HOUSE RESEARCH ORGANIZATION • TEXAS HOUSE OF REPRESENTATIVES
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HOUSE RESEARCH ORGANIZATION

daily floor report

Friday, May 9, 2025
89th Legislature, Number 60
The House convenes at 10 a.m.
Part One

Two resolutions are on the Constitutional Amendments Calendar and 73 bills are on the General State Calendar for second reading consideration today. The list of bills in Part One of the *Daily Floor Report* begins on the following page.

Gary VanDeaver
Chairman
89(R) - 60

HOUSE RESEARCH ORGANIZATION

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Part 1

SUBJECT: Establishing the right to use mutually agreed upon mediums of exchange

COMMITTEE: Pensions, Investments & Financial Services — committee substitute recommended

VOTE: 6 ayes — Lambert, Plesa, Bryant, Bumgarner, Hayes, Schoolcraft

0 nays

3 absent — L. Garcia, Holt, Vo

WITNESSES: For — Tom Glass, Texas Constitutional Enforcement (*Registered, but did not testify*: Diana Chambless)

Against — None

On — Jason Buster

DIGEST: CSHJR 175 would amend the Texas Constitution to prohibit the infringement of the right of a person to own, hold, and use a mutually agreed upon medium of exchange, including cash, coin, bullion, digital currency, or privately issued scrip, when trading and contracting for goods and services. The government could not prohibit or encumber the ownership or holding of any form or amount of money or other currency. Nothing in the resolution could be construed as restricting the state from choosing the medium of exchange that the state will accept for payments made to the state.

The ballot proposal would be presented to voters at an election on November 4, 2025, and would read "The constitutional amendment recognizing the right of the people to own, hold, and use a mutually agreed upon medium of exchange, including cash, coin, bullion, digital currency, or privately issued scrip."

SUPPORTERS SAY: By amending the Texas Constitution to establish the right of Texans to use mutually agreed upon mediums of exchange, CSHJR 175 would grant Texans more financial stability and economic freedom. As inflation rises

and federal debt grows, savings, retirement accounts, and overall economic independence and stability could be at risk. Allowing the use of alternative, negotiable assets like cryptocurrency for transactions would help protect individuals from changes to the value of the U.S. dollar and reduce reliance on the fiat system.

In addition, establishing Texans' right to use various currencies would help promote individual liberties and balance power between the state and its citizens, granting individuals more control over their financial decisions. The state should not have unlimited power to control or regulate financial transactions, and this resolution would strengthen Texas' position to challenge potential federal overreach of natural rights unenumerated in the U.S. Constitution. The resolution also would allow for market competition between currencies and foster innovation in commerce and banking.

CSHJR 175 would not expand the government's involvement in transactions conducted with alternative forms of currency, but rather would be a forward-thinking step toward allowing individuals to preserve the value of their money and protect their financial futures in the manner they see fit.

CRITICS SAY:

Without explicit protections regarding the use of digital or private currencies, CSHJR 175 could undermine, rather than promote, economic freedom and individual rights. The resolution would introduce a constitutional pathway for digital currencies without placing clear limits on their use, which could allow the government to control or prohibit private transactions through digital currency infrastructure.

SUBJECT: Authorizing tax exemption for rainwater harvesting or graywater systems

COMMITTEE: Ways & Means — favorable, without amendment

VOTE: 11 ayes — Meyer, Martinez Fischer, Bernal, Button, Capriglione, Gervin-Hawkins, Hickland, Muñoz, Troxclair, Turner, Vasut

0 nays

2 absent — Noble, V. Perez

WITNESSES: For — (*Registered, but did not testify*: Rick Thompson, County Judges and Commissioners Association of Texas; Sam Gammage, Dow; Luke Metzger, Environment Texas; Maya Grever, Harris County Commissioners Court; Cliff Kaplan, Hill Country Alliance; Cyrus Reed, Lone Star Chapter Sierra Club; Sarah Floerke Gouak, Lower Colorado River Authority; Tom Entsminger, National Wildlife Federation; Adrian Shelley, Public Citizen; J.D. Hale, Texas Association of Builders; Kenneth Flippin, Texas chapter US Green Building Council; Blake Roach, Texas Farm Bureau; Jennifer Allmon, The Texas Catholic Conference of Bishops; Julie Wheeler, Travis County Commissioners Court)

Against — (*Registered, but did not testify*: Adam Cahn)

DIGEST: HJR 88 would amend the Texas Constitution to permit the Legislature by general law to authorize a county commissioners court to exempt from property taxation by each political subdivision that taxes the property the portion of the assessed value of a person's property that was attributable to the installation in or on the property of a rainwater harvesting or graywater system. The Legislature could provide additional eligibility requirements for the exemption.

A ballot proposal would be presented to voters at an election on November 4, 2025, and would read: "The constitutional amendment to authorize the commissioners court of a county to exempt from ad valorem taxation by each political subdivision that taxes the property the portion of

the assessed value of a person's property that is attributable to the installation in or on the property of a rainwater harvesting or graywater system."

SUPPORTERS SAY:

HJR 88 would incentivize water conservation by exempting rainwater and graywater harvesting systems from property taxes. Much of Texas is in a state of drought, and rainwater and graywater harvesting systems are a useful conservation tool and water management strategy. Currently, property owners are disincentivized from installing rainwater or graywater harvesting systems on their property because the systems could increase the appraised value of the property and, thus, increase the property owner's taxes. HJR 88 would encourage the installation of these helpful water conservation systems to protect the state's water supply and mitigate the impacts of drought.

The resolution also would align with similar tax exemptions in current law, such as the property tax exemption to encourage the installation of solar panels and the sales tax exemption for rainwater harvesting equipment and supplies.

CRITICS SAY:

HJR 88 would narrow the tax base and shift the tax burden onto other property owners by removing property value from the tax rolls. The Legislature should focus on providing broad-based tax relief rather than exemptions for particular groups.

NOTES:

HJR 88 has enabling legislation, HB 1256, which is not on the daily House calendar today.

According to the Legislative Budget Board, the constitutional amendment would have no cost to the state other than the cost of publication, which would be $191,689.

SUBJECT: Revising provisions for housing finance corporations, tax exemptions

COMMITTEE: Intergovernmental Affairs — committee substitute recommended

VOTE: 8 ayes — C. Bell, Cortez, Garcia Hernandez, Leo Wilson, Lowe, Luther, Spiller, Tepper

2 nays — Cole, Rosenthal

1 absent — Zwiener

WITNESSES: For — Natalie Raulston, City of Arlington; Mandy DeMayo, City of Austin; Cara Mendelsohn, City of Dallas; Chris Barker, City of Euless; Jon Weist, City of Irving; Adam Haynes, Conference of Urban Counties; Charlie Price, Development Corporation of Tarrant County and TACDC; Diana Miller, Schwartz, Page & Harding, LLP; Ben Martin, Texas Housers (*Registered, but did not testify*: Trey Lary, Allen Boone Humphries Robinson LLP; Samuel Sheetz, Americans for Prosperity; Howard Cohen, Association of Water Board Directors; David Blackburn, Bell County; Melissa Shannon, Bexar County Commissioners Court; Bruce Arfsten, City of Addison; Jim Ross, City of Arlington; Ryan Skrobarczyk, City of Corpus Christi; T. J. Patterson, City of Fort Worth; Trevor Minyard, City of McKinney, Texas; Nadia Islam, City of San Antonio; Claudia Russell, City of San Marcos, Texas; Josie Castro Garcia, Dallas County; Elisa M. Tamayo, El Paso County; Scott Seifert, Harris County Emergency Services District No. 7; Stephen Watson, Parker County Emergency Services District No. 1; Kaylin Rubin, Strategic Housing Finance Corporation of Travis County; Monty Wynn, Texas Municipal League; John Carlton, Texas State Association of Fire and Emergency Districts; Jennifer Allmon, The Texas Catholic Conference of Bishops; Daniel Berger, Travis County ESD #2; Chuck Mains)

Against — Dianna Grey, Jim Ward, Strategic Housing Finance Corporation (*Registered, but did not testify*: Braxton Parsons, Todd Kercheval, Texas Association of Local Housing Finance Agencies (TALHFA))

On — Aaron Taliaferro, Tarrant County Administrator's Office; Nick Walsh, Texas Affiliation of Affordable Housing Providers; Ron Kowal, Bill Walter, Texas NAHRO; Brian Thornton, Lee Zieben, ZG Companies; Cynthia Bast; Lance Gilliam (*Registered, but did not testify*: Santiago Franco, Harris County Commissioners Court; Julie Wheeler, Travis County Commissioners Court)

BACKGROUND:

Concerns have been raised that housing finance corporations (HFCs) are operating outside of their territorial jurisdiction and obtaining tax exemptions anywhere in the state. Some have suggested that establishing geographical limitations and affordability requirements for tax-exempt housing developments would help to increase transparency and better ensure that HFCs provide affordable housing to the community.

DIGEST:

CSHB 21 would amend the Texas Housing Finance Corporations Act to clarify the area in which a housing finance corporation (HFC) could operate and would impose additional requirements for property tax exemptions.

Area of operations. The bill would limit the area in which an HFC could own real property for residential development or engage in residential development to:

- for an HFC sponsored by a municipality, the boundaries of the municipality;
- for an HFC sponsored by a county, the boundaries of the county; or
- for an HFC sponsored by more than one local government, the boundaries of each municipal sponsor and the boundaries of each county sponsor.

An HFC could own real property for residential development or engage in residential development outside of those areas only if a resolution or order approving such ownership or development was adopted by the governing bodies of:

- each municipality that contained any part of the outside area in which the corporation proposed to own real property;

- for a residential development or home located in the unincorporated area of a county, each county that contained any part of the outside area in which the corporation proposed to own real property; and
- any HFC sponsored by a municipality or county listed above, as applicable.

The bill would not prohibit or limit an HFC from owning real property outside of its boundaries if the property was not owned for residential development purposes.

The bill would make conforming changes to provisions regarding bonds, financial and property transactions, multifamily residential developments, tax exemptions, and development sites to reflect that HFCs would be subject to the geographic limitations as created by the bill.

The bill would amend an HFC's ability to issue bonds to finance a multifamily residential development to require that at least 50 percent of the units in the multifamily residential development were reserved for occupancy by individuals and families earning less than 100 percent, rather than 80 percent, of the area median family income.

Property tax treatment. The bill would define the following income-based housing units, adjusted for family size, and based on a percentage of the area median income as defined by the United States Department of Housing and Urban Development:

- "very low income housing unit," meaning a residential unit reserved for occupancy by an individual or family earning not more than 50 percent of the area median income;
- "lower income housing unit," meaning a residential unit reserved for occupancy by an individual or family earning not more than 60 percent of the area median income;
- "moderate income housing unit," meaning a residential unit reserved for occupancy by an individual or family earning not more than 80 percent of the area median income; and

- "middle income housing unit," meaning a residential unit reserved for occupancy by an individual or family earning not more than 100 percent of the area median income.

A property tax exemption for a multifamily residential development owned by an HFC would be available only if the other requirements of the bill were satisfied and:

- at least 10 percent of its units were reserved for lower income households and at least 40 percent were reserved for moderate income households; or
- at least 10 percent were reserved for very low income households and at least 40 percent reserved for middle income households.

Additionally, the bill would require that rent reduction at a development in the preceding tax year was at least 60 percent of the estimated property taxes that would have been imposed on the property that year had it not received an exemption, beginning with the third tax year after the HFC acquired the development for a multifamily home or the first tax year after reaching 90 percent occupancy for other newly constructed multifamily residential developments. Alternatively, the bill would require that the rent reduction was less than 60 percent of the estimated property taxes described above, beginning with the applicable tax year, provided that the HFC paid the Texas Permanent School Fund Corporation an amount equal to the rent reduction shortfall.

