



MEMORANDUM

ADMINISTRATION

To: City Council
Through: Ben Williamson, City Manager
From: Erin Flores, Senior Management Analyst
Cc: Jawaria Tareen, Deputy City Manager
Date: August 7, 2026
Subject: 90th Legislative Session: Council discussion and direction on the City's legislative priorities

PURPOSE

Following Council discussion and direction, staff will introduce the platform for use in bill review, legislative communications, coalition advocacy, and testimony during the 90th Texas Legislature. Adoption of the platform would not commit the Council to a position on any bill whose material provisions fall outside these principles.

Executive summary

The House and Senate interim charges are indicators of subjects that may produce legislation; they are not enacted law and do not establish final bill language. The most consequential confirmed municipal themes are local spending and debt, development fees and permitting, housing and land-use authority, state preemption, water and wastewater finance, data centers and large-load infrastructure, economic-development tools, open-government requirements, transportation, and public safety.

For Farmers Branch, the principal risk is the cumulative effect of state mandates that independently limit revenue, financing, fees, zoning, permitting, or utility practices. A legislative platform should therefore preserve the City's ability to fund essential services, manage redevelopment, protect public safety, and respond to local conditions while supporting transparency, accountable tax relief, housing production, infrastructure investment, and responsible economic growth.

OVERARCHING THEMES

Local control: Preserve the City's authority and flexibility to make decisions that reflect the unique needs, priorities, and interests of the community, while opposing unnecessary state preemption that could limit the City's ability to effectively govern, provide services, manage growth, and respond to local challenges.

Financial stability: Support policies that preserve the City's long-term financial stability and flexibility, protect sustainable revenue sources, and allow the City to responsibly plan for and fund essential services, infrastructure, and community priorities while maintaining strong fiscal stewardship.

Public safety and infrastructure: Protect the City's ability to provide essential public safety services and invest in the infrastructure necessary to support a safe, resilient, and growing community, while preserving local flexibility to address community-specific needs and priorities.

Responsible redevelopment and economic development: Support policies that encourage thoughtful redevelopment, attract quality investment, and strengthen the local economy while preserving the City's ability to use appropriate development and economic development tools to meet community needs and long-term goals.

RECOMMENDED PLATFORM PRINCIPLES

Local accountability: Preserve the authority of locally elected officials to address community conditions unless a demonstrated statewide interest requires a uniform rule.

Financial sustainability: Oppose unfunded mandates and restrictions that impair essential services, infrastructure maintenance, emergency response, or legally authorized debt obligations.

Taxpayer value: Support meaningful transparency and property-tax relief that does not shift costs to municipal ratepayers or erode the revenues needed for core city services.

Growth pays for growth: Preserve lawful, cost-based fees and financing tools so existing residents are not required to subsidize the infrastructure demands of new development.

Safe and predictable development: Support faster, clearer development review when reforms preserve adopted safety standards, infrastructure capacity, and meaningful local planning.

Infrastructure resilience: Support state funding and regional coordination for water, wastewater, drainage, transportation, grid reliability, cybersecurity, and emergency preparedness.

Implementation discipline: Seek adequate implementation time, clear agency guidance, protection for actions taken in good faith, and state funding when new duties are imposed.

PRIORITY POSITION MATRIX

Issue	Position	Priority	Primary objective
Municipal revenue and spending	OPPOSE / AMEND	High	Reject arbitrary caps; preserve service capacity.
Debt and capital financing	OPPOSE / AMEND	High	Preserve COs and practical election/financing tools.
Fees and cost recovery	AMEND	High	Protect lawful, documented, cost-based fees.
Housing and land use	AMEND	High	Support supply while preserving local planning and infrastructure authority.
Permitting and inspections	AMEND	High	Allow process improvements without compromising safety or shifting uncompensated costs.
Preemption and enforcement	OPPOSE	High	Oppose expansion of broad preemption, penalties, or duplicative enforcement.
Water and wastewater	SUPPORT / AMEND	High	Support funding; preserve locally adopted utility financial plans.
Economic development and HOT	AMEND	Medium	Preserve accountable local tools and existing commitments.
Data centers and large loads	AMEND	Medium	Require infrastructure accountability and preserve local authority.
Public safety and resilience	SUPPORT	Medium	Seek funding, coordination, and workable standards.
Transportation and mobility	SUPPORT / AMEND	Medium	Support funding and safety while preserving operational coordination.
Open government and elections	AMEND	Medium	Support transparency with clear, funded, administrable requirements.

