

Legislative Session Update (6/6)

By the Numbers

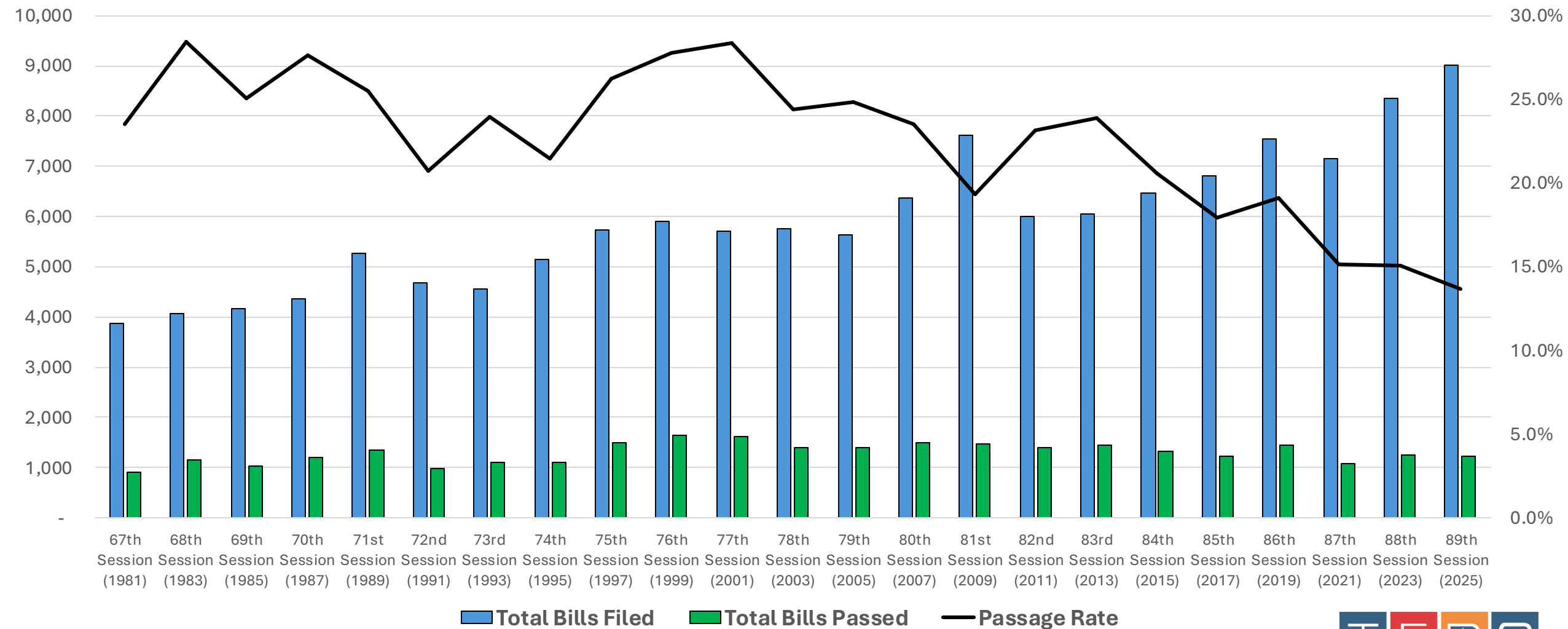
- House Bills
 - **619** bills sent to the Governor
 - (-**125** versus previous session)
- Senate Bills
 - **604** bills sent to the Governor
 - (+**92** versus previous session)
- Governor Actions *(as of 6/5)*
 - **1,223** bills sent to the Governor
 - **307** signed by the Governor
 - **24** bills filed without the Governor's signature
 - **2** bills vetoed by the Governor
 - **890** bills awaiting action by the Governor