The bill would establish other requirements for an HFC-owned multi-family development to qualify for a property tax exemption, including that:

- the income-restricted residential units in the development have the same unit finishes and equipment and access to community amenities and programs as residential units that were not income-restricted;
- the percentage of very low, lower, moderate, and middle income housing units reserved in each category of income-restricted residential units in the development, based on the number of bedrooms per unit, was the same as the percentage of each category

of income-restricted residential units reserved in the development as a whole;

- the monthly rent per unit did not exceed 30 percent of 50, 60, 80, or 100 percent of the area median income for very low, lower, moderate, and middle income units, respectively;
- the HFC and the development did not refuse to rent to individuals or families participating in the housing choice voucher program, nor impose a financial or minimum income requirement that exceeded 250 percent of the tenant's share of the monthly rent;
- the HFC user caused to be published on the development website information about the development's policies regarding tenant participation in the housing choice voucher program; and
- the HFC user affirmatively marketed available residential units directly to individuals and families participating in the housing choice voucher program and notified local housing authorities of the development's acceptance of tenants in the housing choice voucher program.

A development would be exempt from property taxes, and the materials used to improve the applicable property would be eligible for an exemption from sales and use taxes, only if:

- the board of directors of the HFC had adopted a resolution approving the multifamily residential development;
- before board approval, the HFC obtained an underwriting assessment and made a good faith determination based on this assessment that the annual rent reduction would be at least 60 percent of certain property taxes if the applicable property had not received a tax exemption for the developments and tax years specified by the bill; and
- the HFC submitted a one-time exemption application to the Texas Department of Housing and Community Affairs (TDHCA).

Each lease agreement for an income-restricted residential unit in the development would have to provide that:

- the landlord could not retaliate against the tenant or the tenant's guests by taking an action because the tenant established, attempted to establish, or participated in a tenant organization;
- the landlord could only choose not to renew the lease if the tenant committed one or more substantial violations of the lease, failed to provide required information, or committed repeated minor violations that disrupted the livability of the property; and
- to not renew the lease, the landlord would be required to serve a written notice of proposed nonrenewal on the tenant at least 30 days before the effective date of nonrenewal.

In calculating the income of an individual or family for a very low, lower, moderate, or middle income housing unit, an HFC user would be required to use the federal definition of annual income. If the income of a tenant exceeded an applicable limit at the time of lease renewal, federal provisions would apply in determining whether the unit could still qualify as very low, lower, moderate, or middle income housing.

Audit requirements. The bill would establish auditing requirements for an HFC or HFC user that claimed a property tax exemption for a multifamily residential development. TDHCA would be required to adopt forms and reporting standards for the auditing process, would be authorized to charge a fee for submission of the audit, and would have to adopt rules for the implementation of the auditing requirements by January 1, 2026.

Eligibility. A multifamily residential development that was acquired by an HFC and was occupied on the date of the acquisition would be eligible for a property exemption under the bill for the two tax years following the date of the acquisition, regardless of whether the development complied with the conditions prescribed by the bill, if the development came into compliance by the end of the second tax year after acquisition.

A development would not be entitled to a property tax exemption for any given tax year in which the HFC or HFC user:

- was not in compliance with tax exemption requirements, notice requirement for tax audits established under the bill had not been

fulfilled, and the noncompliance was not resolved to the satisfaction of TDHCA within the required period; or

- the HFC or HFC user had not timely submitted the required audit report.

The bill would not apply to property taxes imposed on a multifamily residential development by a conservation or reclamation district that provided water, sewer, or drainage services to the development unless the applicable HFC had entered into a written agreement with the district to make a payment in lieu of taxation. Certain eligibility requirements would not apply to an HFC-owned multifamily residential development that was the recipient of a low-income housing tax credit under state law.

Implementation. Certain tax exemption requirements under the bill would apply to all HFC-owned multifamily residential developments regardless of when they were approved or acquired. A development acquired by an HFC would be required to come into compliance with certain rent, marketing, and tenant provisions by January 1, 2026, and certain occupancy, amenity, and other rent provisions by January 1, 2027.

Area of operations requirements would only apply to real property acquired by an HFC on or after the effective date. Developments located outside of an authorized area would not be eligible for a property tax exemption after January 1, 2027, unless the HFC obtained the appropriate resolutions or orders required by state law.

The Open Meetings Act and the Public Information Act would apply to all actions, proceedings, and records under the bill.

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 $188,884 to general revenue related funds through the biennium.

SUBJECT: Expanding liability limitations to certain fluid oil and gas waste treatment

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 — Chad Unrau, Aris Water Solutions; Greg Mathews, Chevron; Michael D. Lozano, Permian Basin Petroleum Association; George Christian, Texas Civil Justice League; Trace Finley, Texas Independent Produced Water Association; Micheal Dobbs, Texas Pacific Land Corporation (*Registered, but did not testify*: Jerrod Jones, Apache Corporation; Kari Gibson, ConocoPhillips; Royce Poinsett, Coterra; Isaac Griesbaum, Deep Blue Midland Basin; Teddy Carter, Devon Energy; Jimmy Carlile, Fasken Oil and Ranch; James Allison, Milestone Environmental Services; Doug White, NGL Energy Partners; Julie Moore, Occidental Petroleum (Oxy); Lee Parsley, Texans for Lawsuit Reform; Gabriela Perdichizzi, Texas Association of Business; Kyle Bush, Texas Association of Manufacturers; Ryan Paylor, Texas Independent Producers & Royalty Owners Association (TIPRO); Cory Pomeroy, TXOGA; Caleb Troxclair, WaterBridge; Jason Modglin, Western Midstream)

Against — Julie Range, Commission Shift Action; Cyrus Reed, Lone Star Chapter Sierra Club; Charles Maley, South Texans' Property Rights Association; James Dudley, Texas & Southwestern Cattle Raisers Association; Jennifer Owen, Texas Land & Mineral Owners Association; Jack Walker, Texas Trial Lawyers Association (*Registered, but did not testify*: Denisce Palacios, Climate Cabinet; Hanna Mitchell, Earthworks; Colin Leyden, Environmental Defense Fund; Blake Roach, Texas Farm Bureau; Sarah Berel-Harrop; Liza Binkley; Anita Knight; Glenda Pittman; Molly Smith)

On — (*Registered, but did not testify*: Paul Dubois, Railroad Commission of Texas)

BACKGROUND:

Natural Resources Code sec. 122.003(a) grants immunity from liability in tort for consequences arising from the subsequent use of treated fluid oil and gas waste to a person who takes possession of such waste, produces certain treated items from it, and transfers the treated waste to another person with a specific contractual understanding regarding its use.

Sec. 122.003(b) establishes that tort responsibility provisions under sec. 122.003(a) do not affect the liability of a person in an action brought by a claimant for damages for personal injury, death, or property damage arising from exposure to fluid oil and gas waste or a treated product.

Concerns have been raised that current liability protections related to the treatment and reuse of fluid oil and gas waste are inconsistent and may expose certain entities, such as oil and gas producers or third-party conveyors, to liability risk. Some have suggested that the law should define the scope of indemnification or its exceptions to establish certainty and encourage beneficial reuse of treated waste products.

DIGEST:

CSHB 49 would amend Natural Resources Code sec. 122.003(a) to establish that a person would have to take possession of fluid oil and gas waste for the purpose of treatment, and would replace the reference to "a treated product generally considered in the oil and gas industry to be suitable for use in connection with the drilling for or production of oil or gas" with "treated waste." The bill would authorize the exempt person to use the treated waste beneficially as an alternative to transferring it to another party and change the contractual requirement to specify that the treated waste would have to be used for a beneficial use, rather than only in connection with the drilling for or production of oil or gas.

Exemptions. The bill would further amend sec. 122.003(a) to add two exemptions. The bill would exempt a person who produced fluid oil and gas waste or who supplied or conveyed fluid oil and gas waste to a treatment facility for the purpose of generating treated waste from liability in tort for:

- a consequence of the subsequent treatment of that fluid oil and gas waste to generate treated waste;
- the subsequent use of that treated waste by any person; or
- exposure to any component of the waste or any byproduct of the process used to generate treated waste.

The bill also would exempt an owner of the surface estate of real property on or under which fluid oil and gas waste was produced, conveyed, or transported from liability in an action for damages for personal injury, death, or property damage arising from exposure to fluid oil and gas waste, treated waste, or a byproduct of a process used to generate treated waste.

Liability for certain tort suits. CSHB 49 would amend Natural Resources Code sec. 122.003(b) to establish that the provision only applied if exposure resulted from gross negligence, an intentional, wrongful act or omission, or negligence coupled with a failure to treat, generate, use, or dispose of the waste or byproduct in accordance with rules adopted by the Railroad Commission of Texas or under a Texas Pollutant Discharge Elimination System permit issued by the Texas Commission on Environmental Quality.

The bill also would amend the provision to expand liability to include exposure to a byproduct of the treatment process and remove the condition that the liable party would have had to have been treating the waste for beneficial use. The bill would replace references to “treated product” with “treated waste.”

A claimant awarded damages for a tort premised solely on a person's negligence and regulatory nonconformity under these provisions could not be awarded exemplary damages.

The bill would take effect September 1, 2025, and apply only to a cause of action that accrued on or after that effective date.

SUBJECT: Requiring itemized billing for health care services and supplies

COMMITTEE: Public Health — committee substitute recommended

VOTE: 9 ayes — VanDeaver, Bucy, Collier, Cunningham, Frank, J. Jones, Olcott, Pierson, Shofner

2 nays — Campos, Johnson

2 absent — Schofield, Simmons

WITNESSES: For — Charles Miller, Texas 2036 (*Registered, but did not testify*: Charles Cascio, AARP TX; Travis McCormick, Make Texans Healthy Again; Jason Baxter, Texas Association of Health Plans; Noah Torres, Texas Public Policy Foundation; Rachel Wolleben, Texas Women's Healthcare Coalition; Michelle Evans)

Against — None

On — (*Registered, but did not testify*: Rachel Turner, HHSC; Heather De La Garza-Barone, Texas Hospital Association)

BACKGROUND: Concerns have been raised that many individuals may face challenges in accessing itemized medical bills due to limited internet access, difficulty navigating health care portals, or delays in receiving paper statements. Some have suggested that requiring a mailed itemized bill for health care services and supplies could help ensure patients can verify charges, identify billing errors, and effectively manage their health care expenses.

DIGEST: CSHB 216 would revise Health and Safety Code provisions to require a health care provider that requested payment from a patient after providing a health care service or related supply to submit with the request a written, itemized bill of the alleged amount due for, rather than the alleged cost of, each service and supply provided to the patient during the patient's visit.

The bill would expand the methods through which a health care provider could issue an itemized bill to include:

- a hard copy delivered by mail or a common carrier; or
- a hard copy the patient or the patient's designee obtained at the provider's place of business.

CSHB 216 would require a health care provider that issued an itemized bill to a patient electronically through a patient portal on the provider's website to:

- determine whether the patient had an active patient profile on the portal; and
- if the provider determined that the patient did not have an active patient portal, mail a copy of the itemized bill to the patient.

The bill would specify that a patient was entitled to obtain an itemized bill through the patient's chosen method of issuance in accordance with the methods specified by law and until the date the provider was no longer required to retain an itemized bill under applicable record retention laws or provider policies and procedures regarding retention of patient billing information.

The bill would exempt a health care provider from disciplinary action by the appropriate licensing authority for a violation of the chapter if the provider in good faith mailed a hard copy of an itemized bill to a patient, the mailed copy was returned as undeliverable, and the provider provided evidence of the undeliverability.

CSHB 216 would repeal certain provisions requiring hospitals to issue itemized statements on request under certain conditions, to notify patients of the statement's availability before discharge, and to provide such a statement within 30 days of request, and entitling patients to the statement if requested within one year of discharge.

The bill would take effect September 1, 2025.

