HOUSE RESEARCH ORGANIZATION • TEXAS HOUSE OF REPRESENTATIVES
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HOUSE RESEARCH ORGANIZATION

daily floor report

Tuesday, May 27, 2025
89th Legislature, Number 76
The House convenes at 10 a.m.
Part Two

One bill is on the Major State Calendar and 46 bills are on the General State Calendar for second reading consideration today. The list of bill digests included in Part Two of the *Daily Floor Report* appears on the following page.

Individual HRO bill analyses for previous calendars and bill analyses on the Supplemental House Calendar can be found on the Dynamic Floor Report: https://hro-dfr.house.texas.gov/floor-reports

Gary VanDeaver
Chairman
89(R) - 76

HOUSE RESEARCH ORGANIZATION

Daily Floor Report

Tuesday, May 27, 2025

89th Legislature, Number 76

Part 2

SUBJECT: Amending human trafficking awareness enforcement in commercial lodgings

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

VOTE: 8 ayes — Button, K. Bell, Bhojani, Harris Davila, Lujan, Luther, Meza, Richardson

0 nays

3 absent — Talarico, Longoria, Ordaz

SENATE VOTE: On final passage (May 12) — 30 – 0

WITNESSES: For — Elisa M. Tamayo, El Paso County (*Registered, but did not testify*: Aaron Taliaferro, Director, Government Relations, Tarrant County; Santiago Franco, Harris County Commissioners Court; Steven Deline; Thomas Parkinson)

Against — None

BACKGROUND: Concerns have been raised that human traffickers may exploit commercial lodging establishments to carry out illicit activities. While lodging establishments are required to provide human trafficking awareness and prevention training to employees, some have suggested that enforcement of these requirements should be strengthened.

DIGEST: SB 2105 would extend the enforcement authority of the attorney general to a county or district attorney of the county in which a commercial lodging establishment was located if the county or district attorney had reason to believe an operator of an establishment had violated statutory provisions relating to human trafficking awareness and prevention in such establishments. The county or district attorney would be required to provide written notice to the operator to cure the violation and enforce the action, and the bill would make conforming changes to provisions authorizing an action in the name of the state to recover a civil penalty or for injunctive relief to require compliance with applicable state law.

The bill would amend existing provisions on the venue for an action to specify that the attorney general could bring actions in Travis County or in any county where the violation occurred. County and district attorneys would be required to notify the attorney general before bringing an action in a form and manner prescribed by the attorney general, and would have to bring an action in a district court in a county in which any part of the violation or threatened violation occurred.

The bill would provide that, in addition to the attorney general, a county or district attorney could recover certain reasonable expenses incurred. Civil penalties recovered by a county or district attorney would be payable to the county in which the district court that heard the action was located.

The bill would take effect September 1, 2025.

SUBJECT: Amending bonded title issuance procedures for motor vehicles

COMMITTEE: Transportation — favorable, without amendment

VOTE: 11 ayes — Craddick, M. Perez, Curry, Gámez, Harris Davila, LaHood, Little, C. Morales, E. Morales, Patterson, Paul

0 nays

2 absent — Canales, Hefner

SENATE VOTE: On final passage (May 6) — 31 - 0

WITNESSES: For — None

Against — None

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

BACKGROUND: Concerns have been raised that the current bonded title process for vehicles can provide opportunities for title disputes, fraud, and theft.

DIGEST: SB 2245 would revise the list of conditions that qualify a person to obtain a title for a motor vehicle in their possession by filing a bond as an alternative to an application for a hearing following the refusal, rescission, cancellation, suspension, or revocation of a title by the Texas Department of Motor Vehicles (TxDMV).

Under the bill, a person could obtain a title under these provisions if the person provided a release of all liens less than 10 years old, rather than all liens. The bill also would establish a condition that the lienholder of any lien less than 10 years old had gone out of business, the security interest on the vehicle had not transferred to or was otherwise acquired by another person, and the applicant provided sufficient evidence of those facts in the form and manner prescribed by TxDMV rule.

The bill would require TxDMV, on receipt of a bond filing as an alternative to a hearing, to notify any recorded owner or lienholder of the vehicle of the bond filing. If a person who filed a bond did not hold a general distinguishing number issued under state law, TxDMV could only issue title on or after the 30th day, after which the person applied for title and could not issue title if any recorded owner or lienholder with an interest in the vehicle objected to the issuance of the title.

Failure to object to the issuance of title would not waive the right of an interested person to bring an action to recover on the bond.

The bill would take effect September 1, 2025.

SUBJECT: Amending disclosure requirements for the sale of a manufactured home

COMMITTEE: Intergovernmental Affairs — committee substitute recommended

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

0 nays

SENATE VOTE: On final passage (May 12) — 30 - 0

WITNESSES: None (*considered in a formal meeting May 21*)

BACKGROUND: Occupations Code sec. 1201.162 requires that, before the completion of a credit application or more than one day before entering into an agreement for a sale or exchange that will not be financed, a manufactured housing retailer must provide to the consumer a written disclosure addressing certain matters.

Occupations Code sec. 1201.2055 allows an owner to treat a manufactured home as real property only if it is attached to real property the owner owns or land under a long-term lease to the owner.

Concerns have been raised that many owners of manufactured homes are not aware of the extensive process allowing a manufactured home to be transferred from personal property to being legally considered as real property eligible for the benefits afforded to traditional homeowners.

DIGEST: CSSB 2764 would add a purchaser's ability to elect to treat a manufactured home as real or personal property to the matters that had to be addressed in the disclosure by a retailer under Occupations Code sec. 1201.162. This added disclosure would have to explain:

- the conditions required for an owner to treat a manufactured home as real property;
- the effects of electing to treat a home as real property;

- that the election had to be made on the application for a statement of ownership; and
- that the election could be made to convert the home from personal property to real property or from real property to personal property.

The bill would take effect September 1, 2025.

SUBJECT: Creating real property theft and fraud offenses

COMMITTEE: Criminal Jurisprudence — favorable, without amendment

VOTE: 7 ayes — Smithee, Cook, J. Jones, Little, Louderback, Rodríguez Ramos, Virdell

0 nays

4 absent — Wu, Bowers, Money, Moody

SENATE VOTE: On final passage (May 12) — 30-0

WITNESSES: For — Robert Browne, First Christian Church; Jennifer Fogg, County and District Clerk's Association of Texas; Phillip Clark, Dallas County District Attorney's Office (*Registered, but did not testify*: Melissa Shannon, Bexar County Commissioners Court; Josie Castro Garcia, Dallas County Commissioners Court; James Parnell, Dallas Police Association; Elisa M. Tamayo, El Paso County; Santiago Franco, Harris County Commissioners Court; James Kershaw, Harris County Deputies' Organization FOP #39; Ray Hunt, Houston Police Officers' Union; Bill Kelly, Office of Harris County District Attorney Sean Teare; Chad Vessels, Prosper ISD Police Department; Aaron Taliaferro, Tarrant County Clerk's Office; Heath Wester, Texas ISD School District Police Chiefs Association; Abby Powell, Texas Land Title Association; Meredyth Fowler, Texas Mortgage Bankers Association; John Wilkerson, Texas Municipal Police Association (TMPA); John Warren, The County and District Clerks' Association of Texas; Steven Deline; John Mckiernan-Gonzalez)

Against — None

BACKGROUND: Some have suggested that despite existing offenses for theft and fraud, property owners lack clear remedies when the offense involves real estate, and that procedures and penalties under current law are not tailored to address document-based property theft.

DIGEST:

SB 2611 would create the offenses of real property theft and real property fraud and revise procedures and penalties related to filing fraudulent documents concerning property ownership and claims.

Real property theft. The bill would create the offense of real property theft for a person who:

- brought about or attempted to bring about a transfer or purported transfer of title to or another interest in real property without the effective consent of the owner and with the intent to deprive the owner of the property or interest; or
- sold or otherwise transferred or encumbered, or attempted to do so, title to or another interest in real property to a person in exchange for a benefit from any person, without the effective consent of the owner of the benefit and with the intent to deprive the owner of the benefit.

An offense involving the transfer of property would be a:

- second-degree felony (two to 20 years in prison and an optional fine of up to $10,000) if the market value was less than $300,000; or
- first-degree felony (life in prison or a sentence of five to 99 years and an optional fine of up to $10,000) if it was $300,000 or more.

An offense involving a benefit would be a:

- third-degree felony (two to 10 years in prison and an optional fine of up to $10,000) if the benefit was less than $30,000;
- second-degree felony (two to 20 years in prison and an optional fine of up to $10,000) if it was between $30,000 and $150,000; or
- first-degree felony (life in prison or a sentence of five to 99 years and an optional fine of up to $10,000) if it was $150,000 or more.

Penalties would be enhanced if the owner were at least 65 years old, a nonprofit, or if the property were a residence homestead. If the conduct constituting the offense also constituted an offense under another law, the person could be prosecuted under this section, the other law, or both.