LAST DAY OF VETO PERIOD

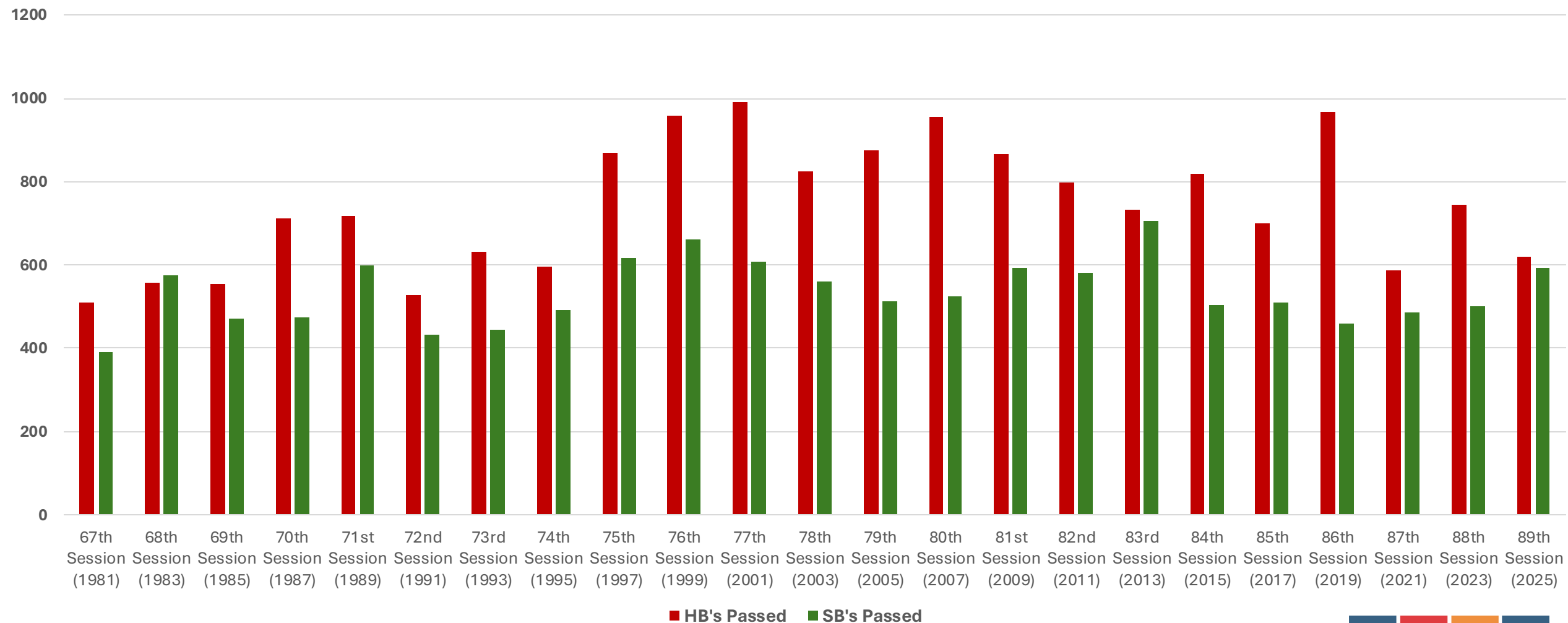
June 22nd = 160th Day of Session



Historical Bill Passage Rate (1981 – Present)



House v. Senate Bills Passed (1981 – Present)



