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HOUSE RESEARCH ORGANIZATION

daily floor report

Wednesday, May 7, 2025
89th Legislature, Number 58
The House convenes at 10 a.m.
Part Two

Seventy-nine bills are on the General State Calendar for second reading consideration today. The list of bills in Part Two of the *Daily Floor Report* begins on the following page.



Gary VanDeaver
Chairman
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HOUSE RESEARCH ORGANIZATION

Daily Floor Report

Wednesday, May 07, 2025

89th Legislature, Number 58

Part 2

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- SUBJECT:** Creating rural development fund program and insurance tax credit
- COMMITTEE:** Trade, Workforce & Economic Development — committee substitute recommended
- VOTE:** 6 ayes — Button, Talarico, K. Bell, Bhojani, Harris Davila, Lujan
2 nays — Luther, Richardson
3 absent — Longoria, Meza, Ordaz
- WITNESSES:** For — Jarrod Forbes, JES Holdings, LLC (*Registered, but did not testify*: Ryan Dressler, Drew Springer, Advantage Capital; Daniel Hodge, Fairway Management, Inc.; Matt Creel, Opportunity Austin; Chip Windisch, Petros Community Impact Fund; Megan Mauro, Texas Association of Business; Vince Yokum, Waller County EDP; Craig Casselberry)

Against — None

On — (*Registered, but did not testify*: Will Counihan, Comptroller of Public Accounts)
- BACKGROUND:** Concerns have been raised about the limited flow of investment capital to rural areas of Texas compared to metropolitan regions. Some have suggested that the state could benefit from a new approach to encourage private investment in rural communities given the number of counties classified as rural and the presence of underserved areas.
- DIGEST:** CSHB 4735 would establish a program under which approved rural development funds could receive capital investments and allocate insurance tax credits to investors. The comptroller would be required to approve up to \$300 million in total investment authority, including up to \$150 million in tax credit allocations.
- Applications.** Applications for entities seeking approval as rural development funds would be required to include a nonrefundable

application fee, evidence demonstrating prior investment experience in nonpublic companies, and a business plan with a 10-year economic impact assessment.

If a request for investment authority exceeded the limit, the comptroller would be required to reduce the investment authority for that application as necessary to avoid exceeding the limit.

The bill would restrict application denials to those that were incomplete or lacked sufficient economic impact, or if the comptroller had already approved the maximum number of applications.

Duties following approval. The comptroller would be required to provide written notice to approved applicants that included the amount of the fund's investment authority and to provide a tax credit allocation statement that included the amount of tax credit authorized to be allocated to investors to the fund.

If approved, the fund would have to collect the credit-eligible capital contributions made to the fund and one or more investments of cash that, when added to the contributions, equaled the fund's investment authority. At least 10 percent of the fund's investment authority would be required to consist of equity investments contributed by affiliates of the fund. A rural development fund could provide a tax credit certificate to an investor that made a credit-eligible contribution to the fund, but could not issue a tax credit certificate the value of which in the aggregate would exceed the amount stated on the tax credit allocation statement provided to the fund.

Fund revocation and reduction. Funds would be subject to investment timelines, and the comptroller would be required to reduce or revoke tax credits and investment authority if funds failed to meet certain investment benchmarks. The bill would impose limits on the amount that could be invested in a single targeted small business and prohibit related-party transactions. Funds would also be subject to annual reporting requirements and ongoing oversight, including participation fees to cover program costs.

Program exit. After six years, a fund would be eligible to apply to exit the program if it remained in good standing. To exit, a fund would be required to remit an amount equal to the lesser of the excess return or a state-calculated reimbursement amount. Once a fund exited the program, no further reductions or revocations of related tax credits would be permitted.

General provisions. CSHB 4735 also would establish that an entity was eligible for insurance tax credits if the entity held a tax certificate as provided by the bill.

The bill would require the comptroller to submit a report to the Legislature before the 92nd regular session assessing the fiscal and economic impact of the program, including employment, wage, and investment outcomes. After January 1, 2026, the comptroller could not accept new applications unless the report showed that the program's positive fiscal impact exceeded the total tax credits issued.

The comptroller would be required to adopt rules as soon as practicable and would begin accepting applications by October 1, 2025.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2025.

NOTES:

According to the Legislative Budget Board, the bill would have a negative impact of \$49,500,000 to general revenue related funds through the biennium ending August 2027. Additionally, the bill would have a fiscal impact of \$100,500,000 for the biennium ending August 2029.

- SUBJECT:** Continuing implementation of maternal opioid misuse model of care
- COMMITTEE:** Human Services — committee substitute recommended
- VOTE:** 10 ayes — Hull, Manuel, A. Davis, Dorazio, Noble, Richardson, Rose, Schatzline, Slawson, Swanson
- 0 nays
- 1 absent — C. Morales
- WITNESSES:** For - (*Registered, but did not testify*: Melissa Shannon, Bexar County Commissioners Court; Josie Castro Garcia, Dallas County; Katelyn Caldwell, Harris County Commissioners Court; Christine Yanas, Methodist Healthcare Ministries; Christine Busse, NAMI Texas; Bryan Mares, National Association of Social Workers-Texas; Jessica Schleifer, Teaching Hospitals of Texas; Preston Poole, Texas Association of Community Health Centers; Kelsey Bernstein, Texas Council of Community Centers; Gregg Knaupe, Texas Hospital Association; Amanda Tollett, Texas Medical Association; Stefanie Page, Texas Pediatric Society; Desiree Ingram, Texas Women's Healthcare Coalition; Julie Wheeler, Travis County Commissioners Court; Steven Deline)
- Against — None
- On — (*Registered, but did not testify*: Natasha Boston and Emily Sentilles, Health and Human Services Commission)
- BACKGROUND:** Concerns have been raised that the end of the federal demonstration period for the Maternal Opioid Misuse (MOM) model could limit access to services for women with opioid use disorder and increase maternal mortality rates. Some have suggested implementation of the model should be continued through a limited, no-cost extension to use unspent federal funds appropriated for the program.
- DIGEST:** CSHB 5155 would require the Health and Human Services Commission (HHSC) to continue implementing the Maternal Opioid Misuse (MOM)

model of care, to the extent that money was available for that purpose. The bill would define the MOM model of care as the model implemented using federal money applied for and received under federal statutory provisions to improve the quality and accessibility of care for pregnant women with opioid use disorder enrolled in Medicaid during the prenatal and postpartum periods and for their children after birth.

The bill would authorize money in the opioid abatement account established under the statewide opioid settlement agreement to be appropriated to HHSC for the purpose of carrying out the model of care. The bill would expire September 1, 2029.

If a state agency determined that a waiver or authorization from a federal agency was necessary to implement the bill, the agency would be required to request the waiver and could delay implementation until the waiver or authorization was granted.

The bill would take effect September 1, 2025.

- SUBJECT:** Amending requirements for certain waste service exclusive contracts
- COMMITTEE:** Environmental Regulation — committee substitute recommended
- VOTE:** 7 ayes — Landgraf, Ordaz, Anchía, K. Bell, Bumgarner, Morales Shaw, Toth
- 0 nays
- 2 absent — Oliverson, Reynolds
- WITNESSES:** For — Chris Macomb, Waste Management of Texas, Inc (*Registered, but did not testify*: Ferrell Fields, Republic Services; Sarah Hicks, Texas Apartment Association; Megan Mauro, Texas Association of Business)
- Against — (*Registered, but did not testify*: Clifford Sparks, City of Dallas)
- On — (*Registered, but did not testify*: Charly Fritz, TCEQ)
- BACKGROUND:** Concerns have been raised that when municipalities amend or renew exclusive solid waste contracts to include commercial accounts previously served by private providers, those providers can face significant disruptions and substantial costs. Some have suggested that allowing affected private service providers to continue operations for a limited time would help mitigate the financial impact of these changes.
- DIGEST:** CSHB 5057 would allow a privately owned solid waste management service provider that had an existing contract with a person to provide certain solid waste management services for which a public agency entered into an exclusive contract with another service provider to continue to provide those services in the public agency's jurisdiction until the earlier of:
- the date the service provider's existing nonexclusive contract expired; or
 - the first anniversary of the date the public agency published the notice in a newspaper.

For the purposes of the bill, "exclusive contract" would mean a contract or franchise agreement between a public agency and a privately owned solid waste management service provider that granted to the service provider an exclusive right to provide certain solid waste management services in the public agency's jurisdiction.

