscal review process, the LBB collects data on an

agency's programs and finances and examines alternative funding levels for the agency's activities. It also studies the relationship of an agency's programs to its mission and statutes. The LBB [released](#) its review of the 12 agencies in September 2022.

The entities that underwent review include:

- Texas Economic Development and Tourism Office
- Office of State-Federal Relations
- Texas Juvenile Justice Department
- Office of the Independent Ombudsman
- Texas Commission on Law Enforcement
- Texas Commission on Environmental Quality
- Texas Low-level Radioactive Waste Disposal Compact Commission
- Texas State Soil and Water Conservation Board
- Texas Water Development Board
- Public Utility Commission of Texas
- Office of Public Utility Commission
- State Board of Veterinary Medical Examiners

Of the 12 agencies subject to review by the LBB, two underwent strategic fiscal review during the previous biennium: the Texas Commission on Law Enforcement (TCOLE) and the State Board of Veterinary Medical Examiners. The LBB prepared an update on the findings of the previous review of TCOLE and determined that an update was not necessary for the State Board of Veterinary Medical Examiners.

Taxes and revenue

The 88th Legislature could consider several proposals for the anticipated surplus in the state budget, including providing for property tax relief or reform. Lawmakers may also consider expanding tax exemptions for businesses and individuals.

Property taxes. The Legislature could consider proposals to increase homestead exemptions, expand certain exemptions for eligible business-owned property, or use the budget surplus to provide property tax relief. Proposals to limit yearly property tax increases for residential or single-family households could be on the Legislature's agenda. Lawmakers also could consider proposals related to the effects of water conservation efforts on a homeowner's property tax.

Sales tax exemptions. Lawmakers could consider proposals to create new sales tax exemptions to benefit financially vulnerable populations in the state. These proposals could include exemptions for certain childcare, maternity, or feminine hygiene products, as well as an exemption for college textbooks during the beginning of an academic semester.

Economic development and business regulation

As the population of Texas continues to grow, lawmakers could discuss funding for transportation infrastructure, initiatives to address rising housing costs, tax incentives to attract businesses into the state, and certain business regulations.

Transportation infrastructure. Lawmakers could discuss ways to continue funding transportation infrastructure. Proposals could include raising the gas tax, last adjusted in 1991, or indexing it to a particular cost measure. As hybrid and electric vehicles do not generate fuel tax revenue, legislators also could consider proposals introducing new annual fees such as a flat registration payment for alternatively fueled vehicles or a fee based on miles traveled.

The Legislature also could discuss funding mechanisms to improve seaport facilities and ship channels and to develop freight and passenger rail.

Tax incentive agreements. Lawmakers could consider incentives to attract businesses to invest in the state after a previous statutory provision, Tax Code [ch. 313](#), expired on December 31, 2022, without an extension or replacement. This provision allowed school districts to offer temporary property tax limitations to eligible businesses that intended to create certain manufacturing or energy-related projects and jobs within the district. Legislators could consider proposals for a similar program while addressing previous criticisms of Chapter 313.

Housing affordability. Lawmakers could discuss ways to combat the rising cost of housing, including revising requirements for certain public-private partnerships that provide multifamily housing or creating a state tax credit for developers who build lower-income housing. Proposals also could be considered to require or incentivize local governments to streamline building permitting processes

and relax land-use regulations to increase housing supply. Adjusting the criteria by which the Texas Department of Housing and Community Affairs selects projects to receive federal low-income housing tax credits also could be considered.

Gambling. The Legislature could consider measures legalizing certain forms of gambling such as casino gaming and online sports wagering. Such proposals could include establishing the Texas Gaming Commission as a regulatory agency, allowing for the distribution of sports gambling permits, and creating a 10 percent wagering revenue tax. Lawmakers may also discuss proposals to allow federally recognized Indian tribes to operate casinos on their land.