Real property fraud. The bill would create the offense of real property fraud for a person who had:

- intentionally or knowingly made a materially false or misleading written statement to obtain real property;
- caused, with intent to defraud or harm any person, another person, without that person's effective consent, to sign or execute any document affecting real property or any person's interest in real property; or
- caused, with intent to defraud or harm any person, a public servant, without the public servant's effective consent, to file or record any purposed judgment or other document purporting to memorialize or evidence title to real property or any person's interest in real property or any lien or claim against real property or any person's interest in real property.

The offense would be a:

- second-degree felony (two to 20 years in prison and an optional fine of up to $10,000) if the value of the property or interest was less than $300,000; or
- first-degree felony (life in prison or a sentence of five to 99 years and an optional fine of up to $10,000) if it was $300,000 or more.

Penalties would be enhanced if the owner were at least 65 years old, a nonprofit, or if the property were a residence homestead.

Market value calculation. For both offenses, the market value of real property for determining the offense level would be the market value for the tax year in which the offense was committed, as indicated on the appraisal roll for the appraisal district in which the property was located.

Statute of limitations. The bill would establish a 10-year statute of limitations for these offenses, which could not be prosecuted if limitations barred the conduct charged before the bill's effective date.

Judicial procedures. The bill would require courts to follow certain procedures in cases involving real property theft or fraud when more than one parcel was involved.

For jury trials, the verdict form would be required to identify each parcel clearly by street address or legal description, and the jury foreperson would be required to indicate whether the jury unanimously found that each parcel was included in the conduct constituting the offense. The judgment would be required to reflect the jury's findings.

For trials by judge, the judge would be required to state whether each parcel was included in the conduct constituting the offense, and the judgment would be required to reflect these findings.

For plea-based convictions, if the indictment did not identify each parcel, the prosecutor would be required to provide that information to the court, and the court would be required to include it in the judgment.

A judgment of conviction would be required to include the street address or legal description of the property and the reference number assigned by the county clerk for each recorded document relating to the offense. Not later than the 10th day after the judgment was entered, the prosecutor or court clerk, as determined by local court rule, would be required to file with the county clerk a certified copy of the judgment for recording in the real property records, a statement explaining the filing, and, if the judgment lacked the required details, a certified copy of the indictment. A judgment would not be invalid solely because it did not comply with these requirements.

Mandatory restitution. The bill would require a court to order restitution for a person convicted of real property theft. The defendant would be required to provide restitution to:

- the owner of the real property or nonpossessory interest if the offense involved a transfer or attempted transfer of that property or interest, in an amount equal to its value;
- the owner of a benefit if the offense involved a sale, transfer, or encumbrance in exchange for that benefit, in an amount equal to the value of the benefit; and

- a title company or insurer that paid a claim based on the conduct constituting the offense, in an amount equal to the payment made.

In addition, restitution would be required, as applicable, to the owner of the property or benefit for losses incurred as a result of the offense, including the value of personal property lost, the cost of repairing property damage, or reasonable attorney's fees and court costs related to a quiet title action or dispute over conveyance or possession.

A court could not order restitution to the owner of the real property or nonpossessory interest if, before judgment, the defendant executed and recorded a quitclaim deed or similar instrument returning title or interest and filed a certified copy with the court. Restitution would be reduced by any amount paid by an insurer based on the conduct.

Document fraud procedures. The bill would revise provisions governing fraudulent documents or instruments that purport to create liens or claims against real or personal property. It would revise the standard for presuming a document is fraudulent by requiring that all statutory conditions be met, rather than any one condition. A document would be presumed fraudulent if referenced in a certified judgment for certain theft, fraud, or document-related offenses under the Penal Code. The bill would make certain conforming changes to reflect the new offenses.

Fraudulent financing statement. The bill would increase the penalty for filing a fraudulent financing statement from a class A misdemeanor (up to one year in jail and/or a maximum fine of $4,000) to a state-jail felony (180 days to two years in a state jail and an optional fine of up to $10,000), or to a third-degree felony (two to 10 years in prison and an optional fine of up to $10,000) if done with intent to defraud or harm.

Effective date. The bill would take effect September 1, 2025.

SUBJECT: Requiring treatment systems for certain drinking water supply systems

COMMITTEE: Natural Resources — favorable, without amendment

VOTE: 10 ayes — Harris, Martinez, Ashby, Barry, C. Bell, Buckley, Fairly, Garcia, Josey, Romero, Villalobos

0 nays

3 absent — Gámez, M. González, Zwiener

SENATE VOTE: On final passage (May 19) — 26 - 5

WITNESSES: None *(Considered in a formal meeting May 22)*

BACKGROUND: Concerns have been raised that some public drinking water supply systems have allowed the deterioration of drinking water wells and the delivery of poor water quality while also raising water rates on their customers and refusing to reinstall filtration systems they have previously removed.

DIGEST: SB 2497 would authorize the Texas Commission on Environmental Quality (TCEQ) by order to require a public drinking water supply system that served fewer than 100 connections and obtained its water supply from an underground source to install a treatment system, which could include a filtration system, for that source if the public water system:

- repeatedly exceeded the maximum contaminant level or secondary constituent level for one or more parameters established by TCEQ;
- had been the subject of more than one substantiated water quality complaint submitted to TCEQ, not including a complaint submitted regarding water quality issues associated with the distribution system that were not related to water quality issues from the underground source, during the preceding 12 months for which TCEQ has determined a need to install additional treatment measures, including requiring the public water system to install a filtration system; and

- can install at a reasonable cost the treatment system for that source to manage an exceedance of a secondary constituent level, if applicable.

The bill would take effect September 1, 2025.

SUBJECT: Prohibiting certain compensation incentives for chief appraisers

COMMITTEE: Ways & Means — favorable, without amendment

VOTE: 12 ayes — Meyer, Martinez Fischer, Button, Capriglione, Gervin-Hawkins, Hickland, Muñoz, Noble, V. Perez, Troxclair, Turner, Vasut

0 nays

1 absent — Bernal

SENATE VOTE: On final passage (May 9) — 31 - 0

WITNESSES: For — (*Registered, but did not testify*: Thomas Ratliff, Texas Association of Appraisal Districts; Seth Juergens, Texas Realtors; Carl Walker, Texas Taxpayers and Research Association)

Against — None

BACKGROUND: Tax Code sec. 6.05(d) provides that a chief appraiser's compensation may not be directly or indirectly linked to an increase in the total market, appraised, or taxable value of property in the appraisal district.

Concerns have been raised that current law does not specify compensation incentives related to factors that could lead to an increase in property values, which could allow some contracts providing for the compensation of chief appraisers to contain provisions that incentivize the chief appraiser to keep property values high.

DIGEST: SB 2452 would amend Tax Code sec. 6.05(d) to provide that no portion of the chief appraiser's compensation could be directly or indirectly linked to the expectation of an increase in the total market, appraised, or taxable value of property in the appraisal district.

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: Allowing TxDMV to adopt additional VIN inspection rules

COMMITTEE: Transportation — favorable, without amendment

VOTE: 11 ayes — Craddick, M. Perez, Canales, Curry, Gámez, Harris Davila, Little, C. Morales, E. Morales, Patterson, Paul

0 nays

2 absent — Hefner, LaHood

SENATE VOTE: On final passage (April 16) — 29 - 2

WITNESSES: For — None

Against — None

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

BACKGROUND: Some have suggested that requiring vehicle identification number (VIN) inspections when a motor vehicle, trailer, or semitrailer cannot be positively identified through other methods could assist the Texas Department of Motor Vehicles and law enforcement in identifying stolen vehicles and preventing fraudulent transactions involving vehicles.

DIGEST: SB 2243 would allow the Texas Department of Motor Vehicles (TxDMV), by rule, to establish additional categories of motor vehicles, trailers, or semitrailers not specified under provisions requiring certain applicable vehicles to have an identification number inspection.

The bill would remove the specification that the requirement for a motor vehicle, trailer, or semitrailer to have a vehicle identification number inspection under the Certificate of Title Act if it was not titled under the act due to certain conditions was in addition to any requirement established by the TxDMV rule.

A TxDMV rule adopted under the bill would have to verify, as applicable, the identity of a motor vehicle, a trailer or semitrailer, a frame, body, or motor of a motor vehicle, or an item of equipment not required to be titled but that could be registered or issued licensed plates under applicable statutory provisions.

The bill would take effect September 1, 2025.

SUBJECT: Establishing regulations for virtual currency kiosks

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

VOTE: 8 ayes — Lambert, Plesa, Bumgarner, L. Garcia, Hayes, Holt, Schoolcraft, Vo

0 nays

1 absent — Bryant

SENATE VOTE: On final passage (May 15) — 27 - 4

WITNESSES: For — None

Against — None

BACKGROUND: Concerns have been raised that the rapid growth of virtual currency kiosks, or cryptocurrency ATMs, has created regulatory gaps that enable criminal activity such as fraud, money laundering, and purchasing illegal goods. Some have suggested establishing licensing requirements, transaction limits, and consumer protection measures to deter misuse and enhance financial transparency.