A privately owned solid waste management service provider that provided solid waste management services to a person in a public agency's jurisdiction and that did not have a contract to provide the services could, if the public agency entered into an exclusive contract with another service provider to provide those services, continue to provide the services in the jurisdiction until the 60th day after the date the public agency published notice of the contract in a newspaper.

CSHB 5057 would require a public agency that entered into an exclusive contract, including by renewing or amending an existing contract to grant a privately owned solid waste management service provider an exclusive right to provide certain additional solid waste services that was not contained in the contract before the renewal or amendment, to give notice containing a summary of the purpose of the contract or amendment and a description of the change made by the contract or amendment.

The agency would have to publish the notice in a newspaper of general circulation in the jurisdiction of the public agency and on a publicly available website maintained by the agency, if it maintained such a website. If the agency required a privately owned solid waste management service provider to register or obtain approval to operate in the agency's jurisdiction, it would have to give notice to each provider registered with or approved by the agency to operate in the jurisdiction. An exclusive contract or amendment could not take effect before the date the notice was published in a newspaper.

The bill would not apply to the provision of solid waste management services by a municipality to an annexed area as provided by applicable Local Government Code provisions.

CSHB 5057 would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2025. The bill would apply only to a contract or franchise agreement for solid waste management services entered into on or after the effective date.

- SUBJECT:** Extending certain lien deadlines falling on non-business days
- COMMITTEE:** Trade, Workforce & Economic Development — favorable, without amendment
- VOTE:** 10 ayes — Button, Talarico, K. Bell, Bhojani, Harris Davila, Longoria, Lujan, Luther, Meza, Ordaz
- 1 nay — Richardson
- WITNESSES:** For — (*Registered, but did not testify:* Jo Cassandra Cuevas, Elevator Industry Work Preservation Fund; J.D. Hale, Texas Association of Builders; M. Scott Norman, Jr., Texas Association of Builders; Jennifer Fagan, Texas Construction Association; Eric Woomer, Texas Crane Owners Association; Precast Concrete Manufacturers Association of Texas)
- Against — None
- BACKGROUND:** Concerns have been raised that deadlines for submitting notice of mechanics', contractors', or materialmen's liens are not prohibited from falling on weekends under current law, which can complicate or delay payment for construction projects.
- DIGEST:** HB 4984 would establish that, in determining the deadline to provide notice or take any required action relating to a mechanic's, contractor's, or materialman's lien, if the deadline falls on a Saturday, Sunday, or legal holiday, the deadline would be extended to the next business day.
- The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2025.

SUBJECT: Creating an indigent litigant transportation grant program

COMMITTEE: Judiciary & Civil Jurisprudence — committee substitute recommended

VOTE: 10 ayes — Leach, Johnson, Dutton, Dyson, Flores, J. González, Hayes, LaHood, Landgraf, Moody
1 nay — Schofield

WITNESSES: For — (*Registered, but did not testify:* Melissa Shannon, Bexar County Commissioners Court; Adam Haynes, Conference of Urban Counties; Rick Thompson, County Judges and Commissioners Association of Texas; Josie Castro Garcia, Dallas County; Elisa M. Tamayo, El Paso County; Katelyn Caldwell, Harris County Commissioners Court; Guy Herman, Stautory Probate Judges of Texas; Cole Meyer, Texas Appleaseed; Cicely Kay, Travis County Commissioners Court; Ashley Harris, United Ways of Texas; Sarah Syed, Woori Juntos; Steven Deline)
Against — None
On — Wesley Shackelford, Texas Indigent Defense Commission (*Registered, but did not testify:* Russell Gallahan, Comptroller of Public Accounts)

BACKGROUND: Concerns have been raised that many indigent litigants have difficulty finding transportation to the courthouse for important legal matters. Some have suggested that creating a grant program to help indigent litigants access transportation to and from court proceedings would assist those who have financial challenges and aid in the efficient administration of justice.

DIGEST: CSHB 4944 would require the comptroller to establish and administer the county indigent litigant transportation assistance grant program to provide financial assistance to counties that assist indigent litigants with transportation to and from court proceedings.

The bill would define “indigent litigant” to mean a person who was found by a court to be unable to afford court costs, a person who was not financially able to employ counsel, a juvenile whose parent or guardian was found indigent by a juvenile court, or an indigent person eligible for court-appointed counsel in a suit affecting the parent-child relationship filed by a governmental entity.

The bill would authorize the county to submit an application for a grant to the comptroller not later than the 30th day after the first day of a county’s fiscal year. The county could submit only one application each fiscal year.

The comptroller would have to award a grant to a county that applied for the grant using money appropriated to the comptroller for that purpose. CSHB 4944 would require the county to use the grant money only to assist indigent litigants with transportation to and from court proceedings, including the purchase or reimbursement of bus passes, fuel, rideshare services, taxi fares, or mileage.

The comptroller would be required to adopt rules to implement the bill, including rules that establish a standardized application process; deadlines for application, disbursement, and spending; guidelines for the use of grant money; and procedures for monitoring disbursement and the return of unused funds.

The bill would allow a county to apply for the grant on or after January 1, 2027, and the comptroller would have to comply with the requirements of the bill by that date.

The bill would take effect September 1, 2026.

NOTES:

According to the Legislative Budget Board, the bill would have a negative impact of \$1,042,000 to general revenue related funds through the biennium. There would be an additional indeterminate cost dependent on the amount of legislative appropriations for the purpose of providing grants.

- SUBJECT:** Amending state drug schedules to align with federal rescheduling
- COMMITTEE:** Public Health — committee substitute recommended
- VOTE:** 11 ayes — VanDeaver, Campos, Bucy, Collier, Cunningham, Frank, Johnson, J. Jones, Olcott, Pierson, Shofner
- 0 nays
- 2 absent — Schofield, Simmons
- WITNESSES:** For — Steven Viola, Texans for Greater Mental Health; Lynnette Averill, The Menninger Clinic (*Registered, but did not testify*: Evan Autry, American Society of Ketamine Physicians, Psychotherapists & Practitioners; Jasmine Owen, Breakthrough Therapies Initiative; Eric Woomer, Federation of Texas Psychiatry, Texas Dermatological Society; Logan Davidson, Grunt Style Foundation; Michael Warner, Holland and Knight; Ray Hunt, Houston Police Officers' Union; Louie Sanchez, Texans For Greater Mental Health; Duane Galligher, Texas Association of Addiction Professionals / Association of Substance Abuse Programs; David Reynolds, Texas Chapter American College of Physicians; Michelle Romero, Texas Medical Association; Logan Spence, V.E.T.S.; Garrett Coppedge, Veterans Mental Health Leadership Coalition; Sarah Lindley Bailey)
- Against — (*Registered, but did not testify*: Steven Deline; Stephen Reed)
- On — (*Registered, but did not testify*: Timothy Stevenson, Department of State Health Services)
- BACKGROUND:** Concerns have been raised that the annual process required under current law for Texas to update controlled substance schedules can delay access to certain U.S. FDA-approved treatments. Some have suggested requiring DSHS to more promptly adopt federal schedule changes could improve access for patients with serious mental health conditions.

DIGEST:

CSHB 4813 would require the Department of State Health Services (DSHS) commissioner or designee, if a controlled substance was approved for medical use by the U.S. Food and Drug Administration (FDA) under the Federal Food, Drug, and Cosmetic Act and was subsequently deleted as a controlled substance or rescheduled and placed on a lower schedule under federal law, and notice of those facts was given to the DSHS commissioner, to similarly delete or reschedule the substance under the Texas Controlled Substances Act as soon as practicable. The bill would make conforming changes in provisions for the establishment and modification of schedules under that act.

The bill would apply only to a controlled substance deleted or rescheduled and placed on a lower schedule under federal law on or after the bill's effective date.

The bill would take effect September 1, 2025.