PROACTIVE CITY INITIATIVES

1. Qualified Hotel Project Eligibility

Recommended position: SUPPORT legislation that provides or preserves a path for Farmers Branch to qualify for the economic-development tools available to a Qualified Hotel Project.

Farmers Branch impact: Qualified Hotel Project eligibility is a critical proactive economic-development priority for the City, particularly for redevelopment opportunities in the Station Area. Access to this tool could materially improve the City's ability to attract a catalytic hotel and related mixed-use investment, strengthen tourism activity, and advance redevelopment objectives in an area of significant strategic importance.

Advocacy direction: Work proactively with the City's legislative delegation, legislative consultant, TML, and appropriate economic-development partners to identify a viable legislative path and advocate for Farmers Branch eligibility.

2. DART Governance, Funding, Service, and Member-City Authority

Recommended position: Establish a separate Farmers Branch position concerning DART that protects the City's interests as a member city and ensures that governance, funding obligations, service levels, and decision-making authority remain equitable and accountable.

Farmers Branch impact: DART service is directly connected to the City's mobility network and Station Area redevelopment. Changes to DART governance, sales-tax funding, service commitments, or member-city authority could have significant fiscal, transportation, and redevelopment implications for Farmers Branch.

Advocacy direction: Evaluate DART-related proposals independently from the City's broader transportation platform and return to Council when legislation or regional action would materially alter Farmers Branch's representation, financial contribution, service, or authority.

DEFENSIVE MUNICIPAL PRIORITIES

These matters primarily involve preserving existing municipal authority, financial capacity, and operational flexibility as statewide proposals are developed.

1. Municipal revenue, property tax, and expenditure limits

Position: OPPOSE / AMEND

Primary objective: Reject arbitrary caps or new restrictions that prevent the City from maintaining core services; support meaningful transparency and property-tax relief that does not shift costs to municipal ratepayers or erode revenues needed for core city services.

2. Municipal debt and capital financing

Position: OPPOSE / AMEND

Primary objective: Preserve certificates of obligation, tax notes, and other practical financing tools for essential, time-sensitive, and infrastructure projects while supporting appropriate public disclosure.

3. Municipal fees and cost recovery

Position: AMEND

Primary objective: Protect lawful, transparent, cost-based permit, inspection, impact, utility-connection, drainage, and stormwater fees so existing taxpayers and ratepayers are not required to subsidize growth.

4. Housing, zoning, redevelopment, and permitting

Position: AMEND

Primary objective: Support housing production, adaptive reuse, and efficient review while preserving local authority over safety, infrastructure capacity, drainage, access, compatibility, adopted codes, and cost recovery.

5. State preemption and local enforcement

Position: OPPOSE

Primary objective: Oppose expansion of broad state preemption, punitive remedies, or enforcement mechanisms that unnecessarily restrict the City's ability to address legitimate local conditions.

6. Water, wastewater, drainage, and utility finance

Position: SUPPORT / AMEND

Primary objective: Support state investment and regional solutions while preserving locally adopted utility rate-setting, financial plans, and infrastructure priorities.

7. Public safety, emergency management, and cybersecurity

Position: SUPPORT

Primary objective: Support funding, coordination, training, and workable standards while opposing unfunded operational mandates that impair local deployment or emergency response.

COUNCIL-REFERRED POLICY QUESTIONS

The following matters have been referred for Council consideration. Because they do not all fall within the jurisdiction of the Texas Legislature, staff recommends clearly distinguishing state legislative advocacy from federal or regional advocacy.