DIGEST: SB 1705 would require a virtual currency kiosk operator or a third party to register and obtain prior approval from the Texas Department of Banking (TDB) to activate a kiosk before locating it in Texas. Within 45 days of the end of each calendar quarter, an operator would be required to file with TDB a report detailing the location and certain operational information specified by the bill of each kiosk.

Information requests. Within 72 hours of receiving a written request from a law enforcement agency, an operator would be required to provide the agency with limited identifying information, including:

- a virtual currency wallet address, defined by the bill as an alphanumeric identifier associated with a virtual currency wallet

identifying the location to which a virtual currency kiosk transaction could be sent; or

- transaction hash, which the bill would define as a unique identifier made up of a string of characters that could act as a record of and provide proof that the transaction was verified and added to the blockchain.

The release of this limited identifying information would not require a subpoena or court order. However, a subpoena or court order would be required to release additional identifying information.

Disclosures on material risk. An operator would be required to disclose, in a clear, conspicuous, and easily readable manner on the kiosk screen, all material risks generally associated with virtual currency, including certain statements specified by the bill. This disclosure, when displayed, would be required to give the customer the ability to acknowledge receipt of the disclosure.

The operator also would be required to provide a prominently written disclosure warning of scams and the irreversibility of virtual currency transactions, even if accidental, in bold type. The disclosure would have to be acknowledged by the customer, be provided separately from other disclosures under the bill, and include text as prescribed by the bill.

Transaction-related disclosures. An operator would be required to disclose all relevant terms generally associated with virtual currency and with the products, services, and activities of the operator, including:

- the liability of the operator and customer for unauthorized kiosk transactions;
- the customer's right to receive prior notice of a change in the operator's rules or policies; and
- the circumstances under which the operator, without a court or government order, was authorized to disclose a customer's account information to third parties.

Before a virtual currency kiosk transaction, an operator would have to disclose the terms of the transaction related to the amount and currency

denomination of the transaction, any fees, expenses, or charges, including applicable exchange rates, the type and nature of the transaction, a warning that completed transactions were irreversible, the daily kiosk transaction limit, and any other customarily provided information regarding kiosk transactions.

Acknowledgement, identification, transaction limits, receipts. Before completing a transaction, an operator would have to scan the customer's driver's license or personal identification card and ensure that the customer acknowledged receipt of all disclosures required under the bill.

After completing the transaction, the operator would be required to provide the customer with a physical or digital receipt that contained certain identifying transaction information specified by the bill.

Additionally, an operator would be prohibited from completing a transaction or series of transactions with a customer totaling more than $3,000 in value within a 24-hour period.

Temporary holds. An operator would be required to place a 72-hour hold on any transaction initiated by a first-time customer who engaged in a transaction using that operator's kiosk.

Fraud prevention. An operator would have to take reasonable steps to detect and prevent fraud, including establishing and maintaining a written antifraud policy which would have to, at a minimum, include information pertaining to the identification and assessment of fraud risks, procedures and controls to protect against and the allocation of responsibility for monitoring those risks, and procedures for the periodic evaluation and revision of the antifraud mechanisms.

Compliance. Under the bill, an operator would have to designate and employ a compliance officer who was qualified to coordinate and monitor compliance with federal and state laws, rules, and regulations, was a full-time employee of the kiosk, and did not own more than 20 percent of the operator. Any compliance responsibilities required under federal or state laws, rules, and regulations would have to be completed by the full-time employees of the virtual currency kiosk operator.

Wallet registration. An operator would be required to ensure that each designated recipient of a transaction using the operator's kiosk had a virtual currency wallet registered with the operator. To register, the person would have to provide a driver's license or personal identification card and a photograph of the person's face.

Fees. The aggregate fees and charges charged to a customer for transactions involving virtual currency could not exceed the greater of $5 or 12 percent of the U.S. dollar equivalent of virtual currency involved in the transaction.

Customer service. An operator conducting business in the state would have to provide a live customer service line Monday through Friday between the hours of 8 a.m. and 10 p.m. and display on the virtual screen of the kiosk the customer service toll-free number, the name, address, and telephone number of the operator, and how and when the customer could contact the operator for assistance.

Violation. TDB would be required to revoke an operator's registration upon violation of the bill.

If the banking commissioner or a person designated to act in place of the commissioner had reason to believe that a person violated or was likely to violate the bill, the commissioner could order the person to cease and desist from the violation. The commissioner also could issue an emergency cease and desist order if the violation threatened immediate or irreparable harm to the public. An order under this section could require the person to cease and desist from the action or violation or take affirmative action to correct any condition resulting from or contributing to the violation, including the payment of restitution to certain state residents.

The commissioner also could enter into a consent order at any time with a person to resolve a matter, which would be final and could not be appealed. The order would have to be signed by the person to whom the order was issued or an authorized representative. A consent order could

provide that the order did not constitute an admission by a person that the person violated the bill.

Administrative penalty. After a notice and hearing, the commissioner could assess an administrative penalty against a person who had violated the bill and failed to correct the violation within 30 days of the department sending written notice of the violation to the person, had engaged in patterns of violation, or who had demonstrated willful disregard for the bill or a relevant court or government order.

A violation corrected after a person received written notice from the department could be considered for purposes of determining whether a person engaged in a pattern of violations or demonstrated willful disregard.

The penalty could not exceed $5,000 for each violation or day that the violation continued. Each transaction in violation of the bill and each day that a violation continued would be a separate violation. The bill would specify the factors that the commissioner would be required to consider in determining the penalty amount.

Nonemergency orders. A nonemergency order would become effective only after notice and an opportunity for hearing. The order would have to:

- state the grounds on which the order was based;
- to the extent applicable, state the action or violation to which a cease and desist order applied or the affirmative action a person would have to take to correct a condition or another appropriate action;
- be delivered personally or by certified mail, return receipt requested, to the person against whom the order was directed at the person's last known address;
- state the effective date of the order, which could not be before the 21st day after the order's delivery or mail date; and
- include a notice that the person could file a written request for a hearing on the order with the commissioner within 20 days of the order being delivered or mailed.

Unless the commissioner received a written request from the person against whom the order was directed within 20 days of the order being delivered or mailed, the order would take effect as stated in the order and would be final and non-appealable as of that date. An order that was affirmed or modified after a hearing would become effective and final for purposes of enforcement and appeal immediately on issuance. However, the order could be appealed to the district court of Travis County under the Administrative Procedure Act and other applicable law.

All related administrative procedures would have to be conducted in accordance with the Administrative Procedure Act and other applicable law. A person affected by a final order issued by a commissioner after a hearing could file an appeal in a Travis County District court. An appeal would not stay or vacate an order unless the court, after notice and hearing, expressly ordered it.

Refund. A customer could file a complaint with the operator whose kiosk was used to complete a transaction and an appropriate governmental or law enforcement agency within 14 days of a transaction if the customer believed the transaction was fraudulently induced. The government or law enforcement agency that received the complaint would be required to investigate and provide a report to the customer and operator stating whether the transaction was fraudulently induced. If the report determined the transaction was fraudulently induced, the operator would have to issue the customer a full refund for any fees charged in connection with the transaction.

Physical warning signs. An operator would be required to post a written warning sign at each of its kiosk locations within readable sight of the kiosk that provided notice to customers that law enforcement did not accept virtual currency payments.

Law enforcement contact. An operator would have to, at minimum, have a dedicated law enforcement contact and a dedicated method of contact for applicable governmental or law enforcement agencies to contact the operator. This contact method would have to be displayed, made available, and updated, as necessary, on the operator’s website.

Rules. The Finance Commission of Texas would be required to adopt any rules necessary to implement the bill's provisions as soon as practicable after its effective date.

The bill would take effect September 1, 2025.

SUBJECT: Amending unclaimed property laws to include virtual currency

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

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

1 nay — Meza

1 absent — Talarico

SENATE VOTE: On final passage (April 24) — 28 - 3

WITNESSES: For — (*Registered, but did not testify*: Jessi Goostree, Texas Blockchain Council)

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

On — (*Registered, but did not testify*: Bryant Clayton, Comptroller of Public Accounts)

BACKGROUND: While Property Code sec. 72.101 addresses management and reporting of personal property that is presumed abandoned, concerns have been raised that the law does not explicitly address virtual currency, leaving a gap in consumer protection and regulatory clarity.

DIGEST: SB 1244 would establish that if virtual currency was presumed abandoned and the holder had full control of the necessary private keys required to transfer the virtual currency, the holder would be required to report the property and certain ownership information to the comptroller. At the direction of the comptroller, the holder would have to deliver the property in its native form to the comptroller or a designated custodian.