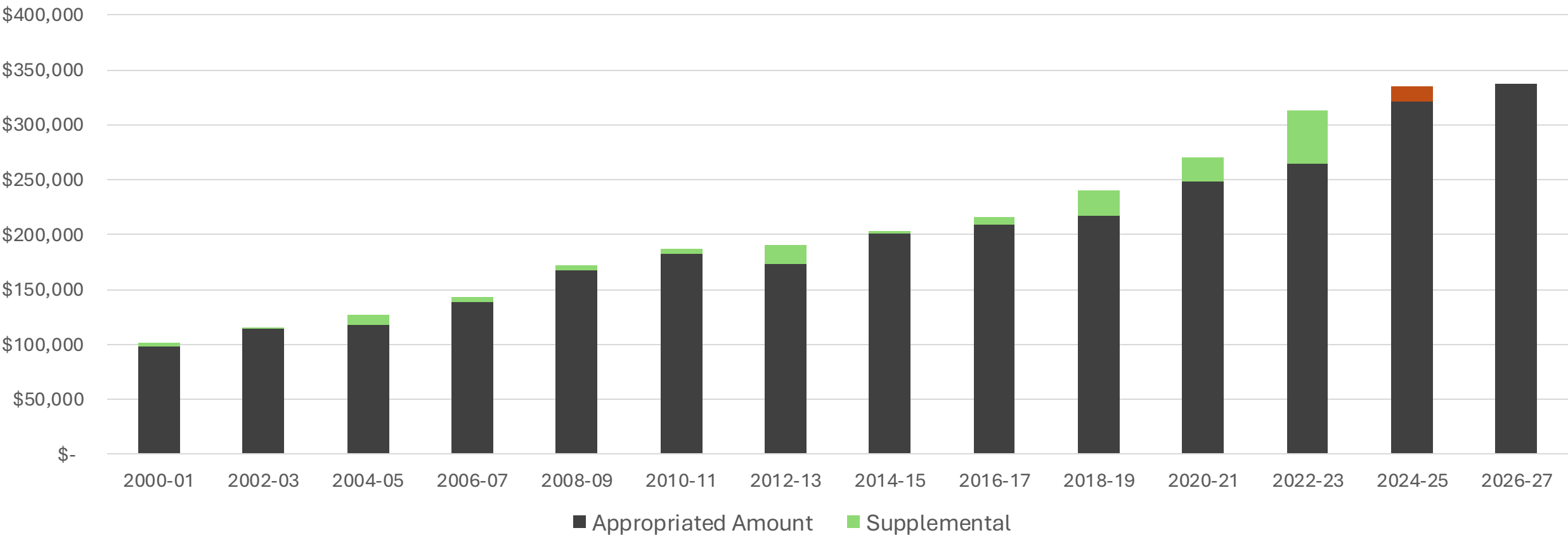
Budget Information



- **Two Major Appropriations Bills**

- HB 500 (2025 FY Supplemental Budget)
 - +\$13.0 billion in FY25
- SB 1 (2026-2027 Biennial Budget)
 - \$338 billion

Historical Appropriations (1999 - Present) - *in millions*



LOCAL NEWS

Texas lawmakers consider additional property tax relief amid projected \$20 billion surplus in 2025 session

©CBS NEWS
TEXAS

By Jack Fink, **Nathalie Marie Palacios**

Updated on: January 13, 2025 / 2:18 PM CST / CBS Texas



Budget Information – Tax Cuts

\$10 billion in “*new funding for property tax relief*”

- \$2.6 billion - Estimated cost of tax compression **in existing law**
- \$3.5 billion - Cost to maintain property tax relief **provided last session**
- \$3.9 billion - Cost of **new property tax relief measures**
 - \$2.7 billion (SB 4) – Increase **homestead exemption** from \$100k to \$140k
 - \$1.2 billion (SB 23) – Increase **senior homestead exemption** from \$10k to \$60k
 - \$193 million (HB 9) – Increase **business personal property exemption** from \$2.5k to \$125k

***NOTE ON BPP EXEMPTION:**

\$193m in state funds is used to hold school districts harmless for the exemption

Local governments will lose ~\$442 million unless they increase tax rates (no hold harmless from the state)

Budget Information – Major Items

- **Major Items**

- \$5 billion towards Texas Energy Fund
- Water Funding
 - \$2.5 billion for water infrastructure/grants
 - \$1 billion annually dedicated to water projects going forward
- \$1.3 billion for Texas University Fund
- \$350m to support advanced nuclear industry development
- \$300m for space exploration initiatives
- \$250m for Texas Semiconductor Innovation Fund
- \$250m for Moving Image Fund
- \$167m for quantum computing and AI chip fabrication at Texas A&M University
- ~\$90 million for the community college formula (backfill from HB 8 last session)

Headline Issues

- **Public Education**

- School Choice/Vouchers (SB2) – Capped at **\$1 billion** in state funds
- School Finance (HB2) - **~\$8.4** billion in new funding
 - \$4.2 billion for **teacher pay** raises
 - \$1.3 billion for **basic district costs**
 - \$2 billion for special education, full - day pre-k, early learning interventions, CTE
 - \$500 million for **school safety**
 - \$500 for increasing **support staff salaries** (non-teacher, non-admin)

- Hemp Ban (SB 3)

Economic Development Policy (general)

SB 2206 (Bettencourt) – Renews the Research and Development tax credit. Enhanced credit for research expenditures with higher education institutions

HB 4751 (Capriglione) – Establishes the Texas Quantum Initiative

Protect EDC Sales Tax

Preserve flexibility for 380/381 agreements.