Matter	Primary forum	Why it matters to Farmers Branch	Council direction requested
Fluoride in public drinking water	Texas Legislature/ state regulatory policy	Could affect municipal water-treatment practices, operational requirements, and public communication.	Should the City support, oppose, or monitor legislation affecting local fluoridation practices?
Heavier semi-trucks	Texas Legislature and federal transportation policy, depending on proposal	Potential impacts include roadway wear, bridge capacity, freight movement, traffic safety, and enforcement.	Should the City oppose increases in allowable truck weights unless infrastructure, safety, and local-cost impacts are addressed?
Freight and passenger rail funding	State and federal advocacy	Farmers Branch is affected by regional mobility, freight and rail interfaces, passenger rail connections, and opportunities to leverage outside funding.	Should the City actively support expanded state and federal investment in freight and passenger rail infrastructure?
Rail-crossing safety	State, federal, and regional advocacy	Crossing improvements can reduce collision risk, blocked-crossing impacts, emergency-response delays, and traffic congestion.	Should rail-grade separations and crossing-safety funding be an affirmative City advocacy priority?
Dallas Housing Coalition condominium proposals	Texas Legislature if statutory changes are pursued; otherwise regional/local advocacy	Potential condominium policy changes could affect redevelopment, housing supply,	What position should the City take on the Coalition's condominium proposals once specific legislative

		ownership structures, and local development administration.	language or advocacy requests are available?
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MONITORING ITEMS

Staff recommends monitoring the following matters and elevating them to Council when a proposal creates a material Farmers Branch impact or requires a policy position:

- Data centers, energy demand, grid reliability, and large-load development.
- Open-government, Public Information Act, election, audit, and administrative mandates.
- Autonomous vehicles, broadband, pole attachments, and municipal right-of-way coordination.
- Behavioral health, homelessness, juvenile violence, wildfire readiness, and disaster coordination.
- Additional housing, land-use, building-code, and development-process preemption.
- Hotel Occupancy Tax accountability, Project Finance Zones, and other changes to local economic-development tools beyond the Qualified Hotel Project initiative.

DETAILED LEGISLATIVE POSITIONS

1. Municipal revenue, property tax, and expenditure limits

Recommended position: OPPOSE legislation that imposes a new municipal expenditure cap, lowers the voter-approval revenue threshold, or adds election requirements that prevent the City from maintaining core services. SUPPORT school property-tax relief funded by the State when it does not reduce municipal revenue or shift costs to cities.

Legislative basis: The House Ways and Means Committee is directed to examine local spending, debt, certificates of obligation, and fees and to recommend limits on local spending growth. The Senate property-tax charges focus primarily on school property taxes, homestead exemptions, and the proposed reduction of senior eligibility from age 65 to 55.

Farmers Branch impact: The school homestead proposals should not be described as a direct reduction in Farmers Branch revenue unless future bill language expressly extends them to municipal taxes. The City's direct exposure is instead from possible limits on municipal levy growth, expenditure authority, and appraisal-district costs.

Advocacy direction: Require a full fiscal note for every municipal limitation; recognize public-safety, inflation, emergency, new-property, debt-service, and state-mandate costs; and avoid one-size-fits-all caps that disconnect service obligations from lawful revenue.

2. Municipal debt and capital financing

Recommended position: OPPOSE restrictions that materially impair certificates of obligation, tax notes, or other lawful financing for essential, time-sensitive, court-ordered, or emergency projects. SEEK AMENDMENTS that improve disclosure without unnecessarily delaying projects or increasing financing costs.

Legislative basis: The House is specifically studying local debt practices and certificates of obligation. The interim charges do not themselves establish a supermajority requirement or require all bond elections to move to November; those concepts should be treated as potential proposals only if filed.

Farmers Branch impact: Farmers Branch uses long-range capital planning to maintain streets, facilities, public-safety assets, drainage, and utility infrastructure. Delays can increase construction and borrowing costs and transfer risk to future budgets.

Advocacy direction: Protect existing obligations and projects in progress; preserve emergency and essential-infrastructure exceptions; and favor standardized public disclosure over categorical prohibitions.

3. Municipal fees and cost recovery

Recommended position: SEEK AMENDMENTS to preserve permit, inspection, impact, utility-connection, drainage, and stormwater fees that are authorized by law, transparently adopted, and reasonably related to the cost or infrastructure burden of the service provided.