The bill would authorize the comptroller to contract with one or more qualified custodians as necessary for the management and safekeeping of

virtual currency delivered to it under these provisions. The comptroller could hold the virtual currency outside of the state treasury.

After liquidating any virtual currency held outside of the state treasury, the comptroller could pay from the proceeds of the sale the reasonable and necessary expenses for the holding and liquidation of the virtual currency and would have to deposit the net proceeds in the state treasury. The comptroller would not be permitted to sell virtual currency listed on an established exchange for less than the prevailing price on the exchange at the time of sale, but could sell virtual currency on an established exchange by any commercially reasonable method.

The bill also would amend Property Code sec. 72.101, replacing the three-year period leading to a presumption of property abandonment with a provision establishing that the period leading to a presumption of abandonment commenced on the earlier of:

- the date that a written or electronic communication to the owner was returned undelivered to the owner by the U. S. Postal Service (USPS), email, or another electronic messaging method as applicable; or
- the last date the owner exercised an act of ownership.

The period would cease immediately on the exercise of an act of ownership interest or communication with the holder, rather than on the exercise of an ownership interest, sum payable, or communication. The bill also would specify that the communication ending the period of presumed abandonment could be oral, written, or electronic.

The bill would remove references to stock or other intangible ownership interest in a business association, replace references to “association” with references to “holder,” and make other conforming changes.

The bill would take effect September 1, 2025.

SUBJECT: Consolidating small and micro-business disaster recovery loan program

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

VOTE: 7 ayes — Button, K. Bell, Bhojani, Harris Davila, Lujan, Luther, Meza

1 nay — Richardson

3 absent — Talarico, Longoria, Ordaz

SENATE VOTE: On final passage (May 14) — 30-1

WITNESSES: For — Jeff Burdett, NFIB; Kelsey Streufert, Texas Restaurant Association (*Registered, but did not testify*: Joshua Sanders, City of Houston; Amy Hereford, Liftfund; Steven Deline)

Against — None

BACKGROUND: Concerns have been raised that small businesses have faced delays and challenges in obtaining financial assistance following declared disasters. Some have suggested that consolidating the state small business and micro-business disaster recovery loan programs could improve efficiency.

DIGEST: SB 1361 would repeal the small business disaster recovery loan program and expand the micro-business disaster recovery loan program, the micro-business recovery fund, and related provisions to include small businesses, which the bill would define as a corporation, partnership, sole proprietorship, or any other legal entity that:

- was domiciled in the state or had at least 51 percent of its employees located in the state;
- was formed to make a profit;
- was independently owned and operated; and
- employed more than 20 and fewer than 100 employees.

The bill would prohibit a bank from providing loans to micro-businesses under the program in an amount less than 50 percent of the total amount of all loans provided under the program in a fiscal biennium.

The bill would revise provisions relating to a loan made by an eligible community development financial institution under the program to include in the criteria that a recipient business had suffered physical or economic injury as the result of the event leading to a disaster declaration and had paid in full any previous loan received under the program.

A loan made under the program could not have an interest rate higher than the prevailing rate for a similar loan in the state. A small business or micro-business could use a loan to pay its payroll costs, including costs related to the continuation of health care benefits for its employees.

The bill would take effect September 1, 2025.

NOTES:

According to the Legislative Budget Board, the fiscal implications of the bill cannot be determined due to the unknown number of loan applications and appropriations that would be made under the program.

SUBJECT: Extending confidentiality protections to certain administrative law judges

COMMITTEE: Delivery of Government Efficiency — favorable, without amendment

VOTE: 8 ayes — Capriglione, Bhojani, Cain, Cook, Curry, L. Garcia, Olcott, Tinderholt

0 nays

5 absent — Alders, Bowers, Campos, Rodríguez Ramos, Troxclair

SENATE VOTE: On final passage (April 24) — 31 - 0

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

On — *(Registered, but did not testify*: Shane Linkous, State Office of Administrative Hearings)

BACKGROUND: Concerns have been raised that administrative law judges for the State Office of Administrative Hearings (SOAH) do not have adequate confidentiality protections given the personal and sensitive topics on which they adjudicate.

DIGEST: SB 438 would except the following from the public availability requirements of the Public Information Act:

- information related to the home address, home telephone number, emergency contact information, or social security number of a current or former administrative law judge for the State Office of Administrative Hearings (SOAH), regardless of whether the person elected to disclose address and telephone number under relevant public information laws or under the confidentiality requirements of certain personal information of peace officers; or
- information that revealed whether the current or former judge had family members.

The bill would include a current or former administrative law judge for SOAH among the individuals to whom provisions relating to the confidentiality of certain personal identifying information of certain officials performing sensitive governmental functions apply.

SB 438 would also make statutory provisions relating to the confidentiality of certain home address information in appraisal records for peace officers and other officials performing sensitive governmental functions applicable to a current or former SOAH administrative law judge.

The bill would take effect September 1, 2025.

SUBJECT: Requiring surveillance cameras in certain housing developments

COMMITTEE: Intergovernmental Affairs — favorable, without amendment

VOTE: 10 ayes — C. Bell, Zwiener, Cole, Cortez, Garcia Hernandez, Lowe, Luther, Rosenthal, Spiller, Tepper

1 nay — Leo Wilson

SENATE VOTE: On final passage (April 2) — 23 – 8

WITNESSES: None (*Considered in a formal meeting May 21*)

BACKGROUND: Some have suggested that surveillance cameras should be required in low income tax credit housing developments to help reduce crime.

DIGEST: SB 578 would require a development that had received an allocation of low income housing tax credits to install and maintain operable exterior surveillance cameras at appropriate locations throughout the development. The bill would not apply to a development that was located in a rural area or received an allocation of low income housing tax credits before September 1, 2025.

The bill would take effect September 1, 2025.

SUBJECT: Requiring consumer reporting agencies to ensure information compliance

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

VOTE: 10 ayes — Button, K. Bell, Bhojani, Harris Davila, Longoria, Lujan, Luther, Meza, Ordaz, Richardson

0 nays

1 absent — Talarico

SENATE VOTE: On final passage (April 30) — 29 - 2

WITNESSES: For — Natasha Malik, Texas Appleseed (*Registered, but did not testify*: Steven Deline)

Against — None

BACKGROUND: While Business & Commerce Code sec. 20.05 prohibits consumer reporting agencies from including certain information in a consumer report, concerns have been raised that the law can be circumvented by using information from a third party or another consumer agency. Some have suggested amending the law to ensure that all information furnished in consumer reports complies with the rules set in place regardless of the source of information.

DIGEST: SB 584 would amend Business & Commerce Code sec. 20.05 to require a consumer reporting agency that prepared a consumer report using information obtained from another consumer reporting agency or a third party to ensure that the information was compiled and furnished by the agency in a consumer report in a manner that complied with the section.

The bill would take effect September 1, 2025.

SUBJECT: Prohibiting certain entities from certain solicitations without disclosure

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

VOTE: 8 ayes — Button, K. Bell, Bhojani, Harris Davila, Lujan, Luther, Meza, Richardson

0 nays

3 absent — Talarico, Longoria, Ordaz

SENATE VOTE: On final passage (May 7) — 31 - 0

WITNESSES: For — (*Registered, but did not testify*: Jeff Burdett, NFIB; Steven Deline)

Against — None

BACKGROUND: Concerns have been raised that certain entities send mail and phone solicitations to businesses and other organizations mimicking governmental notices and governmental mailing addresses in order to deceive their victims into paying many times what it costs to request and receive documents from appropriate governmental sources.

DIGEST: SB 2690 would prohibit a nongovernmental entity or individual from mailing or directing another person to mail a solicitation for the retrieval of a business certification document unless the solicitor included with the mailed solicitation a required disclosure, prominently displayed in 18-point, boldfaced type, and in capital letters in English, Spanish, and any other language in which the solicitation was printed.

The required disclosure would have to state, "THIS NOTICE IS NOT FROM A GOVERNMENTAL ENTITY. BUSINESS CERTIFICATION DOCUMENTS CAN BE OBTAINED DIRECTLY FROM THE TEXAS SECRETARY OF STATE'S OFFICE."

A nongovernmental entity or individual also could not make or direct another person to make a telephone or in-person solicitation for the retrieval of a business certification document unless the solicitor provided to each person solicited, at the beginning of the solicitation and again before accepting payment from the person, the disclaimer: "I DO NOT WORK FOR A GOVERNMENTAL ENTITY. BUSINESS CERTIFICATION DOCUMENTS CAN BE OBTAINED DIRECTLY FROM THE TEXAS SECRETARY OF STATE'S OFFICE." The disclaimer would have to be made slowly, in a clear voice, and in the same language in which the solicitation was made.

A complaint concerning a violation of the bill could be made to the secretary of state, who would be required to investigate such a complaint. The secretary of state could refer the complaint to the attorney general. A person who violated the bill would be liable to this state for a civil penalty of up to $500 for each violation. Each solicitation would be a separate violation. In determining the amount of the civil penalty, the court would have to consider the amount necessary to deter future violations.