SUBJECT: Establishing provisions on support for new businesses

COMMITTEE: State Affairs — favorable, without amendment

VOTE: 13 ayes — King, Hernandez, Anchía, Darby, Y. Davis, Hull, McQueeney, Metcalf, Phelan, Raymond, Smithee, Thompson, Turner

1 nay — Geren

1 absent — Guillen

WITNESSES: For — Sarah Horn, National Federation of Independent Business (NFIB); Glenn Hamer, Texas Association of Business (*Registered, but did not testify*: T. J. Patterson, City of Fort Worth; Joshua Sanders, City of Houston; John Kroll, HMWK, LLC; Jordan Robinson, Round Rock Chamber; Kevin Reddington, Texans for Lawsuit Reform; Steven Deline; Thomas Parkinson)

Against — None

On — (*Registered, but did not testify*: Charles O'Neal, Texas Association of African American Chambers of Commerce; Gerard MacCrossan, Texas Comptroller of Public Accounts; David Eskew, Texas Secretary of State)

BACKGROUND: Concerns have been raised that start-up costs for new businesses in Texas, including various registration and licensing fees, can create a financial burden that hinders entrepreneurship. Some have suggested that eliminating these expenses could increase access to business ownership.

DIGEST: HB 346 would add provisions to the Government Code and Labor Code related to new businesses. The bill would define a new business as an entity that had been in operation for less than five years and had its principal place of business in the state.

The bill would require the secretary of state to work with the appropriate state and local government entities to eliminate all required licensing and

registration fees during a business's first year of operation, to the extent authorized by law.

The Texas Economic Development and Tourism Office (TEDTO) would be required to encourage state entities to allocate at least 5 percent of their economic development funds to support new businesses.

HB 346 also would require the comptroller to make reasonable efforts to increase the number of contracts for the purchase of goods or services awarded by state agencies to new businesses to at least 5 percent of the awarded contracts in a state fiscal year. The comptroller would be required to submit a report to the Legislature by September 1, 2026, that included:

- the number, value, and geographic distribution of state contracts awarded in the previous year, including a breakdown for businesses that are also historically underutilized;
- the percentage of all state contracts awarded to new businesses during the previous year;
- the percentage of the total dollar value of all state contracts awarded to new businesses during the previous year; and
- recommendations developed by the comptroller in conjunction with TEDTO to improve access by new businesses to state contracting, including new businesses owned by statistically underrepresented demographic groups and in statistically underrepresented geographic areas of the state.

This reporting provision would expire January 1, 2027.

HB 346 would require the Texas Workforce Commission (TWC) to submit two reports to the Legislature annually by September 1st. The first report would have to describe the proportion of economic development funding used to support programs for individuals who had started a new business in the preceding five years or organizations that provided services to such individuals, as well as the total amount of economic development funding provided to those programs. The second report would have to include the total amount and percentage of workforce

development funds allocated to new businesses or individuals starting a business.

Additionally, unless superseded by federal law, TWC would be required to make reasonable efforts to ensure that at least 5 percent of its workforce development funding each fiscal year was allocated to support new businesses or individuals establishing a business in Texas.

The bill would take effect September 1, 2025.

NOTES:

According to the Legislative Budget Board, the bill would have a negative impact of $240 million to general revenue related funds through the biennium.

SUBJECT: Permitting a legislator to request certain unannounced TCEQ inspections

COMMITTEE: Environmental Regulation — committee substitute recommended

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

0 nays

3 absent — Ordaz, Morales Shaw, Oliverson

WITNESSES: For — (*Registered, but did not testify*: Joshua Sanders, City of Houston; Santiago Franco, Harris County Commissioners Court; Cyrus Reed, Lone Star Chapter Sierra Club; Adrian Shelley, Public Citizen; Steven Deline)

Against — None

On — (*Registered, but did not testify*: Michael Grimes, Texas Aggregate and Concrete Association; Kristi Mills-Jurach, Texas Commission on Environmental Quality)

BACKGROUND: Concerns have been raised that the Texas Commission on Environmental Quality (TCEQ) is unable to consistently inspect lower-emission facilities, such as concrete batch plants, due to limited staffing and a focus on larger emission permit holders posing a larger threat to public health. Some have suggested that allowing legislators to request that TCEQ conduct unannounced inspections could help address capacity concerns and prioritize inspections.

DIGEST: CSHB 573 would authorize a member of the legislature to request that the Texas Commission on Environmental Quality (TCEQ) conduct an unannounced inspection of a concrete plant on behalf of a person who permanently resided in the member's district and within 440 yards of the plant, and submitted a written complaint to the member.

The bill would require TCEQ to prioritize responding to a request filed by a member of the legislature and maintain a file on the request in accordance with provisions related to complaint files, which would

holistically apply to a request filed under the bill. The bill would require TCEQ to provide to the member and the person who submitted the complaint:

- TCEQ's policies and procedures related to complaint investigation and resolution; and
- the periodic notice of the status of the complaint investigation required by law for complaints to TCEQ generally.

If TCEQ denied a request for an unannounced inspection, the bill would require TCEQ to provide an explanation to the member and the person who submitted the complaint within 90 days after the request was filed.

The bill would apply only to a permanent concrete plant that performed wet batching, dry batching, or central mixing operating under an authorization to use a standard permit issued under Texas' Clean Air Act provisions.

The bill would take effect September 1, 2025.

SUBJECT: Requiring SOS to place the cost of constitutional amendments on ballots

COMMITTEE: Delivery of Government Efficiency — committee substitute recommended

VOTE: 10 ayes — Capriglione, Bhojani, Alders, Cain, Campos, Cook, Curry, Garcia, Linda, Olcott, Tinderholt

2 nays — Bowers, Rodríguez Ramos

1 absent — Troxclair

WITNESSES: For — James Quintero, Texas Public Policy Foundation (*Registered, but did not testify*: Alycia Castillo, Texas Civil Rights Project)

Against — (*Registered, but did not testify*: Steven Deline)

On — (*Registered, but did not testify*: Chuck Pinney, Secretary of State)

BACKGROUND: Some have suggested that voters should be informed about potential long-term budgetary impacts of a constitutional amendment at the polling place when casting a ballot for the amendment.

DIGEST: CSHB 565 would require the secretary of state to prepare and certify in writing for placement on the ballot one of the following statements, as applicable, for each proposition submitting a proposed constitutional amendment:

- if the Legislative Budget Board (LBB) determined the constitutional amendment to have a recurring cost: "Subject to future legislative actions, the Legislative Budget Board estimates that the implementation of this constitutional amendment would incur an annual cost of (insert estimate)."; or
- if the LBB determined the constitutional amendment to have a one-time cost: "Subject to future legislative actions, the Legislative Budget Board estimates that the implementation of this constitutional amendment would have a one-time cost of (insert estimate)."

As soon as practicable after the time for gubernatorial action to veto had expired, for each joint resolution to amend the constitution enacted by the Legislature, the LBB would be required to:

- determine the estimated cost to the state;
- determine whether the joint resolution would impose on the state a recurring cost or a one-time cost; and
- notify the secretary of state of the determinations.

In making determinations, the LBB could rely on:

- cost estimates for the resolution, resolution's enabling legislation, or both for a five-year period beginning on the effective date; and
- an appropriation made for the purpose of the joint resolution in the General Appropriations Act or other legislative appropriation to the extent enacted, only if those appropriations or estimated costs were not reflected in the above calculation.

The bill would take effect September 1, 2025.

SUBJECT: Expanding county authority to cancel subdivisions in a municipal ETJ

COMMITTEE: Land & Resource Management — favorable, without amendment

VOTE: 9 ayes — Gates, Lalani, Alders, Y. Davis, Hinojosa, Hunter, R. Lopez, Morgan, Virdell

0 nays

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; Todd Little, Eliss County and County Judges and Commissioners Association; M. Scott Norman, Jr., Texas Association of Builders)

Against — None

BACKGROUND: Local Government Code sec. 232.008 allows a person owning real property outside a municipality or its extraterritorial jurisdiction (ETJ) that has been subdivided in to lots and blocks or into small subdivisions to apply to the commissioners court of the county in which the property is located for permission to cancel all or part of the subdivision to reestablish the property as acreage tracts as it existed before the subdivision.

Local Government Code sec. 242.001, with certain exceptions, requires a municipality and county to enter into a written agreement that identifies the governmental entity authorized to regulate subdivision plats and approve related permits in the municipality's ETJ. Subsection (d)(2) provides for an agreement in which the county is granted exclusive jurisdiction for such regulation, and subsection (d)(3) provides for an agreement in which the municipality and county apportion the ETJ area between them, with each entity regulating its assigned area.

Concerns have been raised that current law may limit the ability of counties to cancel subdivisions located within a municipality's ETJ, which can create challenges in managing land use and development, strain county resources, and lead to inconsistent regulation of subdivisions.

DIGEST:

HB 954 would amend Local Government Code 232.008 to apply only to real property located outside a municipality or the area in its ETJ not subject to an agreement described by Local Government Code sec. 242.001(d)(2) or an agreement under subsection (d)(3) that apportions the area to a county.

The bill would take effect September 1, 2025.

SUBJECT: Revising certain crime victim rights and notification requirements

COMMITTEE: Criminal Jurisprudence — committee substitute recommended

VOTE: 11 ayes — Smithee, Wu, Bowers, Cook, J. Jones, Little, Louderback, Money, Moody, Rodríguez Ramos, Virdell

0 nays

WITNESSES: For — Ashley Brooks, Texas Association Against Sexual Assault; Bertha Lavinia Masters; Samantha McCoy; Sophia Strother Lewis (*Registered, but did not testify*: Clarice Cross, Asian Family Support Services of Austin (AFSSA); Andy Kahan, Crime Stoppers Houston; Angel Carroll, Measure; Bill Kelly, Office of Harris County District Attorney Sean Teare; Margaret Juarez, RLM St. Joseph's Archdiocese of San Antonio, TX; Bronwyn Blake, Texas Advocacy Project; Yvette Salazar, Texas Council of Family Violence; Steven Deline)

Against — None

BACKGROUND: Ch. 56A of the Code of Criminal Procedure governs the rights of crime victims, including the right to receive notifications about scheduled court proceedings and plea bargains, the right to be informed of their rights following an indictment, and the right to have an advocate present during investigative interviews and forensic medical examinations.

Some have suggested that additional rights and procedures would ensure victims are adequately supported to navigate the criminal justice system.

DIGEST: CSHB 1953 would amend the Code of Criminal Procedure to expand the rights of crime victims, including establishing certain notification requirements and access to advocacy services.

Notification rights and requirements. The bill would expand notification rights for victims by establishing a five-day notice period for certain communications. Upon request, a victim, or a victim's guardian or close relative of a deceased victim, would have the right to receive notice

of relevant court proceedings, including plea bargain agreements, at least five business days before the date of each proceeding or as soon as reasonably practicable. The state's attorney also would be required, if requested, to notify the victim as soon as possible of any changes in scheduled court proceedings.

The bill also would require that the written notice provided by an attorney representing the state to victims after an indictment or information is returned against a defendant include a statement specifying that the state's attorney did not represent the victim, guardian, or close relative of a deceased victim, and would inform these individuals of their right to assert the rights granted under this chapter, including through an attorney.

Before accepting a plea of guilty or nolo contendere, the court would be required to confirm that the attorney representing the state had provided the required notifications, including the five business days' notice, and had conferred with the victim, guardian, or close relative regarding the disposition of the case.

Sexual assault program advocacy. The bill would require any individual or entity, including health care facilities, that provided an advocate for a victim during a forensic medical examination to document whether the offer to have an advocate present was made, whether an advocate was available at the time of the examination, and, if the offer was not made, the reason for not extending the offer. An individual or entity that failed to offer this opportunity or otherwise prevented an advocate from being present for reasons other than the unavailability of the advocate would be liable for a civil penalty of $1,000 per violation. If the individual or entity was designated as a sexual assault forensic exam-ready (SAFE) facility or SAFE program under state law, it could be subject to removal of that designation. The attorney general would be authorized to bring an action to recover the civil penalty.