Legislative basis: Both chambers directed committees to examine local fees, their use, transparency, and possible audit requirements. The House hearing record also reflects interest in development-fee proportionality and independent review.

Farmers Branch impact: Fee limits can shift development-related costs to existing taxpayers and ratepayers. Farmers Branch should be prepared to document statutory authority, methodology, restricted uses, and cost-of-service support for material fees.

Advocacy direction: Support clear accounting and periodic review. Oppose arbitrary statewide caps, retroactive refunds, duplicative audits, or rules that prevent growth from paying its proportionate infrastructure costs.

4. Housing, zoning, and redevelopment

Recommended position: SUPPORT housing production and adaptive reuse while SEEKING AMENDMENTS that preserve local authority over health and safety, infrastructure capacity, drainage, access, parking where justified, and compatibility with adopted plans.

Legislative basis: The House and Senate are monitoring implementation of SB 15, SB 840, SB 2477, SB 2038, HB 24, and SB 1567 and are considering further measures framed as removing barriers to housing affordability.

Farmers Branch impact: SB 15 and SB 840 currently apply through population and county thresholds that do not directly include Farmers Branch based on the City's population; expansion of those thresholds could materially affect future redevelopment. The City is substantially built out, so redevelopment and infrastructure capacity are more relevant than greenfield production.

Advocacy direction: Seek flexible compliance options, infrastructure-capacity protections, and prospective implementation. Provide local data on entitlement timelines, redevelopment constraints, and approved housing production before statewide mandates are expanded.

5. Development permitting, third-party review, and preapproved plans

Recommended position: SUPPORT voluntary or locally administered process improvements. SEEK AMENDMENTS to any mandate so the City retains enforcement authority, adopted-code compliance, conflict-of-interest safeguards, professional qualifications, records access, and cost recovery.

Legislative basis: The House Land and Resource Management Committee is studying third-party review and the feasibility of municipal processes for preapproval and repeated use of residential building plans.

Farmers Branch impact: The attachment's statement that mandatory third-party review and preapproved plans are "expected legislation" is too definite. The confirmed charge is a study. Any future mandate could increase statutory deadlines, appeals, quality-control work, and liability even when review is performed outside the City.

Advocacy direction: Support a clear completeness standard, applicant accountability, local audit authority, tolling for deficient submissions, and adequate implementation time. Oppose deemed approvals that compromise life safety or infrastructure coordination.

6. State preemption and local enforcement

Recommended position: OPPOSE expansion of the Texas Regulatory Consistency Act into additional fields, new punitive remedies, or enforcement mechanisms that prevent the City from addressing legitimate local health, safety, nuisance, and consumer-protection concerns within its lawful authority.

Legislative basis: The House Select Committee on Governmental Oversight is conducting a broad review of ordinances under the Texas Regulatory Consistency Act, enforcement suits, alternative enforcement, and additional regulatory areas for possible preemption.

Farmers Branch impact: Further preemption can require code revisions, increase legal review and litigation exposure, and limit tailored responses to conditions within Farmers Branch.

Advocacy direction: Request precise statutory language, safe harbors for good-faith interpretation, prospective application, reasonable cure periods, and protection of traditional police powers. Coordinate ordinance review with the City Attorney as bills are filed.

7. Water, wastewater, drainage, and utility finance

Recommended position: SUPPORT substantial state investment in water supply, reuse, conservation, flood mitigation, and aging infrastructure. SEEK AMENDMENTS to preserve local utility rate-setting and prudent transfers that are transparent, legally authorized, and consistent with bond covenants and adopted financial plans.

Legislative basis: The Senate is studying transfers from water and wastewater utilities by large municipalities and potential percentage limits. Both chambers are also studying large industrial water demand, water supply strategies, and infrastructure funding.

Farmers Branch impact: Farmers Branch faces wholesale water and wastewater cost pressure and must maintain reliable systems while funding capital needs. Even if a proposal initially targets larger cities, definitions and thresholds can change during session.