Sexually oriented businesses. Lawmakers could consider expanding "sexually oriented businesses" to include establishments that host drag show performances. Businesses such as bars, restaurants, or clubs with this designation could be subject to certain regulations by their municipal or county governments, as well as certain state licensing and permitting regulations.

Criminal justice and public safety

Legislators may consider proposals related to border security, officer pay and benefits, policing, bail, opioids, and other public safety issues, as well as proposals stemming from Sunset Advisory Commission reviews of certain agencies.

Border security. Lawmakers could debate funding for border security initiatives. In 2021, the governor launched border security initiative Operation Lone Star in response to increased migrant crossings at the Texas-Mexico border. Under the governor's disaster declaration issued in May 2021, Operation Lone Star has used about \$4 billion for activities such as deploying state troopers and Texas National Guard members to help arrest and process migrants at the border, as well as for busing migrants to other U.S. cities. This session lawmakers could consider proposals to maintain or increase funding for Operation Lone Star. Lawmakers also may discuss proposals to fund construction of a wall or other barriers along the Texas-Mexico border or to deploy more law enforcement officers. Other border-related spending proposals could include increasing capacity for processing and detention facilities, creating rural health programs targeting border communities, or developing infrastructure

in border areas. Legislators also could discuss proposals to create a border operations training program for local law enforcement.

Proposals to change access to state-funded services based on immigration status also could be considered. Topics could include access to state services for immigrants unlawfully present in the United States, such as obtaining driver's license permits or state I.D.s as well as access to education or health care services.

Lawmakers could consider proposals granting the governor authority to enter into an interstate compact with interested states to engage in joint border security measures. They also could discuss proposals to limit unappropriated spending for initiatives such as Operation Lone Star.

Gun regulation. In the wake of the mass shooting in Uvalde, the Legislature could debate new regulations for the purchase of firearms. Proposals could include prohibiting the purchase of certain firearms by individuals under age 21, requiring criminal background checks and waiting periods, or requiring dealers to report certain firearm and ammunition sales to law enforcement. Lawmakers also could debate implementing "red flag" laws that allow judges to temporarily seize firearms from individuals considered dangerous.

Policing. Lawmakers may consider several proposals on policing, including mental health crisis intervention, officer duties and training, and data collection and reporting.

Proposals could include requiring mental health crisis intervention and de-escalation training for law enforcement officers, expanding coordinated mental health or crisis response partnerships between law enforcement and mental and emergency health providers, or creating new reporting requirements for arrests involving individuals with mental illness or intellectual disabilities. They also could debate proposals on officer training for interacting with individuals with Alzheimer's or dementia.

Lawmakers could discuss proposals requiring agencies to collect and report data on peace officers who were dismissed, resigned, or were decertified. Proposals to amend the process by which a dishonorably discharged peace officer may be decertified in certain cases also could be discussed. Other proposals could include training or

reporting requirements and guidelines for police use of force or the use of a progressive disciplinary matrix by municipalities to address officer misconduct. Legislators also could debate restricting qualified legal immunity, a doctrine established by the U.S. Supreme Court that can protect officers from some civil lawsuits alleging violations of civil rights, and proposals to allow civil actions to be brought against individual officers in certain cases.

Proposals on data collection and reporting could include increasing uniformity in use of force reporting, expanding mandatory data collection and reporting requirements to non-vehicular stops, or investing in Texas Commission on Law Enforcement (TCOLE) IT and data collection system improvements. Lawmakers also could discuss proposals to authorize TCOLE to implement statewide professional law enforcement standards or to require law enforcement agencies to be accredited.

TCOLE limited scope review. The Texas Commission on Law Enforcement is undergoing a limited scope review this session by the Sunset Advisory Commission. Following a full Sunset review of the agency in 2020-21, the 87th Legislature enacted [SB 713](#) by Buckingham, continuing TCOLE through the 2022-23 biennium while directing the Sunset Advisory Commission to conduct a limited scope review of its recommendations. Lawmakers could consider recommendations to continue TCOLE for 12 years while updating certain licensing and regulatory standards and procedures, requiring TCOLE to create a public peace officer database, or authorizing TCOLE to set and enforce certain minimum standards for law enforcement agencies.