The bill also would extend existing requirements for peace officers conducting investigative interviews with victims of sexual assault to other individuals conducting these interviews, requiring them to offer the victim the opportunity to have an advocate present, if available. A victim also

would have the right to have an attorney present during the interview, provided the attorney did not unreasonably delay or impede the process.

Effective date. The bill would take effect September 1, 2025, and would apply only to victims of criminally injurious conduct occurring on or after that date.

SUBJECT: Establishing a distinguishing license plate for frac tanks

COMMITTEE: Transportation — committee substitute recommended

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 — None

Against — (*Registered, but did not testify*: Steven Deline)

On — (*Registered, but did not testify*: Annette Quintero, Texas Department of Motor Vehicles)

BACKGROUND: Concerns have been raised that finding frac tanks to replace a renewal sticker can be a time-consuming and inefficient process for companies. Some have suggested that issuing a distinguishing license plate could reduce unnecessary administrative tasks, streamline the registration process, and provide oil and gas business operators with the same benefits offered to other token trailers.

DIGEST: CSHB 2686 would require the Texas Department of Motor Vehicles to issue a distinguishing license plate for a frac tank that did not expire or require an annual registration insignia to be valid. The bill would authorize the alphanumeric pattern for such a license plate to remain on a frac tank for as long as the license plate was renewed or until the frac tank was removed from service or sold.

The bill would exempt a frac tank that displayed such a license plate from the statutory requirement that certain heavy vehicles carry a copy of the vehicle's registration receipt when the vehicle was on a public highway for presentation to law enforcement upon request.

The fee for such a license plate would be $5, which would have to be deposited into the credit of the Texas Department of Motor Vehicles fund.

The bill would take effect September 1, 2025.

SUBJECT: Requiring certain mental health training for school peace, resource officers

COMMITTEE: Public Education — favorable, without amendment

VOTE: 11 ayes — Buckley, Bernal, Allen, Ashby, Bryant, Cunningham, Dutton, Hinojosa, Leach, Schoolcraft, Talarico

1 nay — Frank

3 absent — Hunter, Kerwin, Leo Wilson

WITNESSES: For — Victoria Mello, Spark Change Project; Ayaan Moledina, Students Engaged in Advancing Texas; Bill Avera, Texas School District Police Chiefs' Association (*Registered, but did not testify*: Tricia Cave, ATPE; Jacquie Benestante, Autism Society of Texas; James Parnell, Dallas Police Association; Garry Jones, DFER Texas; Steven Aleman, Disability Rights Texas; James Kershaw, Harris County Deputies' Organization FOP #39; Ray Hunt, Houston Police Officers' Union; Christine Yanas, Methodist Healthcare Ministries; Greg Hansch, National Alliance on Mental Illness Texas; Amy Beneski, Texas Association of School Administrators; Raif Calvert, Kelly Rasti, Texas Association of School Boards; Amanda Afifi, Texas Association of School Psychologists; Andrea Chevalier, TCASE; John Wilkerson, Texas Municipal Police Association; Clayton Travis, Texas Pediatric Society; Mary Beth Kiser, Texas Psychological Association; Jennifer Easley, Texas PTA; Brandon Garcia, Texas Public Charter Schools Association; Carrie Griffith, Texas State Teachers Association; Ashley Harris, United Ways of Texas; Thomas Parkinson)

Against — None

On — Steve Swanson (*Registered, but did not testify*: Gretchen Grigsby, Texas Commission on Law Enforcement; Kathy Martinez-Prather, Texas School Safety Center at Texas State University; Shane Sexton, Texas Education Agency)

BACKGROUND:

Education Code sec. 1701.262 requires the Texas Commission on Law Enforcement to create, adopt, and distribute a model training curriculum for school district peace officers and school resource officers that incorporates learning objectives regarding:

- child and adolescent development and psychology;
- positive behavioral interventions and supports, conflict resolution techniques, and restorative justice techniques;
- de-escalation techniques and techniques for limiting the use of force, including the use of physical, mechanical, and chemical restraints;
- the mental and behavioral health needs of children with disabilities; and
- mental health crisis intervention.

Some have suggested that school district peace officers and school resource officers should receive training to specifically address the effects of mental health conditions on student behavior.

DIGEST:

HB 1441 would amend Education Code sec. 1701.262 to require the model training curriculum for school district peace officers and school resource officers to include a learning objective regarding the effects of mental health conditions, including grief and trauma, on student behavior and how using evidence-based, grief-informed, and trauma-informed strategies support a safe school environment and protect the mental health of students affected by grief and trauma.

The Texas Commission on Law Enforcement would be required to amend the model training curriculum as necessary to implement the bill as soon as practicable after the 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: Establishing an offense of public assistance program application fraud

COMMITTEE: Human Services — favorable, without amendment

VOTE: 7 ayes — Hull, Dorazio, Noble, Richardson, Schatzline, Slawson, Swanson

4 nays — Manuel, A. Davis, C. Morales, Rose

WITNESSES: For - (*Registered, but did not testify*: Julie McCarty and Fran Rhodes, True Texas Project)

Against - Lynn Cowles, Every Texan (*Registered, but did not testify*: Diana Forester, Texans Care for Children)

On - (*Registered, but did not testify*: Steve Johnson, Office of Inspector General for Health and Human Services)

BACKGROUND: Penal Code sec. 32.32 creates the offense of making a false statement to obtain property or credit or in the provision of certain services and provides for penalties, ranging from a class C misdemeanor (maximum fine of $500) to a first-degree felony (life in prison or a sentence of five to 99 years and an optional fine of up to $10,000), based on the value of the property or the amount of credit obtained.

Some have suggested that creating an offense for knowingly submitting false or misleading statements in applications for public assistance benefits could help to address potential fraud and mitigate damage to public programs.

DIGEST: HB 2734 would amend Penal Code sec. 32.32 to include under the offense a person who intentionally or knowingly made a materially false or misleading written statement in an application to obtain a benefit under a public assistance program, and would make conforming changes.

The bill would specify, for the purpose of the offense, that the term "public assistance program" would include the Child Health Plan Program (CHIP), the Temporary Assistance for Needy Families (TANF) program,

Medicaid, and certain nutritional assistance programs, including the Supplemental Nutrition Assistance Program (SNAP).

The bill would take effect September 1, 2025

SUBJECT: Extending time to file special bill of review for bond forfeitures

COMMITTEE: Criminal Jurisprudence — favorable, without amendment

VOTE: 9 ayes — Smithee, Wu, Bowers, Cook, J. Jones, Little, Money, Moody, Virdell

2 nays — Louderback, Rodríguez Ramos

WITNESSES: For — None

Against — None

BACKGROUND: Under Code of Criminal Procedure, Art. 22.17, a surety may file a special bill of review to reform a final judgment of forfeiture, which is a court order requiring the surety to pay the full bond amount if a defendant fails to appear, if the bill is filed within two years of the date the judgment is entered.

Some have suggested that extending this period would increase the financial incentive for a bail bondsman to locate and return a defendant, potentially improving compliance with court orders.

DIGEST: CSHB 1650 would amend Code of Criminal Procedure art. 22.17 to extend the period within which a surety could file a special bill of review from two years to four years after the date a final judgment is entered in a bond forfeiture proceeding.

The bill would take effect September 1, 2025, and would apply only to a bail bond for which a final judgment of forfeiture was entered on or after that date.

SUBJECT: Increasing contribution rate election to the Municipal Retirement System

COMMITTEE: Pensions, Investments & Financial Services — favorable, without amendment

VOTE: 7 ayes — Lambert, Plesa, Bryant, Bumgarner, Hayes, Holt, Schoolcraft

0 nays

2 absent — L. Garcia, Vo

WITNESSES: For — Scott Leeton, Combined Law Enforcement Associations of Texas (CLEAT) (*Registered, but did not testify*: Ryan Skrobarczyk, City of Corpus Christi; Chris Jones and Jennifer Szimanski, Combined Law Enforcement Associations of Texas (CLEAT); Larry Young, Game Warden Peace Officers Association; Anthony Kivela, Houston Police Retired Officers Association; Wendy Foster, Independent Bankers Association of Texas; Adrian Martinez and Carlos Ortiz, San Antonio Police Officers Association; Mitch Landry, Texas Municipal Police Association; Steven Deline; Tramaine Jenkins)

Against — None

On — (*Registered, but did not testify*: Debbie Munoz, TMRS)

BACKGROUND: Government Code sec. 855.401(a) requires each municipality that has one or more departments participating in the Texas Municipal Retirement System (TMRS) by ordinance to designate the rate of members contributions for employees by electing 5, 6, or 7 percent of the employees' compensation.

Some have suggested that municipalities should have greater flexibility to set TMRS contribution rates to better align contributions with their financial needs and workforce goals, especially in competitive job markets.

DIGEST:

HB 3161 would amend Government Code sec. 855.401(a) to include 8 percent of the employees' compensation among the rates that a municipality may elect to designate as the rate of TMRS member contributions for employees.

The bill would take effect September 1, 2025.

SUBJECT: Amending a comprehensive development agreement in Caldwell County

COMMITTEE: Transportation — favorable, without amendment

VOTE: 9 ayes — Craddick, M. Perez, Curry, Gámez, Hefner, LaHood, Little, Patterson, Paul

0 nays

4 absent — Canales, Harris Davila, C. Morales, E. Morales

WITNESSES: For — Edward Theriot, Caldwell County; Michael Kamerlander, Hays Caldwell Economic Development Partnership; Ananth Prasad, SH 130 Concession Company (*Registered, but did not testify*: Christopher Willis, City of New Braunfels; Victor Boyer, Greater Austin-San Antonio Corridor Council, San Antonio Mobility Coalition, Inc. (SAMCo); Jonathan Packer, Greater New Braunfels Chamber of Commerce; Katie Ferrier, Greater San Antonio Chamber of Commerce; Colin Parrish, HNTB; Holly Malish, Lockhart EDC; Brett Finley, Metro San Antonio Chamber; Buddy Garcia, NASCO; Matt Creel, Opportunity Austin; Stacy Schmitt, Opportunity Austin; Josh Schneuker, Seguin Economic Development Corporation; J. McCartt, SH 130 Concession Company; John Esparza, Texas Trucking Association; Eric Hale, The Greater Austin Chamber of Commerce)

Against — Terri Hall, TURF, Texans for Tollfree Highways (*Registered, but did not testify*: Steven Albright, AGC of Texas; Aaron Kocian, Hunter Industries, Ltd.)

On — (*Registered, but did not testify*: Brian Barth and Stephen Stewart, TxDOT; Thomas Parkinson)

BACKGROUND: Concerns have been raised that the Caldwell County region requires significant transportation improvements in the area surrounding State Highway 130 and in the connectivity between that highway and Interstate Highway 35 without adding additional toll roads. Some have suggested that modifying certain regional public-private partnerships in the region

could provide infrastructure funding solutions with no cost or liability to taxpayers.

DIGEST:

HB 2876 would require the Texas Department of Transportation (TxDOT) to amend a comprehensive development agreement entered into on or before March 22, 2007, for State Highway 130 from U.S. Highway 183 to Interstate Highway 10 (Segments 5 and 6) to extend the term of the agreement for up to 20 additional years if the amendment outlined the public benefit to be derived from extending the term and required the private participant to provide consideration in the manner or amount agreed to by TxDOT and the participant under the amendment.

The bill would require any funds received from the private participant to be used by or on behalf of TxDOT using TxDOT's procurement process for the design, financing, construction, maintenance, and operation of nontolled transportation projects between Interstate Highway 35 and State Highway 130 to be located wholly or partly in a county in which the project that was the subject of the comprehensive development agreement was located. Additionally, the bill would require each such nontolled transportation project to be approved by the county in which the project was located before the expenditure of funds.