Advocacy direction: Support grants and low-cost financing, regional solutions, leak-loss reduction, and local flexibility. Oppose unfunded requirements or transfer restrictions that disregard utility structure, shared-service costs, existing covenants, or locally adopted policy.

8. Economic development, hotel occupancy tax, and local financing tools

Recommended position: SUPPORT transparent, performance-based economic-development tools. SEEK AMENDMENTS to preserve lawful local discretion, protect existing commitments, and avoid retroactive changes to hotel occupancy tax uses, project finance zones, Chapter 380 agreements, or other authorized tools.

Legislative basis: The Senate is studying local hotel occupancy tax accountability and state oversight of project finance zones. The House is also examining public-private partnerships.

Farmers Branch impact: Farmers Branch relies on tourism, redevelopment, and targeted incentives to compete within the DFW market. State restrictions could affect project feasibility, existing commitments, and the City's ability to address site-specific redevelopment costs.

Advocacy direction: Support reporting that measures public benefit and compliance. Require grandfathering of executed agreements and financed projects and oppose state approval processes that create uncertainty without a demonstrated statewide need.

9. Data centers, energy demand, and large-load development

Recommended position: SEEK AMENDMENTS requiring large-load developments to bear appropriate infrastructure costs while preserving municipal land-use, utility, emergency-response, and development-agreement authority. SUPPORT grid-planning transparency and safeguards for residential and small-business ratepayers.

Legislative basis: Both chambers are studying data-center growth, grid interconnection, sales-tax exemptions, water demand, infrastructure, and community impacts.

Farmers Branch impact: Although Farmers Branch is built out, data-center or comparable large-load redevelopment could create concentrated electric, water, fire-protection, and land-use impacts. State incentives should not externalize those costs to local taxpayers or utilities.

Advocacy direction: Advocate for early local notice, verified utility capacity, emergency-response planning, cost allocation, and municipal participation in state working groups. Preserve negotiated mitigation and development standards.

10. Public safety, emergency management, behavioral health, and cybersecurity

Recommended position: SUPPORT legislation and appropriations that improve interoperable emergency response, cybersecurity, disaster preparedness, juvenile-violence prevention, behavioral-health capacity, and coordinated homelessness response. OPPOSE unfunded operational mandates or standards that conflict with incident command and local deployment needs.

Legislative basis: Interim charges address disaster coordination, cybersecurity, juvenile violence, reserve peace officers, crisis mental health and homelessness, wildfire readiness, drones, and critical infrastructure.

Farmers Branch impact: These issues affect Police, Fire, Emergency Management, Information Technology, Municipal Court, and community-service operations. State behavioral-health capacity and regional coordination directly influence local public-safety demand.

Advocacy direction: Seek grants, training resources, data-sharing authority, liability protection for authorized emergency actions, and clear division of state and local responsibilities. Require practical implementation periods and funding for new technology or reporting duties.

11. Transportation, rail, autonomous vehicles, and right-of-way coordination

Recommended position: SUPPORT increased and predictable transportation funding, rail-crossing safety, congestion relief, and regional coordination. SEEK AMENDMENTS to autonomous-vehicle, broadband, pole-attachment, or utility rules that affect municipal streets or rights-of-way without adequate notice, safety standards, and cost recovery.

Legislative basis: The Senate is studying transportation resources and autonomous-vehicle deployment under SB 2807. House charges address transportation funding, public-private partnerships, and related infrastructure issues.

Farmers Branch impact: Farmers Branch is affected by regional mobility, DART service, major road corridors, freight and rail interfaces, and intensive utility use of public rights-of-way.

Advocacy direction: Preserve municipal traffic-management and emergency authority; require incident-data sharing and coordination; protect the public right-of-way; and avoid shifting relocation, restoration, or enforcement costs to local taxpayers.

12. Open government, elections, and administrative mandates

Recommended position: SUPPORT transparency, ballot security, and meaningful public access. SEEK AMENDMENTS ensuring that new Texas Public Information Act, notice, election, audit, or reporting requirements are clear, technologically feasible, funded when costly, and protective of legally confidential and security-sensitive information.