Officer pay and benefits. Lawmakers could consider proposals to increase wages for law enforcement or correctional officers or to expand benefits for certain first responders. They also could discuss proposals to reduce pay disparities among peace officers across the state, such as by creating a rural law enforcement fund to supplement local funding. Proposals could be considered to expand eligibility for certain benefits to include members of the Texas military forces and their surviving spouses.

Juvenile justice. Legislators could consider recommendations from the current Sunset Advisory Commission review of the Texas Juvenile Justice Department (TJJD), including continuing the agency for two years while conducting a limited scope review of its progress implementing recommendations adopted during

the 2022-23 biennium. Proposals to fund construction of new secure facilities, capacity increases for county-level facilities, or employee salary increases could be discussed. Lawmakers also may consider recommendations to amend sentencing and confinement procedures for youth in certain felony cases.

Other proposals related to TJJD facilities and regionalization efforts could be considered. This could include proposals to invest in capacity building for local and county-level facilities while implementing the staggered closure of state secure facilities. Proposals also may be considered to increase mental and behavioral health services for youth in detention and upon release. Lawmakers could discuss proposals to divert young people in the foster care system from juvenile detention by creating a deferred prosecution program for foster youth charged with misdemeanors.

Legislators could consider proposals to raise the age of adult criminal jurisdiction from 17 to 18 years old or to raise the age at which youth are eligible for juvenile court jurisdiction from 10 to 13. Other proposals could include allowing earlier parole review, or a “second look,” for individuals who committed an offense as a child.

Opioids. Lawmakers could discuss harm reduction methods for addressing the opioid epidemic. Proposals could include legalizing fentanyl test strips, which can detect the presence of fentanyl in drugs, and increasing access to evidence-based treatments for substance use disorders, including medication and behavioral treatments.

Other proposals could include increasing distribution of naloxone, which helps reverse opioid overdose symptoms, to law enforcement agencies, hospitals, schools, and other organizations. Legislators also might consider addressing tracking of fentanyl overdose data, as well as allowing nurse practitioners in treatment programs to prescribe medications for opioid use disorder.

Other discussions could focus on funding educational programs about the dangers of fentanyl, limiting the supply of fentanyl that comes into the state, or designating fentanyl-related deaths as poisonings rather than overdoses.

Civil asset forfeiture. Legislators could consider proposals on the forfeiture of a person’s assets seized by law enforcement. They could debate the standard of proof

required, the use of criminal vs. civil court systems in such cases, or the reporting requirements for law enforcement agencies. The Legislature could also discuss proposals to streamline the process by which seized property is returned in cases with no criminal charges or convictions.

Bail and pre-trial detention. Lawmakers could discuss proposals to reduce pre-trial detention, including limiting arrest and detention of individuals for citation-eligible or non-jailable offenses. Proposals to limit cash bail by implementing risk-assessment-based bail could be considered, as well as expanding probation and supervision programs or allowing judges to deny bail in cases where pre-trial release is deemed a risk to public safety.

Prosecution and court procedures. Legislators could consider proposals on prosecutorial discretion and accountability measures, such as the use of data dashboards or internal processes to increase transparency. Proposals on court procedures, such as providing counsel at the time of magistration, reducing the time a defendant may wait to receive a court-appointed attorney, or increasing oversight or qualification standards for public defenders also may be considered. Proposals to increase and expedite access to public defenders, especially in capital murder cases, or to expand eligibility for indigent defense could also be discussed.

Grand jury proceedings. The 88th Legislature could consider proposals to amend grand jury proceedings. This could include requiring courts to allow counsel in grand jury rooms, requiring full transcriptions of proceedings, or limiting the ability of prosecutors to resubmit cases without new evidence.