- *Several bills were filed, but none were passed into law*
- ~~**SB 2747 (Paxton)**~~ – Prohibits sales tax “funneling” agreements
 - *“sales tax funneling” issue will need to be studied in interim*

Economic Development Policy (general)

Enhance Existing Economic Development Tools

- HB 2765 (Guillen) - Clean-up for TX Dept. of Agriculture economic development program. Low-interest loans for rural areas (adds MOUs and other local/water districts)
- ~~HB 105 (Guillen)~~ - JETI program improvements
- ~~HB 112 (Button)~~ - Develops a plan to develop a “Texas Science Park.”
- ~~HB 104 (Bonnen)~~ - Creates the Texas Future Fund - Invests funds in the Economic Stabilization Fund (aka Rainy Day Fund) into innovative Texas companies.
- ~~HB 1268 (Button)~~ - State grant funds for SBIR projects
- ~~HB 5265 (Wilson)~~ - Creates the health care professional education fund
- ~~HB 4735 (Ashby)~~ - Creates "Rural Development Funds" offering tax credits to incentivize development/investment in rural areas.
- ~~HB 4308 (Gates)~~ - Creates a county industrial development district. Bracketed to Fort Bend County, all counties except Harris County

Review Economic Development Policy (workforce)

HB 3260 (K Bell) – Improves the Texas Industry-Recognized Apprenticeship Grant Program

SJR 59(Birdwell/Lambert) – \$850m in funding for TSTC

HB 322 (Guillen) – Expands the use of the JET program at TX Workforce Commission

SB 1143 (Blanco) – Aims to improve local workforce board programs impacting “opportunity youth” & requires new reporting of economic development agreements that create over 100 jobs

Economic Development Policy (energy)

SB 6 (King) – Improves the interconnection process for large loads

HB 14 (Harris) – Incentive program for small modular nuclear reactors

HJR 7 / SB 7 (Harris/Perry)– Dedicated Water Funding (\$1b per year)

Support “all the above” electric generation approach

- Several anti-wind, solar, and battery storage bills **did not pass** into law.
 - ~~SB 819 (Kolkhorst)~~–onerous siting requirements for wind/solar projects
 - ~~SB 1754 (Birdwell)~~–prohibits 312, 380, and 381 agreements on renewable energy projects
 - ~~SB 715 (Sparks) / HB 3356 (Patterson)~~–creates firming/reliably requirements aimed at renewable energy projects

General Business Environment

- **SB 840 (Hughes)** – Preempts certain local zoning regulations for cities over 150k in population, in counties over 300k in population. See also:
 - **SB 15** – smaller lot sizes for housing
 - **HB 24** – new rules on comprehensive zoning changes
- **SB 25 (Kolkhorst)** – Creates onerous food labeling requirements.
- **SB 29 (Hughes/Vasut)** – Provides more legal certainty for companies (especially public companies) around internal shareholder disputes, corporate governance, and certain lawsuits
- **HB 150** – Creates the Texas Cyber Command at UTSA

What's Next?

- **Legislative Summaries**

- Shorter 1-2 pager – high-level information
- Longer 3-4 pager – In-depth on issue areas (eco devo, workforce, infrastructure...)

- **Rulemaking**

- Usually starts late summer/early fall, depending on the state agency

- **Policy Development for 90th Legislature**

- 585 days until the start of the next session 😊
- JETI changes
- County Industrial District
- Better use/investment of ~\$25+b in Rainy Day Fund
- New items?

Questions/Comments/Suggestions



Thank you!!!



Join us for TEDC's 2025 Mid-Year Conference in Rockwall, TX, June 18-20

Online registration closes June 10th