HB 2876 would require TxDOT, not later than December 1, 2026, to report on the implementation of the bill to the presiding officer of each standing committee of the Legislature with primary jurisdiction over TxDOT.

The bill would take effect September 1, 2025

NOTES:

According to the Legislative Budget Board, the fiscal implications of the bill cannot be determined because the amount of funds that would be provided to the Department of Transportation by the private participant under the agreement required by the bill is unknown.

SUBJECT: Authorizing administrative subpoenas in cybercrime investigations

COMMITTEE: Delivery of Government Efficiency — favorable, without amendment

VOTE: 13 ayes — Capriglione, Bhojani, Alders, Bowers, Cain, Campos, Cook, Curry, L. Garcia, Olcott, Rodríguez Ramos, Tinderholt, Troxclair

0 nays

WITNESSES: For — Nancy Hebert, Montgomery County District Attorney (*Registered, but did not testify*: Thomas Parkinson)

Against — (*Registered, but did not testify*: Steven Deline)

BACKGROUND: Concerns have been raised that law enforcement agencies face delays in obtaining cybercrime investigation data because subpoenas often require court approval and cooperation from out-of-state internet service providers, allowing cybercriminals to delete or remove evidence of the crime. Some have suggested prosecuting attorneys should be allowed to issue administrative subpoenas for specific online records.

DIGEST: HB 3185 would authorize a prosecuting attorney to issue and cause to be served an administrative subpoena that required the production of records or other documentation if:

- the subpoena related to an investigation of a cybercrime, defined by the bill as certain Penal Code offenses committed through a website or an electronic service account; and
- there was reasonable cause to believe that the online or electronic service account was used in the commission of a cybercrime.

The subpoena could require the production of any records or other documentation relevant to the investigation, including:

- the duration of the applicable service, including the start date of the service and the type of service used;

- a telephone or instrument number or other number used to identify a subscriber, including a temporarily assigned network address; and
- the source of payment for the service, including a credit card or bank account number.

Unless required by court order, a provider of an electronic communication service or remote computing service would be prohibited from disclosing in response to a subpoena issued under the bill:

- an in-transit electronic communication;
- an account membership related to an online group, newsgroup, mailing list, or specific area of interest;
- an account password; or
- any account content, including any form of electronic mail; an address book, contact list, or buddy list; or online proxy content or online history.

Before the return date, the person receiving the subpoena could petition to modify or quash the subpoena, or to prohibit disclosure of applicable information, in an appropriate court located in the county where the subpoena was issued.

If a criminal case or proceeding did not result from the production of records or other documentation under the bill within a reasonable period, the prosecuting attorney would be required to destroy or return the records or documentation.

Any information, records, or data reported or obtained under a subpoena issued under the bill would be confidential and could not be disclosed to any other person unless the disclosure was made as part of a criminal case related to those materials.

The bill would take effect September 1, 2025.

SUBJECT: Revising provisions on certain group property insurance policies

COMMITTEE: Insurance — committee substitute recommended

VOTE: 9 ayes — Dean, Vo, J. González, Goodwin, Hopper, Morgan, Paul, Spiller, Wharton

0 nays

WITNESSES: For — Seth Cohen, The Baldwin Group (*Registered, but did not testify*: Beaman Floyd, Texas Coalition for Affordable Insurance Solutions)

Against — None

On — (*Registered, but did not testify*: Shannon Meroney, Chubb, Inc.; Marianne Baker, Texas Department of Insurance)

BACKGROUND: Some have suggested that Insurance Code provisions on group property insurance should be amended to clarify whether such insurance may include group casualty or personal lines and how certain statutes apply to personal line insurers.

DIGEST: CSHB 338 would revise provisions related to commercial group property insurance and personal lines property and casualty insurance.

Commercial group property insurance. The bill would permit a commercial group property insurance policy to contain casualty and liability coverage that was incidental to the property risk covered under the policy.

During an application for commercial group property insurance, CSHB 3388 would require an insurer to provide to each applicant a written disclosure of whether the policy had a shared aggregate limit and, if applicable, the amount of the limit. Within 30 days after an insurer issued, delivered, or renewed a policy, the insurer would be required to deliver copies of the certificate of insurance and the policy to each member covered by the policy.

A surplus lines agent would be required to make a diligent effort to obtain the full amount of required insurance only with respect to a commercial group property insurance policy and only on an annual basis, rather than individually for each group member added during the policy period. An agent would be required to report to and file with the Surplus Lines Stamping Office of Texas only the commercial group property insurance policy, rather than each certificate or evidence of the insurance issued to the group members.

Personal lines group property and casualty insurance. An insurer could provide a personal lines property and casualty insurance policy to a permitted group, on a group basis, provided that:

- the issuance of the policy resulted in economies of scale in administrative, marketing, or brokerage costs;
- the benefits provided under the policy were reasonable to the premiums charged; and
- the policy did not contain a shared aggregate limit.

A "permitted group" would mean a group of at least 10 certificate holders who had a preexisting relationship to each other through a common trade, association, affiliation, or any other relationship that was separate and distinct from any group insurance arrangement of the group.

A personal lines group property and casualty insurance policy could not include a provision under which the payment of a certificate holder's claims would be limited by the claims or losses incurred by another certificate holder. An insurer could not renew an insurance policy that provided group coverage under the chapter for a group that included fewer than 10 certificate holders at the time of renewal. Other than provisions related to rate and form filings, the bill would not apply to group automobile insurance, commercial group property insurance, risk retention and purchasing groups, identity theft insurance coverage, group insurance in underserved areas, or travel insurance.

Provisions of the Insurance Code would apply to each certificate issued under the bill as if the certificate was an insurance policy and the

certificate holder was an insured, if the provision would apply to the policy if the policy was issued on an individual basis. An insurer would have to comply with all applicable rate and form filing requirements for a group insurance policy issued under these provisions. An insurance policy under the bill could contain liability coverage that was incidental to the property risk covered under the policy.

A surplus lines agent would be required to make a diligent effort to obtain the full amount of the required insurance only with respect to a group policy issued under the bill and only on an annual basis, rather than individually for each group member added during the policy period. A surplus lines agent would be required to report to and file with the Surplus Lines Stamping Office of Texas only the group policy rather than each certificate or evidence of insurance issued to the group members.

A person who secured and furnished information for the purpose of enrolling entities or individuals under a personal lines group property and casualty insurance policy, issued certificates or evidences of insurance under the policy, or otherwise assisted in administering the policy, including by collecting and remitting premiums, would not be required to be a licensed insurance agent, provided that the person did not receive a commission with respect to the sale of the policy or any related enrollments.

The bill would apply only to an insurance policy delivered, issued for delivery, or renewed on or after the effective date of the bill.

CSHB 3388 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: Amending defense to prosecution for certain trafficking offenses

COMMITTEE: Criminal Jurisprudence — favorable, without amendment

VOTE: 11 ayes — Smithee, Wu, Bowers, Cook, J. Jones, Little, Louderback, Money, Moody, Rodríguez Ramos, Virdell

0 nays

WITNESSES: For — (*Registered, but did not testify*: Jason Sabo, Children at Risk; Jennifer Szimanski, Combined Law Enforcement Associations of Texas (CLEAT); Andy Kahan, Crime Stoppers Houston; James Parnell, Dallas Police Association; James Kershaw, Harris County Deputies' Organization FOP #39; Nathan Carroll, Houston Police Department; Ray Hunt, Houston Police Officers' Union; Bill Kelly, Office of Harris County District Attorney Sean Teare; Carlos Ortiz, San Antonio Police Officers Association; Rhonda Kuykendall, Texas Human Trafficking Survivor Leader Council; Matt Dowling, Texas Medical Association; John Wilkerson, Texas Municipal Police Association; Jennifer Allmon, The Texas Catholic Conference of Bishops)

Against — None

BACKGROUND: Penal Code sec. 20A.02 establishes the offense of trafficking of persons for knowingly trafficking a child or disabled individual and by any means causing the trafficked child or disabled individual to engage in, or become the victim of, conduct prohibited by certain offenses, including prostitution and certain other forms of sexual exploitation. Penal Code sec. 20A.03 creates the offense of continuous trafficking of persons for conduct involving two or more trafficking offenses over a period of 30 or more days.

Some have suggested that these statutes may not clearly address situations where a trafficked child or disabled individual lacked the mental capacity to engage in prostitution or did not complete the act, potentially complicating prosecution in certain cases.

DIGEST:

HB 2761 would amend Penal Code secs. 20A.02 and 20A.03 to clarify that it was not be a defense to prosecution for the trafficking of persons or continuous trafficking of persons if the trafficked child or disabled individual:

- lacked the culpable mental state to engage in the act of prostitution; or
- did not complete the act of prostitution.

The bill would take effect September 1, 2025, and would apply only to offenses committed on or after that date.

SUBJECT: Prohibiting PBMs from contracting in certain countries

COMMITTEE: Insurance — committee substitute recommended

VOTE: 8 ayes — Dean, Vo, J. González, Goodwin, Hopper, Morgan, Paul, Wharton

0 nays

1 absent — Spiller

WITNESSES: For — (*Registered, but did not testify*: Samuel Sheetz, Americans for Prosperity; David Reynolds, Texas Chapter American College of Physicians; Lauren Fleming, Texas Coalition For Patients; Danielle Lobsinger Bush, Texas Healthcare and Bioscience Institute; Ben Wright, Texas Medical Association; Duane Galligher, Texas Pharmacy Association; Jorge Martinez, The LIBRE Initiative)

Against — None

On — Michael Power, PCMA (*Registered, but did not testify*: Jamie Walker, Texas Department of Insurance)

BACKGROUND: Some have suggested that prohibiting pharmacy benefit managers (PBMs) from storing or processing patient data for a Texas resident in certain countries outside of the U.S. would help address data and security concerns, secure patient data, and protect Texans' personal information from being obtained by potentially malevolent foreign groups.

DIGEST: CSHB 3233 would prohibit a pharmacy benefit manager from storing or processing patient data for a Texas resident in a country the government of which had been determined by the U.S. secretary of state to have repeatedly provided support for acts of international terrorism.

The bill would take effect September 1, 2025.

SUBJECT: Expanding eligibility for tax revenue entitlements to certain municipalities

COMMITTEE: Ways & Means — favorable, without amendment

VOTE: 11 ayes — Meyer, Martinez Fischer, Bernal, Button, Capriglione, Gervin-Hawkins, Hickland, Muñoz, Noble, V. Perez, Turner

0 nays

2 absent — Troxclair, Vasut

WITNESSES: For — Amy Stretcher-Burkes, Elizabeth Triggs, City of Midland; Michael McWilliams, Midland Downtown Renaissance; David Dawson, Winstead pc (*Registered, but did not testify*: Daniel Hodge, Midland Development Corporation; Russell Meyers, Permian Basin Medical Center; Justin Bragiel, Texas Hotel & Lodging Association; Ron Hinkle, Texas Travel Alliance)

Against — (*Registered, but did not testify*: Adam Cahn)

On — (*Registered, but did not testify*: Lara Abi Habib, Texas Comptroller of Public Accounts)

BACKGROUND: Tax Code sec. 351.157 allows certain municipalities to receive sales and use tax and mixed beverage tax revenue generated by qualified establishments located near a hotel and convention center project.

Some have suggested that by extending eligibility under these provisions to include certain municipalities, the state could help support economic development in fast-growing municipalities like Midland.

DIGEST: HB 1186 would amend Tax Code sec. 351.157 to add a municipality with a population of 130,000 or more but less than 135,000, at least part of which is located in a county with a population of less than 135,000, to the list of municipalities eligible to receive the sales and use tax and mixed beverage tax revenue generated by qualified establishments located near a hotel and convention center project.