Sentencing. Sentencing requirements for certain offenses could be on the Legislature’s agenda. Lawmakers could consider creating a mandatory minimum sentence for people who use a firearm while committing a crime or raising mandatory minimum sentences for people convicted of human smuggling. Limiting convictions under the “law of parties,” which allows individuals to be held criminally responsible for the actions of another in certain cases, also could be considered. Lawmakers could discuss proposals for prosecutor-initiated resentencing, a process by which prosecutors may review certain previous cases to recommend resentencing.

Drug offenses. Lawmakers could consider reducing penalties for the possession of controlled substances in

certain cases from a state jail felony to a misdemeanor or reducing marijuana possession to a fine-only offense. Proposals also could be considered to increase access to rehabilitation and treatment for drug users in prison.

Recidivism and re-entry. Proposals to address recidivism and re-entry into the community for former offenders could be considered. Lawmakers could discuss proposals on access to employment, such as increasing bond insurance, tax incentives, and benefits for employers who hire former offenders, as well as reducing limitations on occupational licenses for former offenders or increasing higher education opportunities in state prisons.

Health and human services

The 88th Legislature could consider revisions to the state's Medicaid program, as well as how to strengthen rural healthcare, improve the quality and availability of foster care placement, and keep children from entering foster care.

Medicaid. Legislators could consider amending the state's Medicaid program to expand certain kinds of coverage or increase reimbursement rates.

Postpartum Medicaid coverage. The 87th Legislature in 2021 extended postpartum Medicaid coverage from two months to six months after the end of a pregnancy. This required the state to apply for a federal Medicaid waiver, which has not yet been approved. The 88th Legislature could consider extending postpartum Medicaid coverage to 12 months, which as a pre-established state plan amendment would be expected to undergo an expedited approval process.

Medicaid expansion. Legislators could consider proposals to expand Medicaid eligibility under the Affordable Care Act, which would extend eligibility to individuals who earn up to 138 percent of the federal poverty level. Lawmakers also could consider a proposal for a program to encourage self-sufficiency through a Medicaid waiver for people who are currently ineligible. Proposals could include referring unemployed or underemployed individuals to job training programs and incentivizing certain healthy behaviors.

Reimbursement rates. Lawmakers could consider proposals to address Medicaid reimbursement rates,

including increasing rates to cover more of the costs for medical services provided to Medicaid patients or ensuring that telehealth and telemedicine services are reimbursed at the same rate as in-person services.

Rural healthcare. Supporting access to health care in rural areas by keeping hospitals open and increasing access to mental health care could be considered by the Legislature.

Preventing hospital closures. As lawmakers address concerns about rural hospital closures, the Legislature might consider Medicaid reimbursement rate increases for rural providers, who tend to treat a larger proportion of Medicaid patients than do urban providers. Other topics could include methods for attracting healthcare professionals to rural areas, such as student loan repayment programs for physicians and nurses who work in rural areas for a certain length of time, recruiting rural students to pursue careers in medicine, and increasing the number of rural educational and training opportunities for medical professionals.

Mental healthcare. Legislators could discuss access to mental health care in rural areas, including proposals to incentivize mental health professionals to practice in rural areas or to amend the scope of practice for advanced practice registered nurses and physician assistants to fill gaps in the workforce. Other discussions could include increasing access to telemedicine by supporting broadband expansion and standardizing e-consent processes for data-sharing and treatment.

Foster care and child welfare. The number of foster children without a licensed placement has increased since 2020, and these children have tended to have a higher level of needs. Lawmakers may consider proposals to increase the number of available placements for children who require a high level of care, such as in qualified residential treatment programs, or to modify provider rates to more fully cover the services provided to foster children.

Legislators also could consider proposals to increase the number of foster children placed in family-like settings, such as foster and kinship homes, instead of group settings, such as general residential operations and residential treatment centers. Some proposals could include adding a statutory definition for residential treatment centers and requiring courts to make certain findings before placing a child in a residential treatment

center. Other discussions may center on supporting family-like environments by increasing payments for kinship caregivers who are not licensed as foster parents and recruiting more people for Treatment Family Foster Care, which trains foster families to provide a higher level of care for children in a family-like setting.