- SUBJECT:** Creating the Higher Education Regenerative Agriculture Grant Program
- COMMITTEE:** Higher Education — committee substitute recommended
- VOTE:** 10 ayes — Wilson, Howard, A. Davis, Lalani, Lambert, V. Perez, Shaheen, Shofner, VanDeaver, Ward Johnson
- 0 nays
- 1 absent — Tinderholt
- WITNESSES:** For — Judith McGeary, Farm and Ranch Freedom Alliance; Travis McCormick, Make Texans Healthy Again; Liz Haney, Soil Regen; Troy Swift, Swift River Pecans LLC; Douglas Havemann; Devyn Shiplett (*Registered, but did not testify*: Katrina Miller, Farm&City; Sebastien Aguilar; Steven Deline)
- Against — None
- On — Charles Rohla, Noble Research Institute (*Registered, but did not testify*: John Foster, State Soil and Water Conservation Board; Sarah Keyton, Texas Higher Education Coordinating Board; Ken Mix, Texas State University)
- BACKGROUND:** Concerns have been raised that extreme soil degradation is a threat to national food security and that current conventional agricultural methods are increasingly unaffordable for many farmers. Some have suggested that a regenerative agriculture approach would improve soil health, increase water capture and retention, improve water quality, reduce input costs, increase yields, and reduce pesticide use, among other benefits.
- DIGEST:** CSHB 5339 would establish the Higher Education Regenerative Agriculture Grant Program. The bill would define “regenerative agriculture” as a holistic system of agricultural practices and techniques that enhanced overall soil health, increased soil organic matter, improved water infiltration and retention, increased resilience to droughts and flooding, enriched biological diversity, and proliferated beneficial soil

microbes through a combination of practices based on certain agricultural principles specified in the bill.

The bill would require the Texas Higher Education Coordinating Board (THECB) to establish and administer the program under which the board could award grants to eligible higher education institutions to:

- conduct research to assess the benefits and risks of pesticide use, including the impact on the environment and public health;
- study successful regenerative agriculture operations and identify practices and methods to support persons in Texas seeking to implement regenerative agriculture on their land;
- develop innovative, evidence-based methods to support agricultural producers in bioremediation and other scientifically supported techniques that would promote beneficial soil bacteria and microorganisms and increase crop yields; and
- provide students, agricultural producers, and rural communities with regenerative agriculture-focused education and technical assistance programs founded upon transparent and objective research protocols.

In administering the program, the bill would require THECB to collaborate with the State Soil and Water Conservation Board to align research with existing soil and water conservation programs, ensure projects complemented statewide efforts to improve soil health and reduce pesticide usage, and facilitate partnerships between higher education institutions awarded grants under the program and local soil and water conservation districts. THECB also would have to identify opportunities to align the program with federal initiatives or grants to maximize program funding and impact, ensure program-funded research was conducted independently using the proper scientific method and complied with any state or federal requirements.

The bill would also require THECB to establish a framework for monitoring and evaluating research outcomes, overseeing grant funds, conducting reviews, and ensuring that research findings were publicly available.

By January 1, 2026, the bill would require THECB to develop and make available on its website an application form for the program as well as report templates and guidelines for public higher education institutions.

Grants. To receive a grant under the program for a state fiscal year, a higher education institution would have to apply to THECB and satisfy any other criteria prescribed by THECB rule. To be eligible, an institution could not derive more than 25 percent of the institution's agricultural program funding from any entity that manufactured, marketed, or sold farming inputs, including pesticides, fertilizers, or patented seeds. In awarding grants, THECB would have to give priority to the following higher education institutions, with first priority given to those institutions that were not land grant universities:

- institutions that conducted community-centered outreach and applied research;
- institutions that demonstrated active, collaborative partnerships with agricultural producers and organizations to implement regenerative agriculture farming practices; and
- institutions that maintained academic independence through full funding-source disclosure.

THECB could not award more than 30 percent of the total amount of allocated grant funds for a fiscal year to a higher education institution. In its application review and funding allocation process for the program for a fiscal year, THECB would have to ensure a reasonable distribution of funds across higher education institutions statewide. Grant money awarded under the program could be used only for:

- multiyear research projects focused on transitioning agricultural producers to regenerative agriculture farming systems;
- research on healthy soil practices;
- higher education institution-led education and training programs to support Texas agricultural producers in implementing regenerative agriculture methods on their land;
- support for student-led projects, internships, and research initiatives focused on regenerative agriculture;

- development and distribution of digital and physical educational resources for rural agricultural communities and farming regions;
- collaborative research initiatives between higher education institutions, nonprofit organizations, and agricultural organizations to pilot and test regenerative agriculture farming solutions;
- comprehensive research on categories of pesticides; and
- any additional purposes approved by THECB rule following a thorough and systemic review.

Report. The bill would require THECB, in collaboration with the State Soil and Water Conservation Board, to prepare and submit to the Legislature an annual report summarizing:

- the outcomes, benefits, and challenges of the program, including unintended consequences;
- the progress made under the program in reducing pesticide use and improving soil health; and
- legislative recommendations to further advance regenerative agriculture research, education, and outreach in the state.

In addition to any money appropriated for the program, the commission could solicit and accept gifts, grants, and donations from any public or private source for the program.

The bill would apply beginning with the 2026-2027 academic year and would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2025.

NOTES:

According to the Legislative Budget Board, the fiscal implications of the bill cannot be determined due to the unavailability of data related to the number of institutions that would participate in the program, funding available for grant awards, and any grant amounts that would be awarded.

- SUBJECT:** Providing for telework by state agency employees
- COMMITTEE:** Delivery of Government Efficiency — committee substitute recommended
- VOTE:** 11 ayes — Capriglione, Bhojani, Alders, Bowers, Cain, Cook, Curry, Olcott, Rodríguez Ramos, Tinderholt, Troxclair
- 0 nays
- 2 absent — Campos, L. Garcia
- WITNESSES:** For — Ann Bishop, TPEA; Chase Norris, TSEU; Sam Bickley
- Against — None
- BACKGROUND:** Some have suggested that establishing a formal, statewide telework policy for state employees in statute would provide agencies with more flexibility to achieve their missions even when physical office space is lacking or costly, and ensure that both agencies and employees had clear expectations for telework.
- DIGEST:** CSHB 5196 would allow the administrative head of a state agency to enter into an agreement with an employee authorizing telework in order to address a lack of office space or provide reasonable flexibility that enhanced the agency’s ability to achieve its mission. Such an agreement would have to be in writing, include the reasons telework was being authorized, state the terms for revocation, and be renewed at least once a year after the employees began telework. The agency could revoke the agreement at any time and without notice. A state agency could not offer telework as a condition of employment.
- An agreement under the bill would not prohibit the agency from requiring an employee to report to a regular or assigned temporary place of employment or another location on a day on which the agreement otherwise authorized telework for a meeting, special event, or other

engagement for which the agency determined in-person interaction was necessary.

CSHB 5196 would require a state agency that authorized telework to develop a plan addressing the agency's telework policies and procedures. The plan would have to establish criteria for evaluating an employee's performance while teleworking, performance standards to ensure that performance remained satisfactory, a productivity monitoring system, and physical and information security controls at teleworking sites. The plan also would have to ensure that a teleworking employee was subject to the same rules and disciplinary actions as any other employee and prohibit an employee from conducting in-person business at the employee's residence. The agency would be required to publish the plan on its website.

The bill would take effect September 1, 2025.

SUBJECT: Eliminating vehicle emission inspections under certain conditions

COMMITTEE: Environmental Regulation — committee substitute recommended

VOTE: 6 ayes — Landgraf, Ordaz, Anchía, K. Bell, Bumgarner, Toth

0 nays

3 absent — Morales Shaw, Oliverson, Reynolds

WITNESSES: For — None

Against — Cyrus Reed, Lone Star Chapter Sierra Club; Sonia Joshi, Public Citizen; Greg Cole, Texas State Inspection Association; Stacy Suits, Travis Constable Pct 3 (*Registered, but did not testify*: Denisce Palacios, Climate Cabinet; Santiago Franco, Harris County Commissioners Court; Adrian Shelley, Public Citizen; Kenneth Flippin, Texas Chapter of US Green Building Council; Rebecca Edwards, Texas Impact; Julie Wheeler, Travis County Commissioners Court; Danielle Bryant)

On — (*Registered, but did not testify*: David Serrins, Texas Commission Environmental Quality)

BACKGROUND: Concerns have been raised that certain counties in Texas, including Kaufman County, are required to enforce annual emissions inspections for noncommercial vehicles due to federal mandates under the Clean Air Act, even though the majority of Texas counties are no longer required to enforce these inspections. Some have suggested that allowing the state to discontinue or revise its emissions inspection program if federal requirements change would help ensure more equitable treatment of vehicle owners across Texas.

DIGEST: CSHB 5033 would establish that the Texas Commission on Environmental Quality and the Department of Public Safety would not be required to implement or enforce any provision related to vehicle emissions under the Clean Air Act or any requirements related to

emissions inspections under Transportation Code provisions related to vehicle inspections.