The attorney general or the county or district attorney in the county in which the violation occurred could bring an action to recover a civil penalty under the bill.

The bill would take effect September 1, 2025.

SUBJECT: Requiring a chief appraiser to be notified of a property owner's death

COMMITTEE: Ways & Means — favorable, without amendment

VOTE: 12 ayes — Meyer, Martinez Fischer, Button, Capriglione, Gervin-Hawkins, Hickland, Muñoz, Noble, V. Perez, Troxclair, Turner, Vasut

0 nays

1 absent — Bernal

SENATE VOTE: On final passage (May 9) — 31 - 0

WITNESSES: None

BACKGROUND: Concerns have been raised that appraisal districts may not be aware of when a homestead property tax exemption should be lifted due to the property owner's death, and that squatters may take advantage of properties whose owner is recently deceased.

DIGEST: SB 2521 would require the local registrar of a registration district to prepare an abstract of each death certificate filed with the local registrar each month for a decedent 18 years of age or older at the time of death and file each abstract with the chief appraiser of the appraisal district for the decedent's county of residence by the last day of the following month.

The chief appraiser would be required to review each death certificate abstract received and investigate whether the decedent was allowed an exemption on property that no longer should apply due to their death and whether the decedent's surviving spouse or child qualified for the exemption. If the chief appraiser determined that the property should not be exempt, the chief appraiser would have to cancel the exemption and enter notice of the cancellation in the appraisal record not later than the fifth day after the exemption was canceled.

The bill would take effect September 1, 2025.

SUBJECT: Establishing county crisis service models for mental health services

COMMITTEE: Public Health — favorable, without amendment

VOTE: 7 ayes — VanDeaver, Campos, Cunningham, Johnson, J. Jones, Pierson, Simmons

4 nays — Frank, Olcott, Schofield, Shofner

2 absent — Bucy, Collier

SENATE VOTE: On final passage (May 7) — 28 - 3

WITNESSES: For — Mark Nunneley, Ashford, Inc.; Michael Bullock, Austin Police Association; David Gray, City of Austin; Cara Mendelsohn, City of Dallas; Katherine Dillard Gonzalez, Ladder Logik, LLC; John Bonura, Texas Public Policy Foundation; Scott Ackerson, WestEast Design Social Impact Studio (*Registered, but did not testify*: Joshua Houston, Caritas of Austin; Paige M. Williams, Dallas Criminal District Attorney John Creuzot; James Parnell, Dallas Police Association; James Kershaw, Harris County Deputies' Organization FOP #39; Mike Lee, Harris County Sheriff's Office; Ray Hunt, Houston Police Officers' Union; Matt Dowling, Texas Medical Association; Bryan Flatt, Texas Municipal Police Association (TMPA); Steven Deline)

Against — Monica Ayres, Citizens Commission on Human Rights Texas; Hannah Heimbaugh; Vesper Vayda (*Registered, but did not testify*: Carol Beeny; Candace Fischer; Jeff Fischer; Alicia Norman; Savita Wadhwani; and Eric Whittier)

On — Lee Johnson, Texas Council of Community Centers (*Registered, but did not testify*: Josie Castro Garcia, Dallas County Commissioners Court; Santiago Franco, Harris County Commissioners Court; Julie Wheeler, Travis County Commissioners Court)

BACKGROUND: Concerns have been raised that populous urban areas lack adequate crisis response and housing services to address growing homelessness and behavioral health needs.

DIGEST: SB 2487 would authorize a county with a population of more than 1.2 million to establish a crisis service model to provide comprehensive crisis and mental health services, including:

- crisis intervention and stabilization services 24 hours a day, seven days a week;
- short-term residential care;
- medical detoxification;
- certain care coordination services after release from a crisis service center;
- specialized services for individuals experiencing homelessness, consistent with an integrated continuum of care program; and
- crisis follow-up services.

The bill would authorize a crisis service model to encompass one or more facilities in the county to provide these services. The bill would prohibit any facility established under the bill from being located in the central business district of a municipality.

SB 2487 would authorize a county using a crisis service model to:

- employ non-physician mental health professionals, including individuals authorized to provide mental health services to individuals transported to the center for involuntary commitment; or
- contract with a qualified third-party vendor to provide services.

The bill would require law enforcement agencies and emergency medical services providers to ensure coordination with a county's crisis service model to prioritize transporting individuals experiencing a crisis to a designated facility that provided crisis services instead of to a more restrictive setting, as appropriate. Within 48 hours after the initial intervention, an individual would be required to receive crisis follow-up services, including a reassessment of risk, safety planning, and connection

to mental health and housing services through the crisis service model or a third-party vendor contracted by the county.

Homelessness services coordination. The bill would require a county that established a crisis service model to ensure that an individual who contacted or received treatment from a crisis service center was provided access to ongoing care through collaboration with homelessness service providers, municipalities within the county, and a continuum of care program. The bill would require the collaboration to include:

- coordination with available housing services for individuals after leaving the crisis service center's care;
- providing or facilitating a coordinated intake into a continuum of care program, and housing support through the crisis service model; and
- case management and housing navigation assistance services to connect and refer individuals experiencing homelessness to available long-term support services.

The bill would define "continuum of care program" as a program administered by the U.S. Department of Housing and Urban Development to assist individuals experiencing homelessness and provide the services needed to help those individuals move into transitional and permanent housing, with the goal of long-term stability.

Report. The bill would require a county that established a crisis service model to prepare and submit a report to the Health and Human Services Commission (HHSC) and the Texas Department of Housing and Community Affairs in each even-numbered year. The report would be required to include:

- the outcomes of individuals who received services from a crisis service center in the county;
- the results of operating a crisis service model in the county, including changes in homelessness rates, program enrollments, housing placements, or other outcomes such as crime or harm reduction and facility reentry;
- an evaluation of the provision of related services in the county, including the stability of available housing services; and

- recommendations for legislative or other action.

Crisis service center advisory board. The bill would require each crisis service model to have an advisory board and would require the composition of the advisory board to include:

- four individuals residing in the county of the crisis service model appointed by the governor;
- a representative appointed by the county's commissioners court;
- a representative appointed by the most populous municipality in the county; and
- a representative of a continuum of care program appointed by the county's commissioners court.

Emergency detention. The bill would establish requirements for emergency detention and release procedures as part of a crisis service model.

Initial examination. SB 2487 would require a non-physician mental health professional to examine a person who arrived at a facility providing crisis and mental health services as part of the crisis service model within 30 minutes of the person's arrival if:

- an application for detention had been filed for the person; or
- a peace officer or emergency medical services personnel of an emergency medical services provider transported the person in accordance with a memorandum of understanding executed for emergency detention under applicable state law, filed a notification of detention completed by the peace officer under applicable state law.

The bill would authorize a facility providing crisis and mental health services as part of a crisis service model to detain the person if:

- the person had rejected voluntary mental health services; and
- as a result of the initial examination and elated documentation, the non-physician mental health professional had a reasonable cause to believe, and did believe, the person was a person with mental illness and posed a substantial risk of serious harm to self or others if not immediately detained.

Preliminary examination. The bill would authorize a facility providing crisis and mental health services as part of a crisis service model to temporarily accept a person for a preliminary examination only after an initial examination had been conducted as provided.

Release from emergency detention. SB 2487 would require a person apprehended by a peace officer or transported for emergency detention by a guardian or detained under a judge's or magistrate's order for emergency apprehension and detention be released on completion of the initial examination, unless the person was detained under emergency admission and detention. Upon a person's release from a facility, the person would be required to receive a formal referral to outpatient or community-based mental health treatment services.

The bill would take effect September 1, 2025.

SUBJECT: Amending background check process for proposed guardians

COMMITTEE: Judiciary & Civil Jurisprudence — favorable, without amendment

VOTE: 11 ayes — Leach, Johnson, Dutton, Dyson, Flores, J. González, Hayes, LaHood, Landgraf, Moody, Schofield

0 nays

SENATE VOTE: On final passage (May 9) — 31 - 0

WITNESSES: For — Guy Herman, Statutory Probate Courts of Texas; Carl Isett (*Registered, but did not testify*: Steven Deline; Michael Hurewitz)

Against — None

BACKGROUND: Some have suggested that making certain amendments to criminal background check requirements for proposed guardians would reduce inefficiencies and administrative burdens.

DIGEST: SB 2342 would require the application for the appointment of a guardian to include the name, address, phone number, and date of birth, if applicable, of any person or institution having the care and custody of the proposed ward or the proposed ward's estate, rather than solely the name and address of the applicable person or institution.