Lawmakers also could discuss how to keep children from entering the foster care system. Proposals could include expanding access to mental health services for at-risk children or increasing investment in evidence-based services meant to keep children with their families.

Abortion. Legislators could consider proposals to expand exceptions to existing abortion laws or to increase penalties and enforcement mechanisms.

The 87th Legislature enacted [HB 1280](#) by Capriglione, effective September 1, 2021, which prohibits a person from knowingly performing, inducing, or attempting an abortion and creates a felony offense for violating the law. The offense created by the bill took effect 30 days after the U.S. Supreme Court in June 2022 issued a decision in *Dobbs v. Jackson Women's Health Organization*. That opinion stated that the U.S. Constitution did not confer a right to abortion, overruling *Roe v. Wade* and *Planned Parenthood v. Casey*. HB 1280 created an exception for a licensed physician performing an abortion on a pregnant woman who has a life-threatening physical condition aggravated by, caused by, or arising from a pregnancy that places the woman at risk of death or serious impairment.

This session lawmakers could consider proposals to expand exceptions to the prohibition to include cases of sexual assault, rape, or incest, cases of lethal fetal anomalies or fetal conditions in which life could not be sustained without extraordinary medical interventions, or other threats to a pregnant woman's life or health. Legislators also could consider proposals to reduce or repeal certain abortion restrictions or penalties.

Proposals also could be considered to further restrict abortion or strengthen enforcement of abortion laws. Such measures could include prohibiting a government entity from using funds to provide logistical support in procuring an abortion or an abortion provider's services or by prohibiting businesses that help an employee obtain an abortion from receiving tax incentives.

Gender-related care. Legislators could debate proposals to prohibit or otherwise restrict for minors certain medical treatments related to gender identity, including the use of cross-sex hormones, puberty blockers, and gender transition or reassignment surgeries. Penalties for physicians who perform such treatments, including potential license revocation, could also be discussed.

Price transparency. The 87th Legislature in 2021 enacted [SB 1137](#) by Kolkhorst, which codified new federal price transparency requirements for health care providers and imposed greater penalties for noncompliance. The 88th Legislature could consider measures to enhance compliance enforcement and make medical price transparency tools more accessible, uniform, and user-friendly.

Sunset review of health-related agencies. The Anatomical Board of the State of Texas is undergoing review by the Sunset Advisory Commission. The Legislature could consider recommendations to abolish the board and transfer its authority to the Texas Funeral Service Commission or to restructure it as a traditional state agency.

Public and higher education

This session, lawmakers could consider proposals to address school safety in the wake of the school shooting in Uvalde in May 2022. Proposals to expand school choice programs also could be considered, as well as ways to counteract the ongoing public school teacher shortage in the state. Lawmakers also could consider measures to change the state's higher education formula funding for community colleges.

School safety. The Robb Elementary School shooting in Uvalde in 2022 further increased interest in strengthening the safety of the state's schools. Proposals this session could focus on ways to prevent such shootings, such as restricting access to firearms, securing school campuses, and emphasizing mental health care for students.

Guns. The Legislature could consider proposals to limit access to firearms in the state, including proposals to ban semi-automatic rifles or raise from 18 to 21 the minimum age to buy such a weapon. They could discuss proposals to make "straw purchases"—when a person

buys a gun for someone who is prohibited from having one — a state-level felony. Proposals to require an armed police presence in schools also could be considered.

Campus security. Measures to improve the security of public school campuses could be considered by the Legislature. Proposals could include restricting access to schools and guaranteeing emergency communication channels. This could involve mandating the installation of bulletproof windows, metal detectors, and silent alarms, as well as requiring doors and emergency radios in schools to be regularly inspected to ensure proper functioning. Lawmakers could also consider proposals to expand the state's school marshal program, to expand rapid response training requirements for law enforcement, or to require school districts to share their emergency response plans with law enforcement.