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 an impact of $0 to general revenue related funds through the biennium. However, there would be a negative impact of $797,000 through the biennium ending August 31, 2029.

SUBJECT: Requiring confirmation of certain DFPS notices in adversary hearings

COMMITTEE: Judiciary & Civil Jurisprudence — committee substitute recommended

VOTE: 9 ayes — Leach, Johnson, Dyson, Flores, J. González, Hayes, LaHood, Moody, Schofield

0 nays

2 absent — Dutton, Landgraf

WITNESSES: For — Amber McCray, Street Grace; Jessica Smith; Paula Vlahakos; Carolyn Wentland; Carrie Wilcoxson (*Registered, but did not testify*: Stephanie Battaglia, Texas CASA; Rebecca Ramirez, The National Association of Social Workers – Texas Chapter)

Against — (*Registered, but did not testify*: Judy Powell, Parent Guidance Center)

On — Andrew Brown, Texas Public Policy Foundation

BACKGROUND: Concerns have been raised that the Department of Family and Protective Services (DFPS) may struggle to determine whether alleged perpetrators of child abuse or neglect were notified of certain rights and provided specified information as required by law.

DIGEST: CSHB 1534 would require a court, before the commencement of a full adversary hearing in a suit by a governmental entity to protect the health and safety of a child, to confirm in writing and open court that the Department of Family and Protective Services (DFPS) informed an alleged perpetrator before an interview of the person's right to create an audio or video recording of the interview and request an administrative review of DFPS's findings.

The court also would have to confirm that, as soon as possible after initiating an investigation of a parent or other person having legal custody

of a child, DFPS provided the person with certain information related to investigation procedures and the person's rights in the investigation.

The bill would take effect September 1, 2025.

SUBJECT: Establishing immunity for ringside physicians at combative sports events

COMMITTEE: Licensing & Administrative Procedures — favorable, without amendment

VOTE: 13 ayes — Phelan, Thompson, Gerdes, Geren, Harless, Harris, Hernandez, Longoria, McQueeney, Patterson, M. Perez, Romero, Walle

0 nays

WITNESSES: For — (*Registered, but did not testify*: Lee Parsley, Texans for Lawsuit Reform)

Against — None

On — (*Registered, but did not testify*: Doug Jennings, TDLR)

BACKGROUND: Some have suggested that ringside physicians should be immune from civil liability to address concerns that physicians without immunity could be hesitant to make necessary difficult medical decisions due to the potential for legal action.

DIGEST: HB 5506 would establish that a ringside physician was immune from civil liability arising from acts within the scope of the physician's responsibilities at a combative sports event. Immunity would not apply to a cause of action arising from an act or omission constituting gross negligence of the physician.

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: Preventing state agency dissemination of certain personal information

COMMITTEE: Delivery of Government Efficiency — committee substitute recommended

VOTE: 13 ayes — Capriglione, Bhojani, Alders, Bowers, Cain, Campos, Cook, Curry, L. Garcia, Olcott, Rodríguez Ramos, Tinderholt, Troxclair

0 nays

WITNESSES: For — (*Registered, but did not testify*: Brian Hawthorne, Sheriffs' Association of Texas; Alison Brock, Texas Association of School Boards; Bryan Flatt, TMPA)

Against — (*Registered, but did not testify*: Steven Deline)

BACKGROUND: Some have suggested that protections are needed to ensure that the personal information of Texans who hold an occupational or professional license with a state agency cannot be unnecessarily disclosed through a public information request.

DIGEST: CSHB 5129, which could be cited as the Right to Privacy Act, would prohibit a state agency, without written consent, from disseminating to any person the personal identifying information of a person who submitted information to the agency to obtain an occupational license or retaining such information in the agency's records in a form that was not entirely redacted. Personal identifying information would include a person's home address, home telephone number, personal cell phone number, personal email address, driver's license number, emergency contact information, and information that revealed whether a person had family members.

The bill would authorize a state agency to disseminate such information without the person's written consent if it was required or permitted by a federal or state law other than the Public Information Act, or if the dissemination was made by or to a law enforcement agency for a law

enforcement purpose. The bill also would require a state agency to retain the written consent of a person in its records.

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: Amending surface owner rights and liabilities for RRC-plugged wells

COMMITTEE: Energy Resources — favorable, without amendment

VOTE: 9 ayes — Darby, E. Morales, Dean, Dyson, J. Garcia, Gerdes, Guerra, Reynolds, Rosenthal

0 nays

2 absent — Craddick, Gates

WITNESSES: For — Schuyler Wight (*Registered, but did not testify*: Julie Range, Commission Shift Action; Luke Bross, EPEC Energy; Cyrus Reed, Lone Star Chapter Sierra Club; Daniel Boone, Milestone; Jay Allison and Katherine Strange, Milestone Environmental Services; Ben Sebree, National Association of Royalty Owners - Texas; Cheyenne Rendon, Society of Native Nations; Charles Maley, South Texans' Property Rights Association; Ana Fierro, Sunrise ATX; Peyton Schumann, Texas & Southwestern Cattle Raisers Association; Blake Roach, Texas Farm Bureau; Steven Deline)

Against — None

On — (*Registered, but did not testify*: Travis Baer, Railroad Commission)

BACKGROUND: Concerns have been raised that landowners may be unfairly held liable for damages or injuries that occur during the plugging of abandoned wells by contractors hired by the Railroad Commission of Texas. Some have suggested that landowners should be provided legal protections to shield them from liability in such cases, particularly when they are not notified of the work being done or have no involvement in the operations.

DIGEST: HB 3619 would require the Railroad Commission of Texas (RRC) to restore the surface of the tract of land on which a well that the RRC plugged or replugged was located to the condition in which it existed before the plugging or replugging operations began.

The bill would prohibit a person authorized to enter land under the bill, except as necessary to prevent injury to public health, from taking an action that would prevent the owner of the surface estate of the land from accessing the land.

The owner of the surface estate of the tract of land on which a well was located would not be liable for any damages that could occur as a result of acts done or omitted to be done in carrying out provisions related to abandoned wells by the RRC, an employee or agent of the RRC, or any other person authorized to enter the land.

The bill would take effect September 1, 2025, and apply only to a well that was plugged or replugged on or after that effective date.

SUBJECT: Requiring certain gender transition adverse effect and reversal coverage

COMMITTEE: Insurance — committee substitute recommended

VOTE: 6 ayes — Dean, Hopper, Morgan, Paul, Spiller, Wharton

3 nays — Vo, J. González, Goodwin

WITNESSES: For — Richard Bosshardt, Do No Harm Action; Vanessa Sivadge, Protecting Texas Children; and 9 individuals (*Registered, but did not testify*: Chloe Cole, Jamie Reed, Do No Harm Action; Ryan Brannan, Fielstead; Jonathan Covey, Texas Values; Jennifer Allmon, The Texas Catholic Conference of Bishops; Michelle Evans, Williamson County Republican Party)

Against — Ash Hall, ACLU of Texas; Miriam Laeky, Equality Texas; Sadie Hernandez, Andrea Segovia, Transgender Education Network of Texas; and 10 individuals (*Registered, but did not testify*: Timothy Crumley, CommonSense Wellness Network, IPA, LLC; Emma Guevara, Frontera Fund; Darcy Caballero, Planned Parenthood Texas Votes; Elena Ferguson, Positive Women's Network-USA; Cam Addams, Levi Fiedler, Texas Freedom Network; Christopher Hamilton, Texas Health Action; Kyle Riley, Texas Impact; Jessica Cohen, Texas Stonewall; Erin Walter, Michelle Venegas-Matula, Texas Unitarian Universalist Justice Ministry; Sadie Hernandez, Landon Richie, Transgender Education Network of Texas; and 142 individuals)

On — (*Registered, but did not testify*: Christine Busse, NAMI Texas)

BACKGROUND: Some have suggested that health care coverage should be provided to individuals dealing with adverse effects, which may require long-term care, from undergoing gender transition treatment or who have decided to reverse a transition.

DIGEST: CSHB 778 would require a health benefit plan that had ever provided coverage for an enrollee's gender transition procedure or treatment to provide coverage for:

- all possible adverse consequences related to the enrollee's gender transition procedure or treatment, including any short- or long-term side effects of the procedure or treatment;
- any baseline and follow-up testing or screening necessary to monitor the mental and physical health of the enrollee on at least an annual basis without regard to the sex or gender identity designation in the enrollee's medical record; and
- any procedure, treatment, or therapy necessary to manage, reverse, reconstruct from, or recover from the enrollee's gender transition procedure or treatment.

A health benefit plan that offered coverage for a gender transition procedure or treatment also would be required to provide coverage for gender transition adverse effects and reversals under the bill to any enrollee who had undergone a gender transition procedure or treatment, regardless of whether the enrollee was enrolled in the plan at the time of the procedure or treatment.

The bill would define "gender transition" as a medical process by which an individual's anatomy, physiology, or mental state is treated or altered for the purpose of furthering or assisting the individual's identification as a member of the opposite biological sex or group or demographic category that does not correspond to the individual's biological sex.

The bill would apply only to a health benefit plan that provided benefits for medical or surgical expenses or pharmacy benefits incurred as a result of a health condition, accident, or sickness, including an individual, group, blanket, or franchise insurance policy or insurance agreement, a group hospital service contract, or an individual or group evidence of coverage or similar coverage document that was issued by certain entities, including an insurance company, a group hospital service corporation, a health maintenance organization, and an approved certified nonprofit health corporation.

The bill would apply to coverage under a group health benefit plan provided to a Texas resident regardless of whether the group policy, agreement, or contract was delivered, issued for delivery, or renewed in this state.

The bill would not apply to a self-funded health benefit plan.

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, and would apply only to a health benefit plan that was delivered, issued for delivery, or renewed on or after January 1, 2026.

SUBJECT: Establishing limits on late payment fees for water and sewer service

COMMITTEE: Natural Resources — committee substitute recommended

VOTE: 10 ayes — Harris, Martinez, Ashby, Barry, Buckley, Fairly, Gámez, M. González, Romero, Villalobos

1 nay — J. Garcia

2 absent — C. Bell, Zwiener

WITNESSES: For — None

Against — Tyler Hjorth, San Marcos TX Utilities (*Registered, but did not testify*: Scott Miller, City of Buda; Clifford Sparks, City of Dallas; Taylor Borer, City of Garland; Jon Weist, City of Irving; Hope Wells, San Antonio Water System)

On — (*Registered, but did not testify*: Leah Clark, City of Georgetown)

BACKGROUND: Concerns have been raised that consumers of water or sewer services can become encumbered by payment deadlines and fees, which may disproportionately affect low-income households and lead to service shutoffs. Some have suggested that a regulated cap on these fees could help address the issue and protect consumers from potentially abusive practices.

DIGEST: CSHB 2867 would prohibit a municipal utility that provided water or sewer service from charging a late payment fee that:

- before the 11th day of the late payment penalty period was more than the greater of $5 or 2 percent of the amount past due;
- on or after the 11th day but before the 20th day of the late payment penalty period was more than the greater of $5 or 5 percent of the amount past due; or
- on or after the 20th day of the late payment period was more than the greater of $5 or 10 percent of the amount past due.

A late payment penalty period could not begin before the 21st day after the municipal utility mailed or electronically transmitted the customer's bill and would have to end on the date the customer paid all past due amounts to the utility.