The exemption would take effect on the 30th day after:

- the U.S. Congress enacted legislation that became law that repealed the federal Clean Air Act or amended it in a way that the motor vehicle emissions inspection and maintenance program established under relevant provisions of the Texas Clean Air Act was no longer required;
- the U.S. Supreme Court issued a judgment that recognized the authority of the states to prohibit vehicle emissions inspection and maintenance programs or to solely regulate vehicle emissions; or
- an amendment to the U.S. Constitution was adopted that gave states the authority to prohibit vehicle emissions inspection and maintenance programs or to solely regulate vehicle emissions.

The bill would take effect September 1, 2025.

NOTES:

According to the Legislative Budget Board, the bill would have a positive impact of \$4,028,544 to general revenue related funds through the biennium.

- SUBJECT:** Establishing provisions relating to skimmers on electronic terminals
- COMMITTEE:** Pensions, Investments & Financial Services — committee substitute recommended
- VOTE:** 7 ayes — Lambert, Plesa, Bryant, Bumgarner, Hayes, Holt, Schoolcraft
0 nays
2 absent — L. Garcia, Vo
- WITNESSES:** For — (*Registered, but did not testify*: Stephanie Mace, AARP Texas; Chris Jones, Combined Law Enforcement Associations of Texas (CLEAT); Robin Foster, Harris County Deputies’ Organization FOP Lodge 39; Ray Hunt, Houston Police Officers’ Union; Anthony Kivela, Houston Police Retired Officers Association; Carlos Ortiz, San Antonio Police Officers Association; Kate Decker, Texas Bankers Association; Desiree Castro, Texas Food & Fuel Association; Mitch Landry, Texas Municipal Police Association; Amy DeWeese, The PNC Financial Services Group; Steven Deline)
Against — None
On — Adam Colby, TX Financial Crimes Intelligence Center
- BACKGROUND:** Concerns have been raised about the growing sophistication of organized financial crimes through the use of card skimmers at gas pumps and other electronic terminals. While current law grants the Texas Department of Licensing and Regulation rulemaking authority with regard to preventing of the installation of skimmers on gas pumps, some have suggested that these provisions should be extended to address a broader range of devices.
- DIGEST:** CSHB 4853 would establish various provisions related to skimmers on electronic payment terminals, including reporting requirements, investigation procedures, a civil penalty, and criminal offenses. The bill would define an electronic terminal as an electronic device, other than a telephone operated by a consumer, through which a consumer may initiate

an electronic funds transfer. A skimmer would be defined as a wire or electronic device capable of unlawfully intercepting electronic communications or data to perpetrate fraud.

Duties for use of certain electronic terminals. If a service technician discovered a skimmer in or on an electronic terminal, the technician or the technician's service company would be required to notify the Financial Crimes Intelligence Center (FCIC) and the merchant of the skimmer in a manner prescribed by FCIC rule.

If a merchant discovered a skimmer, the merchant would be required, in a manner prescribed by FCIC rule, to:

- disable, or cause to be disabled, the terminal on which the skimmer was discovered;
- notify a law enforcement agency and FCIC that a skimmer had been detected; and
- take appropriate measures to protect the terminal from tampering until the center or law enforcement agency arrived and the skimmer was removed.

Report to FCIC. FCIC could accept a report of a suspected skimmer from any interested person, including:

- a law enforcement agency;
- a financial institution;
- a payment card issuer;
- a service technician or service company;
- a member of the public; and
- a payment card network.

Investigation by FCIC. The bill would authorize FCIC, on receipt of a report, to conduct an inspection for the presence of suspected skimmers. FCIC would be required to coordinate with law enforcement agencies in conducting the investigation.

If a skimmer was reported to be located in or on a terminal, FCIC could inspect, directly or in coordination with a law enforcement agency, that terminal and all other terminals located at that place of business. A merchant would be required to cooperate with FCIC or law enforcement agency during an investigation of a skimmer discovered or reported at the merchant's place of business and allow the inspection and alteration of a terminal as necessary.

Confidentiality. Except as otherwise provided, information from a report received by FCIC or prepared or compiled by the center in connection with the report or an investigation would be confidential and not subject to disclosure under the Public Information Act. Information could be disclosed to:

- an institution of higher education;
- a law enforcement agency;
- a payment card issuer, a financial institution that was not a payment card issuer, or a payment card network that could be impacted by the use of a skimmer on an electronic terminal;
- another person if the disclosure was authorized or required by other law or court order;
- a trade association representing a financial institution;
- an FCIC contractor or other agent; or
- the Texas Department of Banking.

The disclosure of this information would not be considered voluntary disclosure for the purposes of the Public Information Act.

On the dismissal or final resolution of an FCIC report, the information concerning the investigation would be subject to disclosure unless it was prohibited under relevant law from being disclosed by the Texas Department of Banking, or could be classified as confidential under applicable rules.

A law enforcement agency or FCIC could disclose confidential information to the public if the agency or FCIC's chief intelligence coordinator determined the disclosure of the information furthered a law

enforcement purpose, but could not disclose to the public the identity of a person who submitted a report of a suspected skimmer to FCIC.

Enforcement. The bill would establish a civil penalty and certain criminal offenses for activities related to card skimming at electronic terminals.

Civil penalty. A person who violated the bill or a rule adopted under the bill would be liable to the state for a civil penalty. The civil penalty could not exceed \$5,000 per day for each violation.

An action filed under the bill would have to be filed in a district court in Travis County. The attorney general could bring an action to collect the civil penalty. The attorney general and the Texas Department of Licensing and Regulation could recover reasonable expenses incurred in obtaining injunctive relief under this section, including court costs, reasonable attorney's fees, investigative costs, witness fees, and deposition expenses.

Criminal offense. The bill would establish that a person commits a class C misdemeanor (maximum fine of \$500) if the person refused to allow an inspection of an electronic terminal at the merchant's place of business. A person would commit a class B misdemeanor (up to 180 days in jail and/or a maximum fine of \$2,000) if the person negligently or recklessly disposed of a skimmer that was installed on an electronic terminal by another person. It would be a third-degree felony (two to 10 years in prison and an optional fine of up to \$10,000) if a person disposed of a skimmer installed on an electronic terminal by another person while knowing that an investigation was ongoing or that a criminal proceeding had commenced and was pending.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2025.

- SUBJECT:** Reducing tax liability for the purchase of Texas farm-raised oysters
- COMMITTEE:** Ways & Means — favorable, without amendment
- VOTE:** 13 ayes — Meyer, Martinez Fischer, Bernal, Button, Capriglione, Gervin-Hawkins, Hickland, Muñoz, Noble, V. Perez, Troxclair, Turner, Vasut
0 nays
- WITNESSES:** For — Kelsey Streufert, Texas Restaurant Association; Bradley Lomax, Texas Surf Conservancy; Eric Davis, TX Commercial Mariculture Oyster Advisory Board (*Registered, but did not testify*: Ryan Skrobarczyk, City of Corpus Christi; Patricia Shipton, City of Port Aransas, Nueces County; Billy Phenix, Coastal Conservation Association - Texas; Joey Park and Fred Shannon, Texas Oyster Mariculture Association; Jay Brown; Arthur Granado)
Against — (*Registered, but did not testify*: Steven Deline)
- BACKGROUND:** Concerns have been raised that many Texas oyster farmers face challenges in competing with oysters imported from other regions. Some have suggested that establishing a tax incentive for food service establishments that purchase Texas-raised oysters could help support the state’s oyster mariculture industry.
- DIGEST:** HB 3486 would authorize a taxpayer who owned a food service establishment and purchased Texas farm-raised oysters to deduct and withhold from the taxpayer’s tax liability for a quarter or month the amount equal to \$5 for every 100 Texas farm-raised oysters purchased to be prepared and served at the establishment during that quarter or month, as applicable.

The bill would authorize this deduction for each food service establishment for which a permit had been issued to the taxpayer. The bill would define a “Texas farm-raised oyster” as an oyster cultivated in the waters of the state in accordance with all applicable state and federal

regulations, and “food service establishment” would have the meaning assigned by relevant provisions in the Health and Safety Code.

The comptroller could require a taxpayer to provide any information deemed reasonably necessary to determine the accuracy of the amount deducted and withheld by the taxpayer and could adopt rules to implement the bill.

The bill would take effect October 1, 2025, and would not affect tax liability accrued before that date.