The bill would require criminal history record information of a proposed guardian to be based on information provided in the application for the appointment of the guardian, and would exclude attorneys and certified guardians from the individuals for whom a criminal history record must be obtained. Additionally, a proposed guardian would be subject to criminal history record requirements if the person would have care and custody of, rather than contact with, a proposed ward or proposed ward's estate and the person was not otherwise required to submit a criminal background check under these provisions.

A proposed guardian who was an attorney or certified guardian would have to provide to the court the name, address, phone number, and date of birth of any person who would have care and custody of the proposed ward or the proposed ward's estate. If the person having care and custody of the proposed ward or the ward's estate on the proposed guardian's behalf was not also a certified guardian, the clerk would be required to obtain criminal history record information for that person.

Furthermore, the bill would establish that criminal history record information could be used to determine whether to appoint as a guardian any person who would have care or custody of, rather than contact with, the proposed ward or the proposed ward's estate.

A certified guardian or attorney who had designated a person to have care and custody of a ward or the ward's estate would be required to notify the court of any change concerning the designation or contact information of a person having care and custody of a ward or the ward's estate by the 30th day after the change occurred. If a guardian wanted to designate another person who would have care and custody, the notification would also have to include the name, address, phone number, and date of birth of that other person. On receipt of the notification of a change, the clerk of the court would have to obtain criminal history record information that was maintained by the Department of Public Safety or the FBI relating to that person.

SB 2342 would require the clerk of the court to obtain criminal history record information from the FBI identification division relating to any individual who would have care and custody of a proposed ward or the proposed ward's estate on behalf of a certified guardian or attorney who had been appointed guardian.

The bill would take effect September 1, 2025.

SUBJECT: Prohibiting use of market value in protests based on unequal appraisal

COMMITTEE: Ways & Means — favorable, without amendment

VOTE: 8 ayes — Meyer, Button, Capriglione, Hickland, Muñoz, Troxclair, Turner, Vasut

1 nay — V. Perez

4 absent — Martinez Fischer, Bernal, Gervin-Hawkins, Noble

SENATE VOTE: On final passage (May 12) — 24 - 6

WITNESSES: None (*Considered in a formal meeting May 21*)

BACKGROUND: Under Tax Code sec. 41.41(a)(2), a property owner is entitled to protest before the appraisal review board unequal appraisal of the owner's property.

Some have suggested that prohibiting the consideration of a property's market value as evidence in an appraisal protest or appeal based on unequal appraisal could provide for a fairer process.

DIGEST: SB 2063 would, for the purpose of establishing whether a protest on the ground of unequal appraisal was determined in favor of the protesting party, prohibit the parties from presenting and the appraisal review board from considering the market value of the property as evidence if the property owner was protesting solely on the grounds of unequal appraisal.

The bill also would prohibit consideration of market value in an appeal of an appraisal review board decision to a court if the property owner was appealing solely on the grounds of unequal appraisal.

The bill would take effect January 1, 2026.

NOTES: According to the Legislative Budget Board, the bill could result in determinations of value that are not at the statutorily required level of

market value, which would reduce property values and increase associated costs to the Foundation School Fund through the operation of the school finance formulas.

SUBJECT: Requiring blood banks and hospitals to facilitate autologous donation

COMMITTEE: Public Health — favorable, without amendment

VOTE: 8 ayes — VanDeaver, Cunningham, Frank, Olcott, Pierson, Schofield, Shofner, Simmons

2 nays — Bucy, J. Jones

3 absent — Campos, Collier, Johnson

SENATE VOTE: On final passage (April 2) — 28 - 3

WITNESSES: For — Liz James, Blessed By His Blood Not For Profit Cooperative; Michelle Evans, Texans for Vaccine Choice; Gloria Danielle Gamboa; Faith Lair; Meili Lair and Tanya Lair; (*Registered, but did not testify*: Ron Hinkle)

Against — B.J. Smith, Blood Centers of Texas; Barbara Bryant, Carter BloodCare; William Crews, Texas Medical Association; Nicole De Simone, We Are Blood (*Registered, but did not testify*: David Reynolds, Texas Chapter American College of Physicians; Sara Allen, Texas Society of Pathologists; Steven Deline)

BACKGROUND: Concerns have been raised that it may be difficult for a blood recipient to receive "known donor" status blood even when a patient's doctor writes an order for an autologous or directed donor donation. Some have suggested safeguarding this practice and ensuring patients can access this life-saving treatment would empower them to participate in the decision of what blood was being used, if they so desired.

DIGEST: SB 125 would require a blood bank to comply with a physician's order prescribing for an individual an autologous or direct blood donation. A blood bank could charge a reasonable fee necessary to cover the administrative cost to the blood bank of facilitating an autologous or direct blood donation ordered by a physician.

A licensed hospital that facilitated blood donations would have to allow an individual on whom a medical procedure was to be performed to provide an autologous or direct blood donation a physician ordered for the procedure.

The bill would take effect September 1, 2025.

SUBJECT: Amending provisions for certain DFPS placement decisions

COMMITTEE: Human Services — committee substitute recommended

VOTE: 10 ayes — Hull, Manuel, A. Davis, Dorazio, C. Morales, Noble, Richardson, Rose, Slawson, Swanson

0 nays

1 absent — Schatzline

SENATE VOTE: On final passage (April 30) — 31 - 0

WITNESSES: For — Kate Murphy, Texans Care for Children (*Registered, but did not testify*: Andrea Sparks, Buckner International; Christine Yanas, Methodist Healthcare Ministries; Nicole Malone, National Association of Social Workers-Texas Chapter; Stephanie Battaglia, Texas CASA)

Against — (*Registered, but did not testify*: John Mckiernan-Gonzalez)

On — Erica Banuelos, Department of Family and Protective Services; Julia Hatcher, Texas Association of Family Defense Attorneys

BACKGROUND: Some have suggested that Family Code provisions regarding certain placement decisions by the Department of Family and Protective Services could be improved by adding consideration of long-term care needs and kinship or relative placements.

DIGEST: CSSB 2041 would require DFPS, before placing a child in contract residential care, to attempt to place the child with a relative or other designated caregiver in accordance with existing law prescribing a certain order of preference in placement decisions in a suit affecting the parent-child relationships.

The bill also would require that in determining whether a contract residential placement was in a child's best interest, DFPS consider

whether the placement was able to meet the child's long-term needs, including placement stability.

The bill would take effect September 1, 2025.

SUBJECT: Amending provisions on public school accountability, assessments

COMMITTEE: Public Education — committee substitute recommended

VOTE: 13 ayes — Buckley, Bernal, Allen, Ashby, Bryant, Cunningham, Frank, Hinojosa, Kerwin, Leach, Leo Wilson, Schoolcraft, Talarico

0 nays

2 absent — Dutton, Hunter

SENATE VOTE: On final passage (April 16) — 20 - 11

WITNESSES: None (*Considered in a formal meeting May 21*)

BACKGROUND: Some have suggested that the state assessment program and the metrics by which public school success is evaluated should be reconstructed to better enable stakeholder involvement and responsiveness.

DIGEST: CSSB 1962 would amend the public school accountability system and state assessment program.

Access to state assessments, assessment results. The Texas Education Agency (TEA) would be required to make available to a parent the results of each state assessment instrument for the parent's child. The results would have to be accessible by one click from the home page of the TEA website. Identifying information that was necessary to access a child's results would have to meet TEA security protocols, be unique to the child, and be under the control of the child's parents without the need to secure additional information from a third party.

Instructionally supportive assessment program. The bill would amend provisions requiring the State Board of Education (SBOE) by rule to create a statewide assessment program. The bill would require the program to be instructionally supportive, balanced, innovative, and streamlined, knowledge- and skills-based, and provide for progress monitoring.

The bill would specify that the primary objective of an instructionally supportive assessment program was to benefit Texas students. It would be the state policy that the instructionally supportive assessment program was designed to provide information regarding student academic achievement and learning progress to public schools, students, parents, teachers, education researchers, and the public for various purposes outlined in the bill.

The instructionally supportive assessment program also would have to be designed to:

- evaluate the achievement level and learning progress of each assessed student in reading language arts, mathematics, and science;
- provide information to TEA for the purpose of making decisions regarding public school accountability, campus recognition, and the improvement of public school operations and management;
- identify the educational strengths and needs of individual students and their readiness to be promoted to the next grade level or to graduate from high school;
- assess whether educational goals and curricular standards were being met at the campus, district, state, and national levels;
- provide information to help evaluate and develop educational programs and policies; and
- provide instructional staff with immediate, actionable, and useful information regarding student achievement of standards and benchmarks that could be used to improve the staff's delivery of student instruction.

The bill would remove from general requirements for the statewide assessment program the requirement to provide assessment instruments that were as short as possible and minimize disruption to the educational program.

Adoption and administration of instruments. In creating and implementing an instructionally supportive assessment program, TEA would have to adopt nationally norm-referenced assessment instruments,

rather than adopt or develop appropriate criterion-referenced assessment instruments.