Mental health. Student mental health has become a priority after the Uvalde shooting and continued effects of the COVID-19 pandemic. Proposals could be considered to increase the number of mental health care professionals, social workers, and school counselors available to students by streamlining licensure and offering financial assistance for eligible college students wishing to enter the field of mental healthcare. Measures to increase access to other mental health resources also could be pursued, including providing access to off-campus mental health care professionals and funding for telehealth services for teachers and students.

School choice. Discussions have been renewed about providing more school choice in Texas. The Legislature could consider proposals to allow students to use state education funds for certain educational expenses, such as private school tuition, tutoring, or distance learning. Proposals could include creating education savings accounts or parent reimbursement programs as well as providing tax credits for entities that donate toward scholarships.

Teacher retention. Lawmakers could consider proposals to address a continued shortage of public school teachers in the state, including in high-demand specialties, such as bilingual and special education. Proposals could include using a portion of the budget surplus to increase teacher pay, as well as providing for the payment of a 13th check to retired teachers. The Legislature also could consider proposals for alternative certification programs,

teacher residency programs, and incentives to attract retired teachers back into the classroom.

Community college finance. With the funding formula for the state's public universities and community colleges relatively unchanged for many years, the Legislature could consider proposals to prioritize outcome-based funding for community colleges. Community college funding sources have come under scrutiny as enrollment has decreased in recent years. Based on recommendations from the Commission on Community College Finance created in 2021 by the 87th Legislature, lawmakers could consider proposals to tie funding to student outcomes.

Cost of higher education. With the cost of higher education in Texas steadily increasing each decade, lawmakers could consider legislation to address college affordability. Proposals could include expanding who is eligible for state-funded exemptions or financial aid, as well as providing funding for the Texas Higher Education Coordinating Board (THECB) to maintain the current number of students receiving state financial aid.

Energy, environment, and natural resources

In the wake of multiple weather emergencies, Texas lawmakers may consider proposals to address the reliability of the Texas power grid while also fortifying the state's energy infrastructure. Proposals stemming from Sunset Advisory Commission agency reviews, including the Electric Reliability Council of Texas and the Texas Water Development Board, also may be discussed. Legislators could consider proposals to expand access to the water supply to compensate for the state's growing population.

Energy grid and supply. Following disruptions to the provision of power during Winter Storm Uri in 2021, the Legislature could consider measures to address the reliability of the state's electric grid and the role of alternative fuel sources. The Texas electric grid, operated by the Electric Reliability Council of Texas (ERCOT), is one of three electric interconnections in the country and is mostly physically disconnected from other U.S. grids. Electricity produced in the state is overseen by the Public Utility Commission of Texas (PUC), while the Federal Energy Regulatory Commission (FERC) oversees interstate transmissions.

Natural gas. Legislators could consider proposals intended to encourage natural gas production and fortify infrastructure against future severe weather. These proposals could include tax incentives for eligible gas-producing companies to create new natural gas plants, as well as directing the Railroad Commission of Texas to draft a comprehensive infrastructure protection plan for the state's oil and natural gas producers.

Renewables. Lawmakers could consider proposals to encourage greater renewable energy production and better incorporation of providers into the state's overall energy supply. Proposals could include tax exemptions for wind and solar energy producers, as well as increasing the number of high-voltage power lines to allow for electricity to be better transmitted across the state.

PUC and ERCOT Sunset reviews. The Legislature could consider recommendations to improve PUC and ERCOT's ability to prepare and respond to severe weather events. These measures could include increasing appropriated funds and staffing for PUC, streamlining the rulemaking authority of PUC, and directing PUC to review the state's water regulations.