Legislative basis: The House Select Committee on Governmental Oversight is reviewing the Texas Public Information Act, exemptions, and public notices. The House Elections Committee is reviewing election-record transparency, ballot privacy, and election staffing.

Farmers Branch impact: New duties can affect the City Secretary, Legal, Information Technology, Records Management, Police, Finance, and Communications. Ambiguous deadlines or technology mandates create compliance and litigation risk.

Advocacy direction: Support standardized guidance, electronic processes, reasonable cure periods, protection of cybersecurity and personal information, and funding for mandated systems. Preserve attorney-client, law-enforcement, personnel, and critical-infrastructure protections consistent with state law.

IMPLEMENTATION AND ADVOCACY PLAN

Bill triage: Assign every city-related bill a position of support, oppose, amend, or monitor and identify affected departments, fiscal effect, deadlines, and legal changes.

City-specific evidence: Develop short fact sheets on property-tax capacity, fees and cost recovery, capital financing, permitting timelines, housing approvals, utility needs, and state mandates.

Council communication: Provide periodic high-priority updates and promptly elevate bills that materially depart from the adopted platform or create significant fiscal or operational exposure.

Coalition engagement: Coordinate with TML, regional partners, professional associations, and the City's legislative delegation while ensuring that the City's position remains based on Council direction.

Authority to respond: Authorize the City Manager or designee to communicate positions consistent with the adopted platform; return to Council when a bill presents a material policy choice not addressed here.

Post-session implementation: Prepare a final impact report, code and policy inventory, implementation calendar, budget impacts, and recommended Council actions after adjournment.

LEGISLATIVE ADVOCACY STRUCTURE

Legislative Consultant

Council has expressed a desire for the City to retain a legislative consultant for the 90th Legislative Session. Staff recommends affirming that direction so the City can maintain a consistent presence in Austin, receive timely intelligence on bill activity, coordinate meetings and testimony, and advance City-specific priorities, including Qualified Hotel Project eligibility.

TEX-21 Membership

Council has also expressed a desire for City membership in TEX-21. Staff recommends affirming membership as part of the City's transportation and infrastructure advocacy strategy, particularly for freight, passenger rail, rail-crossing safety, and other regional mobility priorities.

Council Travel and Legislative Presence

Council has expressed an interest in maintaining an active presence throughout the legislative process, including travel and engagement beginning in September. Staff will coordinate a Council presence structure around key advocacy opportunities, delegation meetings, committee activity, legislative events, and other dates where direct Council participation would be most effective. Specific travel dates and participation will be confirmed as the legislative and advocacy calendars develop.

RECOMMENDED COUNCIL DIRECTION

Staff recommends that the City Council discuss the proposed positions, identify any additions or exclusions, and direct staff to return with a final legislative platform for formal approval. Until final approval, this memorandum should be treated as a discussion draft rather than an adopted City position.

SOURCES AND RESEARCH NOTES

- **Texas House of Representatives:** 89th Legislature Interim Committee Charges, issued March 25, 2026. <https://www.house.texas.gov/pdfs/speaker/F-Interim-Charges-3.25.pdf>
- **Office of the Lieutenant Governor:** 2026 Interim Legislative Charges, issued March 27, 2026. <https://www.ltgov.texas.gov/wp-content/uploads/2026/03/2026-Interim-Charges.pdf>

- **Texas Senate Committee on Water, Agriculture, and Rural Affairs:** Official committee interim-charge listing. <https://senate.texas.gov/cmte.php?c=700>
- **Texas Municipal League:** Speaker Burrows Releases Interim Charges, March 27, 2026. <https://www.tml.org/DocumentCenter/View/5893/LU-2026-12-March-27>
- **Texas Municipal League:** House Committee Discusses Land Use Issues and MUDs, July 24, 2026. <https://www.tml.org/DocumentCenter/View/6631/LU-2026-28-July-24>

Research note: Interim charges identify subjects for study and do not have the force of law. Positions should be revisited when bill text, committee substitutes, fiscal notes, and agency implementation materials become available.