- SUBJECT:** Regulating agreements for purchase of an interest in residential property
- COMMITTEE:** State Affairs — favorable, without amendment
- VOTE:** 10 ayes — King, Hernandez, Darby, Geren, Guillen, McQueeney, Metcalf, Phelan, Smithee, Turner
- 1 nay — Anchía
- 4 absent — Y. Davis, Hull, Raymond, Thompson
- WITNESSES:** None (*Considered in a formal meeting on May 5*)
- BACKGROUND:** Concerns have been raised about a lack of statutory clarity regarding the rights of investors in certain residential developments controlled by business entities. Some have suggested that providing a legal framework for this type of residential arrangement would ensure the same protections for investors as those provided for traditional property owners.
- DIGEST:** HB 4211 would require an agreement for the purchase of an interest in a managing entity, meaning a business entity that owned residential property used in a residential arrangement, to disclose to the purchaser that the agreement was for the purchase of an interest in the entity and not in any residential property itself. Under the bill, a residential arrangement would mean an arrangement in which the purchase of an interest in a business entity was entitled to exclusive possession of residential property owned by the entity as long as the purchaser held the interest.
- HB 4211 also would authorize an owner of an interest in a managing entity to transfer the interest without approval from the entity. The bill would prohibit a managing entity from charging a fee for or sharing in the proceeds of such a transfer.
- HB 4211 would prohibit a managing entity from taking an action with respect to a real estate interest in the entity in a manner that violated the Texas Fair Housing Act, including restricting the transfer of the interest,

imposing requirements to maintain the interest, or refusing to grant an interest to an otherwise qualified person.

The bill would specify that provisions of the Texas Fair Housing Act allowing religious organizations, including associated nonprofits, to limit the sale, rental, or occupancy of dwellings that they own or operate for non-commercial purposes to persons of the same religion, and to give preference to persons of the same religion, did not apply to the sale, rental, or occupancy of a dwelling that was a single family house, duplex, triplex, or quadruplex located on a subdivided lot in a parcel of land 25 acres or greater.

HB 4211 would define a violation of the bill's provisions related to residential arrangements as a deceptive trade practice under the Deceptive Trade Practices-Consumer Protection Act.

In addition, the bill would prohibit the purchase agreement and any other agreement or rules governing the residential arrangement or ownership interest from requiring that a dispute concerning the arrangement or interest be brought before a tribunal other than a state or federal court.

The bill would not apply to a timeshare plan.

The bill would take effect September 1, 2025.

- SUBJECT:** Creating the Puerto Verde Port Authority District
- COMMITTEE:** Trade, Workforce & Economic Development — favorable, without amendment
- VOTE:** 10 ayes — Button, Talarico, K. Bell, Bhojani, Harris Davila, Longoria, Luther, Meza, Ordaz, Richardson
- 0 nays
- 1 absent — Lujan
- WITNESSES:** For — Ruben Garibay, Puerto Verde Holdings; Ross Martin, Winstead PC (*Registered, but did not testify*: Roxanna Rodriguez, Eagle grocery and market; Eric Villarreal, Transborder Real Estate; Prosser Wall, Ws land and cattle; and 6 individuals)
- Against — Jessie Fuentes, Eagle Pass Border Coalition; Enriqueta Diaz; David Heckert (*Registered, but did not testify*: Christopher Hiller)
- On — (*Registered, but did not testify*: Andrea Chavez, City of Eagle Pass)
- BACKGROUND:** Some have suggested that the Puerto Verde international port of entry, a binational trade and industrial development in Maverick County, would benefit from an established governing body to oversee port operations.
- DIGEST:** HB 74 would create the Puerto Verde Port Authority District as a special purpose district and specify the territory initially included in the district.
- HB 74 would authorize the district to:
- contract with public or private entities;
 - support improvement projects or services;
 - create a nonprofit corporation to assist with project implementation;
 - join charitable or nonprofit organizations;
 - implement economic development programs.
 - develop parking facilities;

- add or exclude land;
- maintain rail and bridge infrastructure; and
- contract for law enforcement services.

The district also would have the powers provided by statute applicable to navigation districts.

The district would be governed by a board of five elected voting directors serving staggered four-year terms, and the bill would establish certain provisions for board governance.

If approved by voters, the district would be allowed to impose ad valorem and operations and maintenance taxes. It could issue bonds to pay for authorized district purposes payable from taxes, assessments, fees, revenues, or other district money. Bonds secured by property tax revenue would require voter approval.

The district could impose assessments, but could not finance projects using assessments unless a written petition by property owners representing a majority of the assessed value of real property in the district was filed with the board.

The district would have eminent domain authority only if the bill received a two-thirds majority vote in each legislative chamber.

The bill would establish procedures for the dissolution of the district either on petition from qualifying landowners or by board vote. The district could not be dissolved if it held debt, had contractual obligations to pay money, or owned, operated, or maintained public infrastructure unless the infrastructure was transferred to another entity.

HB 74 would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2025.

- SUBJECT:** Revising certain HHSC dispute resolution provisions for nursing facilities
- COMMITTEE:** Human Services — committee substitute recommended
- VOTE:** 10 ayes — Hull, Manuel, A. Davis, Dorazio, Noble, Richardson, Rose, Schatzline, Slawson, Swanson
- 0 nays
- 1 absent — C. Morales,
- WITNESSES:** For - Patrick Crump, Morningside Ministries; Travis Clardy, Texas Health Care Association; Darrell Zurovec, Touchstone Communities Inc
(*Registered, but did not testify*: Leticia Caballero, HMG Healthcare, LLC; Carmen Tilton, Texas Assisted Living Association; Stephen Howsley, The Independent Coalition of Nursing Home Providers; Blake Daniels, John Darby, TORCH; Irma Jacobson)
- Against — None
- On — Ashland Spencer- Batiste, Health and Human Services Commission
(*Registered, but did not testify*: Michelle Dionne-Vahalik, Health and Human Services Commission)
- BACKGROUND:** Some have suggested that statute related to dispute adjudication between the Health and Human Services Commission (HHSC) and nursing facilities, as well as the imposition of penalties on nursing facilities, should be clarified to ensure that HHSC was bound by a decision of a disinterested nonprofit adjudicator in disputes and could not assess duplicative penalties.
- DIGEST:** CSHB 4670 would establish that a decision under the informal dispute resolution process for certain long-term care facilities by the contracting person adjudicating a dispute between the Health and Human Services Commission (HHSC) and a licensed assisted living, convalescent, or nursing facility or related institution would be binding on and could not be overturned by HHSC.

The bill would prohibit HHSC from imposing an administrative penalty against a nursing facility for a violation under relevant statute if the violation arose from the same act or failure to act that was the subject of a penalty imposed by the Centers for Medicare and Medicaid Services (CMS). HHSC also would be prohibited from imposing an administrative penalty for an act that was the subject of a penalty appealed by the facility under federal law before the facility exhausted all rights of appeal if:

- the federal requirement was the same or substantially similar to a requirement under applicable state law; and
- the violation did not arise out of the same act or failure to act that was the subject of a penalty imposed by CMS.

The bill would prohibit HHSC from retaliating against a nursing facility in response to the facility in good faith appealing an HHSC decision or filing another action to counter an HHSC action against the facility.

The bill would take effect September 1, 2025.

- SUBJECT:** Amending requirements for parental relinquishment and adoption
- COMMITTEE:** Human Services — favorable, without amendment
- VOTE:** 10 ayes — Hull, Manuel, A. Davis, Dorazio, Noble, Richardson, Rose, Schatzline, Slawson, Swanson
- 0 nays
- 1 absent — C. Morales,
- WITNESSES:** For - (*Registered, but did not testify*: Brandon Logan, Family Freedom Project; Julia Hatcher, Texas Association of Family Defense Attorneys; Jennifer Allmon, The Texas Catholic Conference of Bishops)
- Against — Heidi Cox, The Gladney Center
- On — (*Registered, but did not testify*: Rachel Ashworth-Mazerolle, Health and Human Services Commission)
- BACKGROUND:** Concerns have been raised that expectant mothers and prospective adoptive parents may not be fully informed about their legal rights and options when considering adoption due to the variety of information available from different sources and certain time constraints.
- DIGEST:** HB 4730 would revise and establish provisions relating to the voluntary relinquishment of parental rights, adoption, and the regulation of child-placing agencies.
- Affidavit of voluntary relinquishment of parental rights.** The bill would revise the timing and requirements for an affidavit for voluntary relinquishment of parental rights. The bill would change the timeframe in which the affidavit would have to be signed by the parent, whether or not a minor, whose parental rights were to be relinquished from after the birth of the child, but not before 48 hours after the birth, to on or after the seventh day after the birth of the child.