Water infrastructure and supply. The Legislature could discuss measures to address the water needs of the state's growing population by investing in the maintenance and improvement of water and wastewater infrastructure. These proposals could include supporting the development of new ways to increase the water supply, such as desalinating brackish and marine water and recycling produced water, a byproduct of the oil and gas industry. Lawmakers could consider proposals for promoting voluntary transfers of water, including further development of regional water markets. They also may discuss ways to help water providers, especially in less populous areas, defray the cost of complying with new emergency preparedness requirements, such as by making funds available for on-site backup generators.

TWDB Sunset review. With the Texas Water Development Board (TWDB) undergoing review by the Sunset Advisory Commission, lawmakers could consider recommendations to make the board's project review process more efficient. They also could consider proposals to allow regional water planning groups to use as a planning baseline a worse drought than the current drought of record and to require TWDB to conduct a feasibility review of certain projects in the state water plan.

TCEQ Sunset review. Lawmakers could consider Sunset Advisory Commission recommendations for the Texas Commission on Environmental Quality (TCEQ) related to requirements for permitting, notice, and public meetings or enforcement issues, such as compliance assessment and higher limits on administrative penalties for violating regulations.

TSSWCB Sunset review. With the Texas State Soil and Water Conservation Board (TSSWCB) undergoing review by the Sunset Advisory Commission, lawmakers could consider recommendations to require the board to adopt measures intended to improve its dam structural repair program. They also could consider proposals to modify statutes governing the Texas Invasive Species Coordinating Committee, which is administratively attached to TSSWCB and also undergoing Sunset review.

General government

Lawmakers this session could consider various measures affecting government at the state and local levels. Proposals could address elections administration, emergency powers during a state of disaster, publicly funded lobbying, and other issues.

Elections. Lawmakers could consider proposals on elections administration and security, including enhanced criminal penalties for fraudulent voting and other violations of the Elections Code, measures to ensure timely and accurate vote counting, or changes to the forms of identification required to vote. They also could consider changes to eligibility for mail-in voting or the duration of early voting periods. Proposals to establish the authority of the attorney general to unilaterally prosecute cases involving voter fraud and other violations of state election laws also may be discussed.

Emergency powers. Legislators could debate proposals to amend the Texas Disaster Act of 1975 and provisions of the Texas Constitution that govern emergency powers during a state of disaster, including a pandemic. Proposals could address the scope of emergency authority at the executive and local levels, the duration of and process for extending disaster declarations, and the role of the Legislature when issuing orders, extending disaster declarations, or spending or transferring funds.

Property acquisition. The 88th Legislature could debate proposals to prohibit companies, citizens, and government entities from certain foreign nations from acquiring real property, or specifically agricultural land, in Texas.

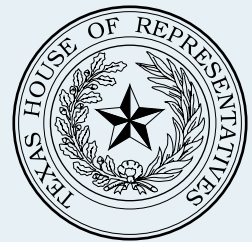
Local government. Lawmakers could debate issues related to local government, including publicly funded lobbying or municipal jurisdiction.

Publicly funded lobbying. The 88th Legislature could consider proposals to restrict local governments' use of public money for lobbying activities. Proposals to prohibit political subdivisions from using public funds to hire registered lobbyists or pay nonprofits that hire or contract with registered lobbyists could be considered. Lawmakers also could debate proposals to restrict certain lobbying activities, such as attempting to influence legislation related to taxation, by registered lobbyists hired or contracted by a public entity.

Municipal jurisdiction. Legislation related to municipal jurisdiction could include proposals to alter the geographical limits of municipalities' extraterritorial jurisdiction (ETJ) and to provide for the release of areas not receiving full municipal services from municipal ETJ. Lawmakers also could consider measures to allow certain areas to disannex from municipalities.

Cybersecurity. Legislators could discuss recommendations on cybersecurity. Proposals could be considered to require local governments to adopt state agency cybersecurity requirements, to require public sector employees to participate in annual cybersecurity training, to update local government and school district website domains to minimize risk, and to codify a state cybersecurity emergency response plan.

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