The instruments would need to be capable of being administered at the beginning, middle, and end of the school year and designed to assess essential knowledge and skills in reading language arts, mathematics, and science. The bill would replace references to reading assessments with references to reading language arts assessments.

The bill would remove the requirement to assess essential knowledge and skills in social studies.

The bill would require an instrument to assess students in a manner that:

- ensured, rather than allowed to the extent practicable, that a student's score provided reliable information relating to a student's satisfactory performance for each performance standard;
- focused primarily on supporting excellent instruction, while also providing essential summative information that fulfilled applicable federal requirements;
- consisted only of questions written at the appropriate reading level for the applicable grade level, as determined by a research-based readability metric;
- did not require a student to complete a separate, standalone essay or extended constructed response component;
- for a reading language arts assessment, assessed writing skills through questions integrated within the context of the overall assessment;
- was adaptive to each student-appropriate measurement of individual student performance and growth; and
- provided detailed diagnostic reports of individual student results, within 24 hours of an administration, including recommendations for teachers and parents based on a student's performance.

The bill would require a beginning- or middle-of-year assessment instrument to include instructional growth projections for individual students based on their results. An end-of-year assessment would be required to:

- measure student performance and annual through-year instructional growth;
- fulfill the state plan for purposes of satisfying federal accountability requirements;
- provide valid, reliable, and useful results; and
- comply with applicable federal peer review requirements.

TEA would be required to annually review and validate the readability of each item on an adopted assessment instrument to confirm alignment of the item with grade-level expectations and ensure that the item accurately measured student mastery of essential knowledge and skills without introducing undue complexity that was not related to the assessed standard.

An adopted assessment instrument would have to be administered as closely as possible to the following schedule:

- between October 1 and October 31 for a beginning-of-year assessment instrument;
- between January 13 and February 21 for a middle-of-year assessment; and
- between May 15 and May 30 for an end-of-year assessment.

The bill would remove a provision prohibiting an assessment instrument from having more than three parts and replace it with a requirement that TEA adopt an assessment instrument designed to minimize the impact on student instructional time so that:

- for a beginning- or middle-of-year assessment for third and fourth grade students, 85 percent of students were expected to complete the assessment within 60 minutes;
- for a beginning- or middle-of-year assessment for fifth through eighth-grade students, 85 percent of students were expected to complete the assessment within 75 minutes; and
- for an end-of-year assessment for third through eighth-grade students, 85 percent of students were expected to complete the assessment within 90 minutes.

The amount of time allowed for administering an adopted assessment in reading language arts, mathematics, or science could not exceed six hours, rather than eight hours. In addition, no more than 25 percent, rather than 75 percent, of the available points on an adopted assessment could be attributable to questions presented as technology-enhanced or constructed-response items.

For secondary-level courses, TEA would be required to adopt end-of-course assessment instruments in reading language arts, mathematics, and science, to be administered only as necessary to meet the minimum requirements of the federal Every Student Succeeds Act. The bill would remove the requirement for TEA to adopt end-of-course assessments for specific subject matters.

TEA would have to notify school districts and campuses of the results of end-of-year and end-of-course assessment instruments and each district or campus's preliminary academic accountability ratings by the 14th day, rather than the 21st day, after the date the administration of the assessment instrument.

The bill would require TEA to adopt an assessment instrument in social studies for students in eighth grade and an end-of-course assessment instrument for U.S. history that a school district or charter school could elect to administer.

If there was a conflict between the bill and a federal law or regulation, TEA would have to seek a waiver from the application of the conflicting law or regulation. If changes to federal law or regulations reduced the number or frequency of required assessment instruments, SBOE would be required to adopt rules for that purpose, and TEA would have to ensure that students were not required to be assessed in areas or grades that were no longer required by law.

Optional use of writing portfolio assessment. A school district could elect to use a writing portfolio assessment to assess student writing performance as an alternative to administering a portion of a reading language arts assessment instrument, including an end-of-course

assessment instrument, that was not presented in a multiple choice format. A district that elected to use a writing portfolio assessment would have to design the assessment in consultation with a public or private higher education institution and submit the assessment to TEA for approval. TEA would have to approve the assessment if it was determined by the institution to be valid, reliable, and designed to assess:

- a student's mastery of the essential knowledge and skills in writing through timed writing samples;
- improvement of a student's writing skills from the beginning to the end of the school year;
- a student's ability to follow the writing process from rough draft to final product; and
- a student's ability to produce more than one type of writing style.

A school district that elected to use a writing portfolio assessment could adopt a policy allowing the assessment to be scored by a teacher assigned to the same campus as the student to whom the assessment was administered. The district could coordinate with its regional education service center in grading the assessments.

A district that elected to use such an assessment would not be required to administer the non-multiple choice portion of a reading language arts assessment instrument, including an end-of-course assessment instrument, during the period the district was administering the writing portfolio assessment. TEA would be required to apply cost savings that resulted from this exemption to offset accrued costs.

Prekindergarten through second grade assessment instruments. The bill would extend a prohibition on considering an assessment instrument administered to students in prekindergarten for public school accountability to prohibit considering performance on an instrument administered in prekindergarten through second grade.

Alternative and bilingual assessments. The bill would require TEA to adopt appropriate nationally norm-referenced alternative assessment instruments, rather than criterion-referenced alternative assessment instruments, to be administered to each student in a special education

program, for whom an assessment instrument adopted under the bill would not provide an appropriate measure of student achievement. The bill would remove the specification that assessment instruments approved by the education commissioner be included as alternative assessment instruments.

The bill also would require the commissioner of education to adopt a norm-referenced assessment system for emergent bilingual students.

Comparison of state to national results. The state assessment program would be required to obtain nationally comparative results for the subject areas and grade levels for which norm-referenced or criterion-referenced assessment instruments were adopted.

Waiver request for certain federal requirements. For a campus in which 90 percent of students received special education services, the bill would require the TEA commissioner to apply to the U.S. Department of Education for a waiver of requirements under the Every Student Succeeds Act related to the rate of participation in the assessment program and high school graduation rates by January 1, 2026. This provision would expire September 1, 2027.

Assignment of performance ratings for 2025-2026 school year. A reference in statute to the overall performance rating assigned to a district or campus or to a domain performance rating assigned to a district or campus for the 2025-26 school year would mean the higher of:

- the overall performance rating or the applicable domain performance rating the school district or campus received for the 2024-25 school year; or
- the overall performance rating or the applicable domain performance rating the school district or campus received for the 2025-26 school year.

This provision would expire August 31, 2026.

Performance indicators. The bill would require the commissioner of education to adopt rules as necessary, but would prohibit the

commissioner from modifying the domains or performance indicators on which school districts and campuses were evaluated unless the Legislature provided written approval. The bill would remove the requirement for the commissioner to adopt and periodically review a set of indicators of the quality of learning and achievement.

The bill would make certain changes to the indicators of achievement used for school district and campus evaluation. For the student achievement domain, the bill would require indicators to include, for high school campuses and districts, indicators accounting for students who demonstrated military readiness through verified enlistment in the armed forces or certain other methods.

For the school progress domain, the bill would require indicators for effectiveness in promoting student learning to include, for assessment instruments, the percentage of students who met the standard for annual through-year instructional growth in reading language arts, mathematics, and science.

For the closing the gaps domain, the bill would remove the requirement that disaggregated data be used to demonstrate the differentials among students formerly receiving special education, students continuously enrolled, and students who were mobile.

By July 1 immediately preceding the school year for which the district requested consideration of an indicator, a school district could request that TEA consider in the student achievement domain or the school progress domain one or more of the following student engagement and workforce development indicators, as applicable, based on the grade levels served:

- the percentage of students participating in school-sponsored extracurricular or cocurricular student activities consistent with the findings of the extracurricular and cocurricular student activity indicator study;
- student participation in full-day prekindergarten programs;
- teacher completion rates of the literacy achievement academies and mathematics achievement academies;

- sixth through eighth grade students who successfully completed a certain career and technology course; and
- students who successfully completed and received credit for a course designated for a grade higher than the student's grade.

By September 1 following the date a district submitted such a request, the commissioner would have to notify the district regarding the commissioner's approval or denial of the request.

The bill would add a specific deadline to an existing annual requirement, requiring the commissioner to define and adopt the state standards for the current school year in each achievement indicator by July 15 of each year.

The bill also would add a 15-year deadline to provisions regarding eliminating achievement gaps. The commissioner would have to increase the rigor of determining the overall performance ratings to continuously improve student performance to achieve, by the 15th anniversary after the date the commissioner modified the performance standards, the goals of:

- eliminating achievement gaps based on race, ethnicity, and socioeconomic status; and
- ensuring Texas ranked nationally in the top five states in preparing students for postsecondary success in comparison to states with similar student demographics and public education enrollment rates.

The bill would authorize the commissioner to increase the scores needed to achieve performance standards on indicators only every fifth school year. The commissioner would have to notify each school district of an increase no later than two school years before the school year in which TEA intended to evaluate the performance of districts and campuses under the increased score.