The bill would require the affidavit to be on a form adopted by the Department of Family and Protective Services (DFPS), as provided by the bill, and require the form to be made available on DFPS's website. The form would have to include an explanation of the circumstances under which an affidavit could be revoked and procedures for revocation. The form also would have to specify a parent's right to:

- seek child support if the parent chose not to relinquish the parent's rights;
- consider alternatives to adoption, including kinship care or temporary assistance;
- apply for and potentially receive government benefits;
- consult with an attorney before signing the affidavit;
- seek counseling regarding adoption and relinquishment of parental rights;
- receive information about post-adoption contact agreements;
- request certain non-identifying information on prospective adoptive parents;
- receive a copy of each signed document related to the relinquishment of parental rights;
- receive any medical record or genetic screening information related to the child before relinquishment; and
- register with a mutual consent voluntary adoption registry, including the central registry established and maintained by the vital statistics unit.

The bill would remove the allowance for an affidavit of relinquishment, other than one that designates DFPS or a child-placing agency to serve as the managing conservator, to be irrevocable, and would establish that the period during which these types of affidavits were revocable was 60 days after the date of execution.

The bill would require DFPS to adopt the form by March 1, 2026.

Notice of rights for prospective adoptive parents. The bill would require DFPS to adopt and make available on its publicly accessible website a form to notify a prospective adoptive parent of their rights related to adoption. The bill would require the form to include an explanation of an adoptive parent's right to:

- know the location and conditions of the child’s birth, including any drugs administered to the child or the child’s mother during birth,
- examine certain records and other information relating to the history of the child under applicable state law;
- be informed of any legal risks related to the prospective adoption, including pending paternity claims or other contests;
- receive copies of all legal documents related to the adoption;
- request certain non-identifying information regarding the biological parents and any biological siblings of the child;
- seek access to post-adoption resources, including counseling, legal assistance, and support groups; and
- receive an itemized list of each cost associated with an adoption.

The bill would require DFPS, a licensed child-placing agency, or other entity placing a child for adoption to provide the notice of rights to a prospective adoptive parent. This requirement would apply to adoption placement services provided on or after March 1, 2026.

Rules and standards for child-placing agency. HB 4730 would require the executive commissioner of the Health and Human Services Commission (HHSC), as soon as practicable after the bill’s effective date but not later than January 1, 2026, to adopt rules governing:

- minimum training standards for an employee, director, or operator of a child-placing agency;
- annual compliance reporting by child-placing agencies;
- the duties of child-placing agencies to ensure compliance with training standards and licensing requirements;
- and procedures for the filing of a complaint against a child-placing agency.

The bill would require the minimum training standards prescribed by the executive commissioner to require an employee, director, or operator of a child-placing agency to receive training regarding parental rights of adoptive parents and procedures for the relinquishment of parental rights.

The bill would take effect September 1, 2025.

SUBJECT: Authorizing licensure of mobile stroke units under hospital licenses

COMMITTEE: Public Health — favorable, without amendment

VOTE: 12 ayes — VanDeaver, Campos, Bucy, Collier, Cunningham, Frank,
Johnson, J. Jones, Olcott, Pierson, Schofield, Shofner

0 nays

1 absent — Simmons

WITNESSES: For — James Grotta, Texas Neurological Society (*Registered, but did not testify*); Charles Cascio, AARP Texas; Maureen Milligan, Teaching Hospitals of Texas; David Reynolds, Texas Chapter American College of Physicians; John Hawkins, Amanda Tollett, Matt Dowling; Kim Monday, Michelle Romero, Texas Medical Association; Sara Austin, Tom Holloway, Texas Neurological Society; Elisa Hernandez, University Medical Center of El Paso; Stephanie Parker)

Against — None

On — Rachael Turner, HHSC

BACKGROUND: Concerns have been raised that current licensing rules may limit the ability of mobile stroke units, which can improve survival and reduce long-term stroke impacts, to operate under a hospital license. Some have suggested that authorizing the Department of State Health Services to license accredited mobile stroke units under a hospital license could support access to rapid stroke diagnosis and lifesaving treatment in rural and remote areas.

DIGEST: HB 4743 would authorize the Department of State Health Services to issue one license for a hospital and its mobile stroke unit if the mobile stroke unit is accredited by a health care accreditation organization approved by the Centers for Medicare and Medicaid Services. The bill would require the executive commissioner of the Health and Human

Services Commission to adopt rules necessary to implement this authorization as soon as practicable after the bill's effective date.

The bill would exempt mobile stroke units licensed under the bill from the requirement to post a hospital license in a conspicuous place on the licensed premises.

The bill would take effect September 1, 2025.

- SUBJECT:** Setting deadline to request mandatory mediation for health benefit claims
- COMMITTEE:** Insurance — committee substitute recommended
- VOTE:** 8 ayes — Dean, Vo, J. González, Goodwin, Hopper, Morgan, Paul, Wharton
- 0 nays
- 1 absent — Spiller
- WITNESSES:** For — Blake Hutson, Texas Association of Health Plans (*Registered, but did not testify*); Charles Cascio, AARP Texas; Jesse Sifuentez, Baylor Scott & White Health; Cameron Duncan, Blue Cross and Blue Shield of Texas; Faith Villarreal, Texas Association of Business; Janet Walker, Texas Association of Community Health Plans)
- Against — Heather De La Garza-Barone, Texas Hospital Association (*Registered, but did not testify*); Juliana Kerker, HCA Healthcare; Ify Ashibuogwu; Evan Autry; Ebere Okafor)
- On — (*Registered, but did not testify*): Cindy Wright, Texas Department of Insurance)
- BACKGROUND:** Insurance Code sec. 1467.054(a) permits an out-of-network provider or a health benefit plan issuer or administrator to request mandatory mediation to settle an enrollee’s health benefit claim.
- Concerns have been raised that a mediation lookback period for disputed medical charges was not included in certain 2019 legislation, allowing certain facilities to take advantage. Some have suggested that aligning the process for disputing medical charges through mediation with the set deadline established under arbitration law could address this gap in statute.
- DIGEST:** CSHB 4603 would establish a deadline to request mandatory mediation under Insurance Code sec. 1467.054(a) of no later than 90 days after an

out-of-network provider received an initial payment for a health care or medical service or supply.

The bill would apply to a health care or medical service or supply provided:

- within 30 days after the bill's effective date, if an out-of-network provider or health benefit plan issuer or administrator requested mandatory mediation in relation to payment for the service or supply within 120 days after the effective date; or
- on or after the 30th day after the bill's effective date.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2025.

- SUBJECT:** Expanding authorized activities of nonresident brewer’s license holders
- COMMITTEE:** Licensing & Administrative Procedures — committee substitute recommended
- VOTE:** 12 ayes — Phelan, Thompson, Gerdes, Geren, Harless, Harris, Hernandez, Longoria, McQueeney, Patterson, M. Perez, Romero
- 0 nays
- 1 absent — Walle
- WITNESSES:** For — Bob Hunt, Molson Coors Beverage Company (*Registered, but did not testify*); Lance Lively, Texas Package Stores Association; Doug Davis and Tom Spilman, Wholesale Beer Distributors of Texas)
- Against — None
- On — (*Registered, but did not testify*): Matthew Cherry and Thomas Graham, TABC)
- BACKGROUND:** Concerns have been raised that current laws restrict the authorized activities of nonresident brewers in transporting malt beverages and forming contracts with other brewers. Some have suggested that there is a need to amend the laws in order to facilitate joint production activities and promote flexibility in the alcoholic beverage industry.
- DIGEST:** CSHB 4463 would expand Alcoholic Beverage Code provisions regarding use of facilities to authorize the holder of a brewer’s license to contract with the holder of a brewer’s or nonresident brewer’s license, rather than only another holder of a brewer’s license, to provide manufacturing services or to use the license holder’s manufacturing facilities under an alternating brewery proprietorship. Each party would be required to hold a brewer’s license in Texas at the location where brewing services were conducted.

The bill also would authorize a nonresident brewer's license holder to transport or cause malt beverages to be transported into the state from any of the license holder's locations outside of the state without having to hold a separate nonresident brewer's license for each location.

The bill would prohibit a nonresident brewer's license holder from soliciting, accepting, or filling an order for malt beverages from a brewer's or distributor's license holder unless the nonresident brewer was the primary American source of supply for the brand of malt beverages that was ordered. The bill would consider a nonresident brewer that was the primary American source of a supply for a malt beverage as the brewer of a malt beverage for purposes of territorial limits on sales and fair dealing laws.