ATTACHMENTS

1. Interim Charges Related to Priority Items
2. TML Slide Deck

Interim Charges Related to Priority Items

SENATE INTERIM CHARGES

1. Further Property Tax Cuts:

The Homestead Exemption has proven overwhelmingly popular with voters. It has eliminated school property taxes for the average senior and reduced school taxes in half for those under 65. Study and report on the effect of the continued increasing of the Homestead Exemption. Assess the impact of reducing the senior homestead exemption from 65 to 55 years of age. This change would freeze home values 10 years sooner for over 3 million homeowners, saving 55 plus homeowners thousands of additional dollars.

2. Managing Data Center Growth:

Study the adequacy of current statutory, regulatory, and infrastructure frameworks to meet the rapidly increasing demand from large electric loads, such as data centers. Recommend ways to balance economic development benefits of this growth against the impacts on landowners, private property rights, water infrastructure, and community integrity.

3. Addressing Juvenile Violence:

Study the growing violence among juveniles both in communities and state and county secure facilities. Examine the effectiveness of juvenile diversion programs, sentencing laws, and whether determinate sentences for all “3G” violent juvenile offenders would better ensure public safety. Make recommendations to improve juvenile outcomes and protect the public.

4. Ensuring Local Hotel Occupancy Tax Accountability:

Study the collection, reporting, and use of state and local hotel occupancy tax revenues, and review data and outcomes under the current legislative framework to assess whether it is operating as intended. Make recommendations to ensure the effectiveness of local incentives and safeguard long-term fiscal accountability.

5. Strengthening Oversight of Project Finance Zones:

Study the fiscal impact to the state of multiple project finance zones authorized within individual cities under Chapter 351, Tax Code, and evaluate whether requiring specific legislative approval for each newly proposed project finance zone would strengthen accountability and protect state revenues. Make recommendations to strengthen state oversight, prevent the proliferation of zones, and protect state tax revenues from unauthorized or inefficient use.

6. Preparing the Texas Workforce for AI (Artificial Intelligence):

Study the impact of AI on the Texas workforce and its implications for economic competitiveness. Evaluate strategies to enhance workforce resiliency, align educational pathways with evolving employer needs, and promote private-sector-led innovation. Identify

opportunities for upskilling and the responsible adoption of emerging technologies to maximize employment opportunities. Make recommendations to ensure the Texas labor market remains a national leader in growth and opportunity.

7. Examining Crime Victims' Compensation and Assistance Funds:

Study the administration, funding sources, and distribution of state victims' assistance and the Crime Victims' Compensation Fund. Examine eligibility criteria, allocation processes, and distribution methods to victims, service providers, and related programs. Make recommendations to improve these programs in fulfilling their statutory purposes.

8. Preventing Fraud, Waste, and Abuse:

Review state agencies' strategies to detect and mitigate fraud, waste, and abuse. Quantify the fiscal impact of financial impropriety on the state budget. Identify high-risk areas such as entitlement programs, contracted services, and technology contracts. Assess prevention and recovery efforts, including data analytics, reporting mechanisms, financial recoveries, and prosecutions. Make recommendations to strengthen oversight and better protect public funds.

9. Data Center Investment and State Fiscal Effects:

Since the passage of House Bill 1223, 83rd Legislature, in 2013, the state cost of providing a sales tax exemption to qualifying data centers has grown from an estimated \$14.6 million for the 2014-15 biennium to a projected \$3.3 billion for the 2028-29 biennium. Study the cost and consequences of the sales tax exemption provided to data centers under Tax Code Sections 151.359 and 151.3595. Make recommendations providing safeguards to ensure that Texans benefit from data center investment.

10. Cutting Property Taxes:

Examine Texas property taxes, focusing on homeowners' school property taxes. Make recommendations to cut Texans' property taxes by increasing the homestead exemption for all homesteads. Determine the savings for homestead owners attributable to lowering the age of eligibility for the senior homestead exemption and senior tax ceiling from 65 to 55. Additionally, evaluate options to further reduce property taxes for new homeowners.