Industry certification list. The bill would require TEA, the Texas Higher Education Coordinating Board (THECB), and the Texas Workforce Commission (TWC) to jointly develop and make available a list of industry certifications eligible for the student achievement indicator accounting for students who earned industry certifications for purposes of

evaluating the performance of high schools. In developing the list, the agencies would have to adhere to the requirements for inclusion in the credential library and consider the inventory of industry-recognized certifications. The industry certifications included in the list would have to be aligned to a program of study that, according to labor market data, prepared students for high-wage, high-skill, in-demand occupations and met other standards.

TEA, THECB, and TWC would have to regularly review and update the eligibility of industry certifications. If, after reviewing an industry certification, the agencies jointly determined the certification was no longer eligible and should be removed from the list, the agencies would have to post on their respective websites information regarding the removal of the certification at least two years before the date they intended to remove the certification. During the three years following a determination that an industry certification was no longer eligible, a school district could receive the benefit of achievement indicators based on that industry certification only for a cohort of students who earned the certification within the three-year period.

Credential library. THECB and TWC jointly would be required, rather than authorized, to establish a publicly accessible web-based library of credentials. The credential library would have to include the list of industry certifications developed under the bill and ensure data interoperability between relevant state agencies. THECB and TWC also would be required, rather than authorized, to designate a host agency to contract with an experienced and recognized third-party vendor for the credential library.

Methods and standards for evaluating performance. For purposes of assigning an overall performance rating for a district or campus, the commissioner would be required to attribute not more than 5 percent, rather than not less than 30 percent, of the performance rating to the closing the gaps domain.

For campuses serving students in prekindergarten through eighth grade, the bill would require not less than 10 percent of the performance rating under the student achievement domain or the school progress domain,

whichever performance rating was higher, to be attributed to the student engagement and workforce development indicators.

For campuses serving grades three through eight, the bill would require the commissioner to attribute:

- not less than 50 percent of the domain performance rating for the student achievement domain to the indicators adopted to evaluate the performance of districts and campuses;
- 100 percent of the score for those indicators to student performance on end-of-year assessment instruments, not considering the results of beginning- and middle-of-year assessment instruments; and
- 100 percent of the score for the indicators for assessment instruments to student performance on annual through-year instructional growth in assigning the domain performance rating for the school progress domain.

For campuses serving grades nine through 12, for the student achievement domain, the bill would require the commissioner to attribute not more than 40 percent of the domain performance rating to the indicators adopted to evaluate the performance of districts and campuses, 40 percent of the domain performance rating to the college, career, and military readiness indicators, and 20 percent of the domain performance rating to graduation rates.

To assign school districts and campuses an overall and a domain performance rating, the bill would require the commissioner to ensure that:

- if TEA added or removed an assessment instrument on which student performance was evaluated for the purpose of assigning performance ratings or made significant revisions to the state's assessment program, the agency reviewed, adjusted, and recalculated the cut scores and standards used to ensure fairness and consistency;
- the overall performance rating and each campus domain performance rating an elementary, middle, or high school campus

received had minimal or no statistical correlation to the percentage of educationally disadvantaged students enrolled at the campus in order to identify effective campuses regardless of student family income;

- any changes made to the college, career, or military readiness indicators or to the methodology that relied on data from those indicators for the preceding school year took effect beginning with students entering ninth grade in the school year immediately following the change; and
- a campus that was in the first year of operation, that was assigned a new campus identification number, or that was significantly impacted by demographic shifts due to rezoning, closure, or consolidation would not be evaluated in the closing the gaps domain for the first year following the applicable event.

If the provisions of the Every Student Succeeds Act regarding public school accountability and assessment requirements were repealed or otherwise no longer had effect, the commissioner would be required to reallocate any percentage of the overall performance ratings attributable to indicators to inform parents and the community regarding campus and district performance to the student engagement and workforce development indicators, if applicable.

If TEA failed to assign a performance rating to a school district or campus by August 15 of each year, the district or campus would have to be automatically reissued the performance rating assigned to the district or campus for the preceding school year. An assigned performance rating would remain in effect for all official purposes, including any interventions or sanctions, until the agency assigned the district or campus a new rating.

Adoption of standards. Rather than being authorized to adopt indicators and standards at any time during a school year before the evaluation of a school district or campus, the commissioner would be required to adopt performance standards by July 15 immediately preceding the school year for which the commissioner intended to assign performance ratings based on the standards. The commissioner would be authorized to modify the standards, methods, measures, or procedures used to evaluate school

districts and campuses and assign performance ratings on or after July 15 only with the express approval of the Legislature.

Local accountability system. From money appropriated or otherwise available for the purpose, TEA would be required to establish a grant program to assist at least one school district in each education service center region in developing a local accountability plan compliant with local accountability system requirements. The commissioner would be authorized to adopt rules as necessary to implement the local accountability system. If the commissioner awarded a grant to a district and had not adopted rules applying to the district, the district could select and collaborate with a third-party organization with expertise in assessment and accountability to develop a local accountability plan.

Limitation on actions challenging certain TEA decisions. The bill would permit a school district or charter school to bring an action challenging a decision made by TEA under public school system accountability provisions only if the petition alleged TEA's decision was unconstitutional, arbitrary, capricious, or without lawful authority. The bill would establish an expedited legal process that would result in a final order or judgment no later than 60 days after the date each defendant had filed a response to a petition. A court could grant any appropriate relief to a prevailing party in an action brought by a school district or charter school. This provision would apply only to an action filed on or after September 1, 2025.

Campus distinction designations. The bill would amend campus distinction designation provisions to establish that a campus that satisfied certain criteria would be awarded a distinction designation for outstanding performance in academic achievement in "reading language arts" rather than "English language arts." The bill would remove the distinction designation for social studies.

Grace period for certain campuses. The education commissioner could not take action against a campus ordered to prepare and submit a campus turnaround plan during the 2024-25 school year until the second anniversary of the date on which the campus implemented such a plan. This provision would expire September 1, 2031.

Repeals. CSSB 1962 would repeal requirements for questions on the U.S. history end-of-course assessment instrument and make conforming changes throughout the Education Code.

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

NOTES: The Legislative Budget Board estimates the bill would have a negative impact of about $197.7 million in general revenue related funds for the biennium.

SUBJECT: Revising procedure for expedited release from water utility CCNs

COMMITTEE: Natural Resources — favorable, without amendment

VOTE: 13 ayes — Harris, Martinez, Ashby, Barry, C. Bell, Buckley, Fairly, Gámez, J. Garcia, M. González, Romero, Villalobos, Zwiener

0 nays

SENATE VOTE: On final passage (April 23) — 31 - 0

WITNESSES: None (*Considered in a formal meeting May 2*)

BACKGROUND: Water Code sec. 13.2541(b) allows the owner of a tract of land that is at least 25 acres and that is not receiving water or sewer service to petition for expedited release of the area from a certificate of convenience and necessity (CCN) if the property is located in certain counties.

Some have suggested that the process for a landowner to petition for removal from a utility's certificate of convenience and necessity, which grants a utility the exclusive right to provide water and sewer services in a specific area, should be expanded to more counties to reflect the state's rapid growth.

DIGEST: SB 1413 would expand Water Code sec. 13.2541(b) to allow a landowner who owned property in a county adjacent to the counties specified by that section to petition for expedited release of the area from a certificate of convenience and necessity. The bill would remove the requirement that the property subject to a petition under these provisions not be located in a county with a population of more than 50,500 and less than 52,000.

For a petition for land in adjacent counties, the petitioner would be required to provide written notice by mail to the certificate holder of the petitioner's intent to petition for expedited release at least 60 days before the petitioner submitted the petition to the Public Utility Commission of Texas (PUC). The notice would have to include contact information for

the property owner whose tract or tracts were the subject of the petition. The certificate holder could waive the notice.

The bill would amend the prohibition against a certificate holder initiating an application to borrow money under a federal loan program between the filing of a petition and PUC issuing a decision to specify that the holder could not initiate such an application after the date notice was provided or waived under the bill, rather than after the date the petition was filed, until PUC issued a decision.

A landowner that submitted a petition under the bill could agree to pay to the applicable certificate holder an amount equal to the amount necessary to pay or defease a federal loan for a certificate holder that was a borrower under a federal loan program. On request from the petitioner, the certificate holder would be required to provide the petitioner with the amount necessary to pay or defease the federal loan. PUC could issue an order to require the certificate holder to accept a loan payment or defeasance under these provisions.

The bill would revise an authorization for PUC to require an award of compensation by the petitioner to require PUC to do so if it determined that compensation to the certificate holder was owed under the bill and under provisions related to compensation to a decertified retail public utility.

The bill would take effect September 1, 2025.

NOTES: According to the Legislative Budget Board, the bill would have a negative impact of $1,756,344 to general revenue related funds through the biennium.