The bill would specify that there could only be one primary American source of supply, defined as the brewer, the producer, the owner of the commodity at the time it became a marketable product, the bottler, or the exclusive agent of any of those. To qualify, a brewer would have to be the first source in the channel of commerce from which the product could be secured by Texas distributors or brewers.

The bill would repeal a provision regarding the authority for a brewer's or nonresident brewer's license holder to contract with a nonresident brewer.

The Texas Alcoholic Beverage Commission (TABC) would be required to adopt rules to adjust or increase fees related to certificates, permits, and licenses as necessary to cover the costs of administering the bill.

The bill would take effect September 1, 2025.

- SUBJECT:** Limiting county regulation of lot sizes and building and set-back lines
- COMMITTEE:** Land & Resource Management — committee substitute recommended
- VOTE:** 5 ayes — Gates, Lalani, Alders, Y. Davis, Morgan
2 nays — Hinojosa, Virdell
2 absent — Hunter, R. Lopez
- WITNESSES:** For — David Cupit, Cude Engineers; Bill Ellison, Richard Mazzarino, Greater Houston Builders Association, Texas Association of Builders; Charlie Coleman, Lennar; Julianne Kugle (*Registered, but did not testify*: Cody Miller, Greater Houston Builders Association, Texas Association of Builders; Diana Miller, Schwartz, Page & Harding, LLP; J.D. Hale, Texas Association of Builders; DJ Pendleton, Texas Manufactured Housing Association; Seth Juergens, Texas Realtors; Chuck Mains, Tri Oak Dev; Ross Martin, Winstead PC; Trey Lary; Joshua Majors; Chris Tirey)
- Against — (*Registered, but did not testify*: Melissa Shannon, Bexar County Commissioners Court; Rick Thompson, County Judges and Commissioners Association of Texas; Aaron Taliaferro, Director, Tarrant County Government Relations; Elisa M. Tamayo, El Paso County; Cicely Kay, Travis County Commissioners Court)
- On — Adam Haynes, Conference of Urban Counties
- BACKGROUND:** Current law authorizes a county commissioners court to prohibit the location of a new building within certain lines in the county outside of a municipality if the commissioners court determines that the general welfare will be promoted. Some have suggested that clarifying the regulatory authority of counties over infrastructure planning would reduce barriers to more efficient land use and increase development flexibility and housing affordability
- DIGEST:** CSHB 3892 would prohibit a commissioners court from adopting or enforcing a regulation that established minimum lot frontages on a public

or private road platted or created on or after the bill's effective date, except as otherwise provided by existing laws. The bill also would add the placement of buildings constructed on a particular tract of land to the aspects of construction that a county commissioner's court could not regulate unless otherwise authorized under state law.

The bill would amend provisions allowing a commissioners court to establish reasonable building and set-back lines, including by applying the authority only in relation to certain roads that existed on September 1, 2025.

CSHB 3892 would specify that a provision prohibiting a county commissioners court from regulating the number of residential units per acre of land included doing so by regulating minimum lot size, minimum lot width and depth, and building setbacks, or by imposing any other regulation that limited density or development. This provision would not apply to a tract of land located in certain counties bordering the Gulf of Mexico.

The bill would take effect September 1, 2025.

- SUBJECT:** Prohibiting the use of videography in certain court proceedings
- COMMITTEE:** Judiciary & Civil Jurisprudence — committee substitute recommended
- VOTE:** 11 ayes — Leach, Johnson, Dutton, Dyson, Flores, J. González, Hayes, LaHood, Landgraf, Moody, Schofield
- 0 nays
- WITNESSES:** For — Robert Garza, Americans for Judicial Accountability; Kelly Higgins, Hays County Criminal District Attorney’s Office; Jennifer Lundy, Texans for Judicial Accountability (*Registered, but did not testify*: Jacob Putman and Thomas Wilson, Smith County Criminal District Attorney’s Office; Kristen Lenau, Texas Association Against Sexual Assault; Lisa Medina, Texas Council On Family Violence; Steven Deline; Jarvis Parsons)
- Against — Charles Suehs (*Registered, but did not testify*: Taran Champagne)
- BACKGROUND:** Some have suggested that prohibiting the use of videography, including livestreaming, during certain court proceedings and for certain defendants would protect the privacy and safety of jurors and litigants.
- DIGEST:** CSHB 4139 would prohibit the use of videography in the following circumstances:
- during voir dire examination of a prospective juror;
 - in a court proceeding involving a child under age 18 who was or was alleged to have been a victim of sexual assault, injury to a child or disabled individual, abandonment or endangerment of a child or disabled individual, harassment, family violence, or other conduct in which evidence that would be embarrassing to the child could be offered; or
 - in a court proceeding involving a person 18 years of age or older who was or was alleged to have been a victim of one of the crimes

stated above, unless the person voluntarily authorized the use of videography.

For cases involving applicable adult victims, the court would be required to notify the victim or alleged victim of the person's right to authorize the use of videography.

Videography could record a juror only on the juror's consent and could be used only after the juror had been discharged from jury duty.

Restrictions on the use of videography could not be interpreted as restricting the admissibility of a recorded forensic interview or other prerecording as evidence in a court proceeding.

The bill would not prohibit the use of videography by court staff if the court was not physically open and the use of videography was necessary to comply with the Texas Constitution's requirement for open courts or if the information recorded by videography was for court operations or security purposes and was confidential except to court staff.

The bill would take effect September 1, 2025.

SUBJECT: Amending certain charitable property tax exemption requirements

COMMITTEE: Ways & Means — committee substitute recommended

VOTE: 13 ayes — Meyer, Martinez Fischer, Bernal, Button, Capriglione, Gervin-Hawkins, Hickland, Muñoz, Noble, V. Perez, Troxclair, Turner, Vasut
0 nays

WITNESSES: For — None
Against — (*Registered, but did not testify:* Steven Deline)

BACKGROUND: Concerns have been raised that a property tax exemption for certain charitable organizations has been applied inconsistently across counties due to differing interpretations of certain requirements for the exemption.

DIGEST: CSHB 4752 would remove the requirement that certain charitable organizations be affiliated with a state or national organization in order to qualify for a property tax exemption for real and personal property used for charitable activities.

The bill would specify that a charitable organization would remain eligible for the exemption even if it distributed contributions to public institutions of higher education.

The change would apply only to property tax years beginning on or after the effective date. The bill would take effect September 1, 2025.

- SUBJECT:** Lowering local funding match requirements for certain airports
- COMMITTEE:** Transportation — favorable, without amendment
- VOTE:** 12 ayes — Craddick, M. Perez, Curry, Gámez, Harris Davila, Hefner, LaHood, Little, C. Morales, E. Morales, Patterson, Paul
- 0 nays
- 1 absent — Canales
- WITNESSES:** For — (*Registered, but did not testify:* Elisa M. Tamayo, El Paso County; Steven Deline)
- Against — None
- On — (*Registered, but did not testify:* Dan Harmon)
- BACKGROUND:** Transportation Code sec. 21.105(b) establishes that before providing a loan or grant to a state agency with a governing board authorized to operate an airport or to a governmental entity, the Texas Transportation Commission must require that at least 10 percent of the total project cost be provided by sources other than the state.
- Some have suggested that lowering the 10 percent local match requirement general aviation airports must meet to qualify for state aviation grant funding could help more airports receive financial assistance to support the construction and repair of their aviation facilities.
- DIGEST:** HB 4520 would amend Transportation Code sec. 21.105(b) such that the Texas Transportation Commission, before approving a loan or grant to a state agency with a governing board authorized to operate an airport or to a governmental entity, must require that at least:
- 10 percent of the total project cost be provided by sources other than the state; or

- if the airport is located in an economically disadvantaged county, 5 percent of the total project cost be provided by sources other than the state.

The bill would take effect September 1, 2025.