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: Revising certain Teacher Retirement System employer contributions

COMMITTEE: Pensions, Investments & Financial Services — favorable, without amendment

VOTE: 5 ayes — Lambert, Plesa, Bumgarner, L. Garcia, Hayes

0 nays

4 absent — Bryant, Holt, Schoolcraft, Vo

WITNESSES: For — Jay Olivier, Meridian World School; Brandon Garcia, Texas Public Charter Schools Association (*Registered, but did not testify*: Justin Wood, Schulman Lopez Hoffer & Adelstein LLP)

Against — Timothy Lee, Texas Retired Teachers Association (*Registered, but did not testify*: Monty Exter, ATPE; Jo Cassandra Cuevas, Our Schools Our Democracy; James Hallamek, Texas State Teachers Association; Patty Quinzi, TX-AFT; Steven Deline)

On — Caasi Lamb, Teacher Retirement System of Texas (TRS) (*Registered, but did not testify*: Brian Guthrie, Teacher Retirement System of Texas)

BACKGROUND: Government Code sec. 825.4035(c) establishes that if a member of the Teacher Retirement System of Texas (TRS) is entitled to the minimum salary for certain school personnel under certain current or former Education Code provisions establishing a minimum salary schedule, the employer must, in addition to any contributions required based on compensation above the statutory minimum, contribute a specified monthly amount to TRS for each member.

Government Code sec. 825.405(a) requires an employing school district or open-enrollment charter school, as applicable, to pay the state's contribution on the portion of a TRS member's salary that exceeds the statutory minimum salary for certain members, including for a member who would be entitle to the minimum salary for certain school personnel

if the member was employed by a school district subject to that minimum salary schedule instead of being employed by an open-enrollment charter school or a school district that had adopted a local innovation plan that exempts its employees from that salary schedule.

Some have suggested that the minimum salary schedule should be used to calculate TRS employer contributions for all public schools, including public charter schools, to create parity and reduce administrative burdens.

DIGEST:

HB 3221 would amend Government Code sec. 825.4035(c) to require an employer to, in addition to required contributions based on compensation above the statutory minimum under sec. 825.405(a), contribute a specified amount monthly to TRS for each member entitled to contributions under sec. 825.405(a), which would include a member who would be entitled to the minimum salary for certain school personnel if the member was employed by a public school district subject to the minimum salary schedule instead of being employed by an open-enrollment charter school or a school district that had adopted a local innovation plan.

The bill would apply beginning with the 2025-2026 school year.

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: Establishing extracurricular community education grant program

COMMITTEE: Public Education — favorable, without amendment

VOTE: 14 ayes — Buckley, Bernal, Allen, Ashby, Bryant, Cunningham, Dutton, Frank, Hinojosa, Hunter, Kerwin, Leach, Schoolcraft, Talarico

0 nays

1 absent — Leo Wilson

WITNESSES: For — Patrick Torres, Creative Action; Jenna Courtney, Texas Partnership for Out of School Time (*Registered, but did not testify*: Tricia Cave, Association of Texas Professional Educators ATPE; Jason Sabo, Children at Risk; Ana O'Quin, Girls Empowerment Network; Raif Calvert, Kelly Rasti, Texas Association of School Boards (TASB); Crystal White, Texas Association of Community Schools; Andrea Chevalier, Texas Council of Administrators of Special Education (TCASE); Matt Dowling, Texas Medical Association; Clayton Travis, Texas Pediatric Society; Jennifer Easley, Texas PTA; Greg Hartman, Texas State Alliance of YMCAs; Carrie Griffith, Texas State Teachers Association; Ashley Harris, United Ways of Texas)

Against — None

On — (*Registered, but did not testify*: Monica Martinez, Texas Education Agency)

BACKGROUND: Some have suggested that the state should expand student access to extracurricular learning opportunities outside of regular school hours, which play a crucial role in youth development.

DIGEST: HB 3672 would require the education commissioner to establish a grant program to assist eligible organizations with providing extracurricular community education programs that promoted learning and academic enrichment and could include activities involving art, music, community engagement, literacy, science, technology, engineering, math, health,

mental health, or recreation. The objectives of the grant program would be to:

- improve student academic performance by increasing access to after-school and summer learning and enrichment opportunities;
- reduce truancy by fostering student engagement in learning and connections to the school and community;
- improve student mental health by identifying those in need and providing early intervention to students and their families;
- increase student access to protective factors that promote healthy behaviors, attitudes, and relationships;
- encourage students to develop the skills and behaviors necessary to become productive adults; and
- establish community partnerships to ensure equitable access to resources for students and their families.

To be eligible for a grant, an organization that provided or sought to provide an extracurricular community education program would have to submit a grant application to the Texas Education Agency (TEA) that included:

- an assessment of community needs and existing program resources;
- a description of the organization's relationship with a public school that the students participating in the program attended;
- an analysis of the extent to which the program would further its objectives;
- a plan for implementing educational strategies consistent with industry best practices and for providing program staff with access to professional development opportunities; and
- a description of the data the organization would use to evaluate the impact of the grant program.

The education commissioner would have to adopt certain rules to administer the grant program, including rules to monitor and evaluate the performance of grant recipients and rules to establish a methodology for selecting among eligible organizations that had applied to receive grants that prioritized:

- programs primarily serving historically underserved students;
- organizations partnered or otherwise collaborating with public schools that grant program participants attended; and
- organizations providing a wide array of services and activities to meet community needs and grant program objectives.

To the extent practicable, the education commissioner would have to award grants equitably among the geographic areas of the state and without regard to the grade level of students served by a program.

The bill would require TEA to provide program development assistance to organizations that received a grant, including professional development opportunities for program leaders and guidance on educational strategies consistent with industry best practices.

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 about $7.1 million to general revenue related funds through the biennium.

SUBJECT: Authorizing ERS service credit for additional 90-day waiting period

COMMITTEE: Pensions, Investments & Financial Services — favorable, without amendment

VOTE: 6 ayes — Lambert, Plesa, Bryant, Bumgarner, Holt, Vo

0 nays

3 absent — L. Garcia, Hayes, Schoolcraft

WITNESSES: For — (*Registered, but did not testify*: Chris Jones, Combined Law Enforcement Associations of Texas; Ann Bishop, TPEA; Steven Deline; Thomas Parkinson)

Against — None

On — (*Registered, but did not testify*: Robin Hardway, Employees Retirement System of Texas)

BACKGROUND: Current law authorizes members of the Employees Retirement System of Texas (ERS) to purchase service credit for the 90-day waiting period that occurs after beginning employment or holding office. However, concerns have been raised regarding the applicability of this rule to members who experience multiple 90-day waiting periods during their careers.

DIGEST: HB 2434 would authorize a member of ERS to establish service credit for each month of any 90-day waiting period in which the member performed service, regardless of whether the member made a contribution during the 90-day waiting period for which the member established service credit.

If a member purchased service credit for a month that occurred before their most recent hire date, ERS would be required to consider the member's hire date to be the first day of the month of the earliest month for which the service credit was purchased.

ERS would be required to compute the required deposit in a manner that would not result in an actuarial loss to the retirement system.

The bill would take effect September 1, 2025.

SUBJECT: Establishing a multi-agency child care initiative

COMMITTEE: Trade, Workforce & Economic Development — favorable, without amendment

VOTE: 9 ayes — Button, Talarico, K. Bell, Bhojani, Harris Davila, Lujan, Luther, Meza, Richardson

0 nays

2 absent — Longoria, Ordaz

WITNESSES: For — Eric Bonhard, Goddard School; Charles Miller, Texas 2036; Geren Anderson and Tim Kaminski, Texas Licensed Child Care Association; Kelsey Streufert, Texas Restaurant Association (*Registered, but did not testify*: Melissa Shannon, Bexar County Commissioners Court; Justin Wood, Care.com; Adam Haynes, Conference of Urban Counties; Josie Castro Garcia, Dallas County; Rebekah Chenelle, Dallas Regional Chamber; Amanda Posson, Every Texan (formerly CPPP); Santiago Franco, Harris County Commissioners Court; Christine Yanas, Methodist Healthcare Ministries; Karen Reagan, Texas Association of Staffing; Carl Isett, Texas Licensed Child Care Assn; Cicely Kay, Travis County Commissioners Court; Blanca Blanca, Wonderschool; Steven Deline)

Against — None

On — Reagan Miller, The Texas Workforce Commission

BACKGROUND: Concerns have been raised that conflicting child care regulations among state agencies have created inefficiencies and increased costs for child care providers, which can raise costs for families seeking access to affordable child care. Some have suggested that establishing a multiagency initiative could streamline regulations and foster collaboration to improve child care access.

DIGEST: HB 4903 would establish the Quad-Agency Child Care Initiative with the purpose of fostering collaboration, coordinating policies, and reviewing

and streamlining regulations among the participating agencies, which would include the Texas Workforce Commission (TWC), the Health and Human Services Commission (HHSC), the Department of Family and Protective Services (DFPS), and the Texas Education Agency (TEA).

To lead the initiative, the bill would create the Quad-Agency Child Care Initiative Commission, composed of the chair of TWC, who would serve as the Quad-Agency commission chair, the executive commissioner of HHSC, the commissioner of DFPS, and the commissioner of TEA. Participating agencies would be required to enter into interagency agreements to assign staff and resources to the initiative.

The bill would require the commission to coordinate participating agency initiatives that impact the cost, quality, or accessibility of child care, consider and start interagency initiatives to expand access to quality, affordable child care, and review and streamline existing or proposed regulations, rules, policies, or other agency actions that impact the child-care industry to:

- resolve regulatory conflicts and duplication among participating agencies;
- lower insurance costs for child-care providers;
- protect the health and safety of participating children;
- advance quality education for child-care providers; and
- create consistent, predictable, and reasonable enforcement mechanisms among participating agencies.

The commission would be required to meet at least three times each year, and would be considered a governmental body for the purposes of the Open Meetings Act.

The Quad-Agency chair would be authorized to initiate an independent review by the commission of any existing or proposed regulation, rule, policy, or other participating agency action that may impact the cost, quality, or accessibility of child care to determine whether the regulation, rule, policy, or action was consistent with the objectives of the initiative

and a less restrictive regulation, rule, policy, or action could more effectively achieve the objectives.

By the 10th business day after the date a review was initiated under the bill, the commission would be required to provide notice of the review, including instructions on how to submit public comments on the review as provided by the bill, and make certain information available to the public on the TWC website for each review for not less than two years from the date a determination is made, including all public comments submitted, all written agency submissions, and the determination of the commission based on the review. The bill would require the commission to establish a process for members of the public, elected officials, or nonparticipating agencies to request a review. The commission would be required to publish requests for review online for at least two years, and the commission chair would have to consider all public comments received during the specified pubic comment period for each review.

The bill would authorize the chair to grant a participating agency an expedited review if the agency demonstrated an extraordinary circumstance or the need to meet a statutory or administrative deadline.

After a public comment period closed, the commission would be required to render a determination on the existing or proposed regulation, rule, policy, or agency action. If the commission determined that it was inconsistent with the initiative's objectives, the bill would require the agency to cease enforcement, withdraw the regulation, rule, policy, or action, and, if appropriate, replace it with a less restrictive version. The commission could offer recommendations but could not require an agency to adopt them.

The commission would be required to hold its first meeting no later than March 31, 2026.

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: Requiring certification requirements for certain fire marshals

COMMITTEE: Intergovernmental Affairs — favorable, without amendment

VOTE: 11 ayes — C. Bell, Zwiener, Cole, Cortez, Garcia Hernandez, Leo Wilson, Lowe, Luther, Rosenthal, Spiller, Tepper

0 nays

WITNESSES: For — Laurie Christensen, Harris County Fire Commissioner Court (*Registered, but did not testify*: Melissa Shannon, Bexar County Commissioners Court; James Parnell, Dallas Police Association; Katelyn Caldwell, Harris County Commissioners Court; Ray Hunt, Houston Police Officers' Union; Aaron Taliaferro, Tarrant County Administrator's Office; Adam Burklund, Texas Fire Chiefs Association; Scott Rubin, Texas Police Chiefs Association)

Against — (*Registered, but did not testify*: Julie Wheeler, Travis County Commissioners Court)

On — (*Registered, but did not testify*: Steven Deline)

BACKGROUND: Some have suggested that a standard qualification for fire marshals in populous counties would ensure that all marshals were properly qualified and experienced.