- SUBJECT:** Authorizing TABC jurisdiction over delinquent wholesaler payments
- COMMITTEE:** Licensing & Administrative Procedures — committee substitute recommended
- VOTE:** 12 ayes — Phelan, Thompson, Gerdes, Geren, Harless, Harris, Hernandez, Longoria, McQueeney, Patterson, M. Perez, Romero
- 0 nays
- 1 absent — Walle
- WITNESSES:** For — Natasha Dehart, Texas Distilled Spirits Association (*Registered, but did not testify*); Vic Brooks, Republic National Distributing Company; Joey Bennett, Todd Kercheval, Ricky Knox, Wine and Spirits Wholesalers of Texas (WSWT)
- Against — None
- On — (*Registered, but did not testify*): Matthew Cherry and Thomas Graham, TABC)
- BACKGROUND:** Concerns have been raised regarding a lack of legal enforcement when wholesalers are late in paying liquor manufacturers. Some have suggested creating a process for oversight by the Texas Alcoholic Beverages Commission (TABC) to address this concern.
- DIGEST:** CSHB 4517 would codify a process for liquor purchases by the holder of a wholesaler's permit (wholesaler) from a holder of a distiller's and rectifier's permit (distiller). The distiller would be required to provide a written invoice to the wholesaler, and the wholesaler would have to pay for the liquor in accordance with the agreed terms of a contract or written agreement with the distiller.
- A wholesaler would become delinquent in the payment of an invoice if the wholesaler failed to pay the amount due to the distiller on or before the agreed-upon payment date, after receiving a demand for payment from the

distiller in accordance with the contract or written agreement. The distiller could report the delinquency in writing, along with any supporting documentation, to TABC.

It would be a violation of law for the wholesaler to become delinquent in the payment of an invoice, and TABC could take disciplinary action against the wholesaler for a violation. In determining an appropriate disciplinary action, TABC could consider:

- the duration of the delinquency;
- the amount of the delinquent payment;
- any previous violations committed by the wholesaler;
- the financial resources of the wholesaler; and
- any other relevant factors.

The bill would require TABC to adopt rules to implement the bill, including rules for the supporting documentation in a distiller's complaint.

The bill would take effect September 1, 2025.

- SUBJECT:** Authorizing appropriations for claims and judgments against the state
- COMMITTEE:** Appropriations — committee substitute recommended
- VOTE:** 23 ayes — Bonnen, M. González, Barry, DeAyala, Fairly, Garcia Hernandez, Cassandra, Gervin-Hawkins, Howard, V. Jones, Kitzman, J. Lopez, Lujan, Manuel, Martinez, Oliverson, Orr, Rose, Simmons, Slawson, Tepper, Villalobos, Walle, Wu
- 1 nay — Harrison
- 3 absent — Collier, Goodwin, Lozano
- WITNESSES:** For — (*Registered, but did not testify:* Jennifer Truelove, McKool Smith)
- Against — None
- On — (*Registered, but did not testify:* Austin Kinghorn, Office of the Attorney General; Rob Coleman, Tom Currah, Christiana Moreton, and Victoria North, Texas Comptroller of Public Accounts)
- BACKGROUND:** At the end of each state fiscal biennium, additional appropriations are generally required to cover outstanding claims and judgments against the state, such as voided warrants due to statutes of limitations, unpaid vendor invoices, outstanding charges for Medicaid recipients, and court judgment settlements. Some have suggested that these funds should be appropriated to ensure that the state meets its financial obligations.
- DIGEST:** CSHB 4486 would appropriate funds from the General Revenue Fund, the State Highway Fund, the Federal Disaster Fund, the Coronavirus Relief Fund, the Economic Stabilization Fund, the Sales Tax Guaranty Trust Account, and the Attorney General’s Suspense Account to pay itemized claims and judgments, along with any applicable interest, against the State of Texas.
- Before any claim or judgment could be paid with money appropriated by the bill, it would have to be verified and substantiated by the administrator

of the special fund or account against which the claim or judgment would be charged and approved by the attorney general and the comptroller of public accounts by the second anniversary of the effective date.

Each claim or judgment paid from money appropriated by the bill would have to include such information as the comptroller of public accounts requires, but at a minimum, would have to contain the specific reason for the claim or judgment.

If a claim or judgment was for a void warrant, a claim would have to include a specific identification of the goods, services, refunds, or other items for which the warrant was originally issued, and a certification by the original payee or the original payee's successors, heirs, or assigns that the debt was still outstanding.

If a claim or judgment were for unpaid goods or services, the claim or judgment would have to be accompanied by an invoice or other acceptable documentation of the unpaid account and any other information required by the comptroller.

Subject to the conditions and restrictions in the bill and the provisions stated in the judgements, the comptroller would be authorized and directed to issue one or more warrants on the state treasury, as soon as possible following the bill's effective date, in favor of each of the individuals, firms, or corporations named or claim numbers identified in the bill, in an amount not to exceed the amounts specified in the bill.

Provisions authorizing appropriations from the Economic Stabilization Fund would take effect only if the bill passed by a two-thirds record vote of the membership of each house. Otherwise, the entire bill would take effect immediately.

NOTES:

According to the Legislative Budget Board, the bill would have a negative impact of \$9,283,108 to general revenue related funds through the biennium.

- SUBJECT:** Establishing a content provenance system to track certain digital content
- COMMITTEE:** Delivery of Government Efficiency — committee substitute recommended
- VOTE:** 11 ayes — Capriglione, Bhojani, Alders, Bowers, Campos, Cook, Curry, L. Garcia, Olcott, Tinderholt, Troxclair
- 0 nays
- 2 absent — Cain, Rodríguez Ramos
- WITNESSES:** For — (*Registered, but did not testify:* Rahul Sreenivasan, Texas 2036)
- Against — None
- On — Mackenzie Rhine, EFF-Austin (*Registered, but did not testify:* John Hoffman, Department of Information Resources; Kevin Welch, EFF-Austin)
- BACKGROUND:** Concerns have been raised about the increased need to verify the origin, source, and background of digital content available online due to the ability of artificial intelligence (AI) to create or alter content. Some have suggested creating a system through which certain information from the Department of Information Resources (DIR) is identified and provided in a publicly accessible online tool.
- DIGEST:** DIR would be required to implement and maintain a content provenance system to:
- embed into each piece of content created and owned by DIR and posted on a state website the content’s content provenance; and
 - include a hash for each piece of content created and owned by DIR and posted on a state website, and record the hash in a cryptographic hash database.

The bill would require the content provenance system to be tamper-evident and readily verifiable by the general public through accessible online tools or interfaces. DIR could provide technical assistance to another state agency to assist the agency in implementing a content provenance system for the agency's content.

Under the bill, "content provenance" would be defined as information in a format that was compliant with guidelines or specifications adopted by an established standards-setting body, and would include:

- the origin of the content;
- the content's modification history;
- whether the content was wholly or partly synthetic content; and
- if the content was synthetic, the name of the generative artificial intelligence provider whose generative artificial intelligence tool generated the synthetic content.

A "cryptographic hash database" would be defined as a secure repository for storing digital signatures or hashes generated from content that could be used to verify that the content had not been altered. "Hash" would mean a cryptographic representation of an original piece of content.

DIR would be required to implement the content provenance system by September 1, 2026. The bill would apply to any content DIR created and owned on or after DIR implements the system.

CSHB 4437 would take effect September 1, 2025.

- SUBJECT:** Establishing term limits for commercial surface disposal facility permits
- COMMITTEE:** Energy Resources — committee substitute recommended
- VOTE:** 7 ayes — Darby, E. Morales, Dyson, J. Garcia, Gerdes, Reynolds, Rosenthal
- 0 nays
- 4 absent — Craddick, Dean, Gates, Guerra
- WITNESSES:** For — (*Registered, but did not testify:* Julie Range, Commission Shift Action; Jimmy Carlile, Fasken Oil and Ranch; Cyrus Reed, Lone Star Chapter Sierra Club; Jay Allison, Milestone Environmental Services; Ben Sebree, Republic Services; Ryan Paylor, Texas Independent Producers & Royalty Owners Association (TIPRO); Fred Shannon and Lauren Spreen, Waste Management Energy Services)
- Against — None
- On — (*Registered, but did not testify:* Paul Dubois, Railroad Commission of Texas)
- BACKGROUND:** Concerns have been raised that commercial surface disposal facility permits issued by the Railroad Commission of Texas currently lack a standard term limit, resulting in inconsistent durations and inefficient use of state and industry resources.
- DIGEST:** CSHB 4426 would establish that, unless otherwise provided by law, a permit for a commercial surface disposal facility was valid for a term of no more than 10 years and included the right of successive renewal upon expiration for areas within the existing permit boundaries.
- In determining the appropriate term for a new, amended, or renewal permit for a commercial surface disposal facility, the Railroad Commission of Texas (RRC) could consider the applicant’s compliance history with RRC rules and permits, for the subject facility or for similar

waste management facilities, based on prior inspections, quarterly reports, and other relevant evidence documented by RRC. An application for renewal of a permit would have to be made by the 120th day before the existing permit expiration date.

The bill would take effect September 1, 2025, and would apply only to the issuance, amendment, or renewal of a permit by the RRC on or after that effective date.