DIGEST: HB 3687 would require a fire marshal in an emergency services district (ESD) or certain county to hold the following certifications issued by the Texas Commission on Fire Protection:

- head of a prevention-only fire department certification within 12 months after the date the fire marshal was initially appointed;
- a fire marshal basic certification within 24 months after the date the fire marshal was initially appointed; and
- a fire protection personnel certification within 12 months after the date the fire marshal was initially appointed.

If acting as a peace officer, the fire marshal and any related officer, inspector, and investigator would be required to hold a permanent peace officer license.

If acting under fire marshal authority to conduct or supervise arson investigations or fire inspections, the fire marshal or the fire marshal's employees would be required to hold certifications required for fire inspection by the Texas Commission on Fire Protection.

The bill would only apply to a county with a population of 100,000 or more or an ESD wholly located in a county with a population of 100,000 or more.

A fire marshal appointed before the effective date of the bill would be required to receive certifications in suppression fire departments, prevention-only fire departments, fire marshal basic certification, fire protection personnel, and a peace officer license, if applicable.

The bill would take effect September 1, 2025.

SUBJECT: Restricting consideration of criminal history for public employment

COMMITTEE: State Affairs — committee substitute recommended

VOTE: 13 ayes — King, Hernandez, Anchía, Darby, Y. Davis, Geren, Hull, McQueeney, Metcalf, Phelan, Raymond, Thompson, Turner

1 nay — Smithee

1 absent — Guillen

WITNESSES: For — Sarah Decker, Prison Fellowship (*Registered, but did not testify*: Terra Tucker, Alliance for Safety and Justice; Nick Hudson, American Civil Liberties Union of Texas; Brian Yarbrough, JPMorgan Chase Holdings LLC; Josiah Neeley, R Street Institute; Brian Hawthorne, Sheriffs' Association of Texas (SAT); Lori Henning, Texas Association of Goodwills; Alycia Castillo, Texas Civil Rights Project; Bryan Flatt, TMPA)

Against — None

BACKGROUND: It has been proposed that requiring public employers to delay inquiring into applicants' criminal history until after making a job offer could reduce recidivism and increase gainful employment opportunities for Texans who have a criminal record.

DIGEST: CSHB 3675 would prohibit a public employer from obtaining criminal history record information relating to an applicant or asking the applicant to disclose such information before making a conditional offer of employment. Before making an offer, a public employer could notify the applicant that certain criminal convictions would disqualify the applicant for consideration or include a question on the initial application form regarding whether the applicant had been convicted of a disqualifying criminal offense.

CSHB 3675 would not prohibit a public employer from obtaining criminal history record information after making a conditional offer of employment to an applicant.

The bill would not apply to an independent school district or any position with a law enforcement agency.

The bill would take effect September 1, 2025, and would apply only to an application submitted on or after that date.

SUBJECT: Revising provisions for the Texas Municipal Retirement System

COMMITTEE: Pensions, Investments & Financial Services — committee substitute recommended

VOTE: 7 ayes — Lambert, Plesa, Bryant, L. Garcia, Hayes, Schoolcraft, Vo

0 nays

2 absent — Bumgarner, Holt

WITNESSES: For — Jaime Reyes, Texas State Association of Fire Fighters; Bob Scott

Against — (*Registered, but did not testify*: Jennifer Szimanski, Combined Law Enforcement Associations of Texas (CLEAT); Kevin Lawrence, Texas Municipal Police Association)

On — Debbie Munoz, Texas Municipal Retirement System

BACKGROUND: Government Code Sec. 854.106(a) establishes that if a surviving spouse or the executor or administrator of the estate of a member of the Texas Municipal Retirement System, would be entitled to select an optional service retirement annuity, the heirs of the deceased member may make that election if, among other requirements, the value of the entire assets of the member's estate does not exceed $50,000 and there are no more than three heirs.

Under current law, the Texas Municipal Retirement System (TMRS) allows participating municipalities to choose which of the benefit options offered by the system to include in the city's benefit plan. Some have suggested clarifying provisions related to plan participation, administration, and participating municipality contributions based on recommendations by TMRS.

DIGEST: HB 4609 would provide that a municipal department would begin participation in the Texas Municipal Retirement System (TMRS) on the first day of the first month after the month TMRS received notice of an

election to participate, rather than the first day of the second month after the month the board of trustees received notice.

The bill would replace references to the board of trustees with references to TMRS and make conforming changes throughout the bill.

The bill would remove references to a municipality's maximum contribution rate, requiring that all obligations charged against a municipality's account could be funded by the municipality solely within its amortization period.

The bill would amend provisions regarding an optional updated service and annuity increase to provide the option for a governing body to use 40 percent or 60 percent as a multiplying factor in calculating the increase, in addition to the 30 percent, 50 percent, and 70 percent authorized under current law. Provisions specifying which municipalities could elect to compute this annuity increase would be removed. The bill would also provide a governing body to use 40 percent or 60 percent as a multiplying factor for calculations related to optional increases in retirement annuities and remove language allowing that body to specify a different percentage.

The bill would amend Government Code sec. 854.106(a) to provide that heirs of a deceased member could make a selection of an optional service retirement annuity if the value of the entire estate did not exceed the amount for which a small estate affidavit could be approved under state law. The bill would also remove the limitation on the number of heirs.

The bill would amend the time by which the governing body of a municipality would be required to specify the effective date of an ordinance regarding member eligibility to be January 1 of any year after the date the actuary made the required determinations, rather than the first day of any month after the month in which the determinations were made.

Unless adopted as part of an election to participate in TMRS, an ordinance adopted to increase the member contribution rate would take effect January 1 of the year that first occurred after the date TMRS received the adopted ordinance. The bill would make conforming changes to reflect this change.

The bill would remove a requirement for an actuary to determine the maximum rate for municipality contributions if a participating municipality had different contribution rates for different employees of different departments.

The bill would establish that participating municipalities that elected to provide an increased current service annuity reserve and elected a contribution rate of either 150 percent or 200 percent for a year were liable for total contributions at a rate determined by the actuary, rather than at a rate based on the municipality's maximum prescribed rate.

The bill would establish Travis County as the venue of any action brought against TMRS. A hearing held by the State Office of Administrative Hearings in which the retirement system was a party would have to be held in Travis County.

The bill also would repeal certain provisions related to optional increases in retirement annuities, limitations on municipality contribution rates, additional employer contributions, death benefits contributions, and increased current services annuities.

The bill would take effect September 1, 2025.

SUBJECT: Authorizing infrastructure cost reimbursements for attainable housing

COMMITTEE: Land & Resource Management — committee substitute recommended

VOTE: 6 ayes — Gates, Lalani, Alders, R. Lopez, Morgan, Virdell

0 nays

3 absent — Y. Davis, Hinojosa, Hunter

WITNESSES: For — (*Registered, but did not testify*: J.D. Hale, Texas Association of Builders; DJ Pendleton, Texas Manufactured Housing Association; Trey Lary)

Against — (*Registered, but did not testify*: Melissa Shannon, Bexar County Commissioners Court; Clifford Sparks, City of Dallas; Elisa M. Tamayo, El Paso County)

On — (*Registered, but did not testify*: Aaron Taliaferro, Director, Tarrant County Government Relations)

BACKGROUND: Concerns have been raised that a current lack of new housing units poses an impediment to home ownership for middle-income prospective buyers. Some have suggested that allowing local governments to reimburse developers for providing infrastructure that supports attainable housing could incentivize development of more housing units for middle-income buyers.

DIGEST: CSHB 4582 would authorize a county with a population between 2.5 and 4 million, an adjacent county with a population greater than 190,000, and a municipality located in such counties to reimburse a developer for a cost incurred to build infrastructure related to an attainable housing development, which would be defined under the bill as a residential development of at least seven acres that was developed or renovated to provide at least 50 single-family offsite residences.

Under the bill, “infrastructure” would be defined as a facility for water, wastewater, electricity, broadband internet service, or another utility, and a street, road, highway, or bridge. “Single-family offsite residence” would mean a housing unit governed by the Texas Manufactured Housing Standards Act.

A developer would be eligible for reimbursement under CSHB 4582 if:

- the developer incurred the cost of building or financing the infrastructure or connection of the infrastructure to the development;
- a municipality or county would have built or financed the infrastructure had it not been built by the developer;
- at least 80 percent of development lots accommodated a single-family offsite residence with an area between 1,000 and 2,500 square feet;
- the development was connected to a public water system and a sewer system;
- the development was governed by a property owners’ association agreement or land lease agreement that included restrictive covenants relating to common area maintenance and enforcement of community regulations;
- the developer offered units to veterans or active duty military members, first responders, or school district employees; and
- the developer complied with the Federal Housing Administration tenant site lease protections required by the applicable municipality and county.

Reimbursable costs would include financing, installation, maintenance, or renovation and costs to connect to existing infrastructure. An eligible developer could request reimbursement by providing written notice to the applicable local governments that included an itemized list of costs incurred and proof of payment for each.

The amount of reimbursement paid to a developer in a tax year could not exceed the amount of property taxes assessed by the municipality or county and paid by the developer for that tax year on the applicable

property. A county's liability for reimbursement under the bill would be limited to the property taxes assessed by the county on and paid by the developer for the property located in the unincorporated area of the county.

A developer would be eligible for reimbursement until the earlier of the date on which the total reimbursement was equal to the infrastructure costs incurred by the developer or the 10th anniversary of the day the developer first received a reimbursement payment. A local government that reimbursed a developer under the bill would have to pay the initial reimbursement within 90 days of receiving notice from the developer.

A developer that received reimbursement under CSHB 4582 would be required to submit an annual report to the reimbursing municipality or county that included an itemized list of the infrastructure costs incurred during that year and proof of payment for each.

The bill would take effect September 1, 2025.

SUBJECT: Restricting the use of state funds to benefit entities that outsource jobs

COMMITTEE: State Affairs — favorable, without amendment

VOTE: 14 ayes — King, Hernandez, Darby, Y. Davis, Geren, Guillen, Hull, McQueeney, Metcalf, Phelan, Raymond, Smithee, Thompson, Turner

0 nays

1 absent — Anchía

WITNESSES: For — (*Registered, but did not testify*: Steven Deline)

Against — (*Registered, but did not testify*: Kyle Bush, Texas Association of Manufacturers; Mia McCord, Texas Chemistry Council)

BACKGROUND: Concerns have been raised that many businesses that benefit from the business-friendly climate in Texas, including tax breaks and incentives, outsource jobs that could be performed in the U.S. Some have suggested that restrictions should be imposed on state investments and benefits for companies that outsource jobs to foreign countries.

DIGEST: HB 4921 would prohibit a state governmental entity from investing state funds in or purchasing obligations of a domestic private entity that, at any time during the previous two years, had created employment suitable for performance in the U.S. in another country and, as a result, eliminated or failed to create similar employment in the U.S. The bill also would establish that such an entity was not eligible for a credit, exemption, or discount in relation to a state tax or fee, unless such a benefit had specifically prescribed eligibility requirements under the Texas Constitution.

HB 4921 would require state agencies responsible for the issuance of a credit, exemption, or discount related to a tax or fee to adopt rules for denying the benefit and for a person to ask the agency to reconsider a denial. The rules would have to require that as soon as practicable after deciding to deny a benefit under the bill to an otherwise eligible entity, the

state agency would have to provide the entity with notice of and the factual basis for the denial and a description of procedures to request a reconsideration and to contest the factual or legal basis for the denial.

The bill would take effect September 1, 2025, and would apply only to an investment made or benefit provided or denied on or after September 1, 2026.

NOTES: According to the Legislative Budget Board, the fiscal implications of the bill cannot be determined.