11. Examining the Effect of Increasing the Homestead Exemption:

Review and report on the effects of Senate Bill 4 and Senate Bill 23, 89th Legislature, Senate Bill 2, 88th Legislature, 2nd Called Session, Senate Bill 1, 87th Legislature, 3rd Called Session, Senate Bill 2, 86th Legislature, and Senate Bill 1, 84th Legislature, which in combination have increased the homeowners' school tax exemption from \$15,000 to \$140,000 for those under the age of 65, and from \$25,000 to \$200,000 for those 65 and older. Identify the percentage of Texas homeowners that no longer pay school property taxes due to these efforts.

12. Removing Barriers to Housing Affordability:

Report on the implementation of Senate Bill 15, Senate Bill 840, and Senate Bill 2477, 89th Legislature, and Senate Bill 2038, 88th Legislature. Make recommendations to strengthen property rights as the cornerstone of Texas housing affordability.

13. Holding Local Government Fees Accountable:

Examine the collection, use, and oversight of fees imposed by local governments, including but not limited to utility connection charges, permit and inspection fees, and drainage or stormwater improvement fees. Evaluate whether these fees are subject to adequate financial transparency requirements and whether independent audits should be required. Make necessary recommendations to enhance accountability and ensure fee revenues are used solely for their intended public purposes.

14. Ensuring Transparency in Appraisal District Funding:

Study the governance, budgeting authority, and cost allocation practices of county appraisal districts. Examine the fiscal impact of appraisal district costs on taxing entities. Evaluate whether additional guardrails are warranted.

15. Maintaining Election Security:

Study ways to enhance election security and guarantee poll watcher access. Further evaluate county election administration and local election officials and any recent attempts to circumvent state law. Make recommendations to ensure the security and integrity of Texas elections.

16. Ensuring Efficiency in Texas Elections:

Study different methods counties employ regarding the marking and counting of ballots. Review the designation of polling locations for a specific political party during primary elections. Make recommendations to ensure elections are conducted efficiently and securely.

17. Assessing the Water Demands of Energy-Intensive Technologies:

Examine the current water consumption rates for high-consumption cooling technologies, including data centers. Make recommendations to improve transparency for local water providers and ensure industrial growth does not compromise the affordability of water for Texas residents and agricultural producers.

18. Prioritizing Utility Revenue for Infrastructure Maintenance:

Study the practice of large municipalities transferring revenue from water and wastewater utilities to general funds. Assess the impact of such transfers on delays in projects, infrastructure maintenance backlogs, and water loss mitigation. Make recommendations to limit the percentage of utility revenue available for transfer and ensure ratepayer funds are dedicated exclusively to the sustainability and security of Texas water systems.

19. Evaluating Desalination Viability and Regulatory Efficiency:

Inventory existing facilities and review the permitting framework across relevant state agencies to improve efficiency. Assess the practicality of desalination in high- feasibility regions and identify opportunities for local-level implementation. Make recommendations to streamline the regulatory process.

HOUSE INTERIM CHARGES

1. Violent Crime Clearance Rates and Investigative Capacity:

Examine violent crime clearance rates in Texas and identify barriers to the effective prosecution of violent offenses, including investigative resources, forensic capacity, interagency coordination, and crime reporting practices. Evaluate whether disparate prosecutorial policies are impacting the prosecution of serious offenses, and assess how the enforcement of bond conditions, including the pursuit of violations or revocations following new criminal conduct, affects recidivism and public safety. Make recommendations to improve case clearance, strengthen coordination between law enforcement and prosecutors, and ensure consistent enforcement of criminal laws.

2. Fraud and Financial Exploitation of Elderly and Vulnerable Texans:

Examine trends related to the crimes of fraud, financial exploitation, and abuse targeting elderly and vulnerable Texans, including crimes involving telecommunications and emerging technologies. Review the effectiveness of current criminal statutes, penalties, restitution tools, and coordination among law enforcement and regulatory agencies. Identify gaps in detection, investigation, prosecution, and victim recovery, and provide recommendations to strengthen prevention and accountability.

3. Juvenile Justice:

Evaluate the effectiveness of indeterminate and determinate sentencing in promoting accountability, rehabilitation, and public safety, including whether current commitment and probation practices for serious offenses provide sufficient supervision. Recommend any statutory or policy changes to improve coordination, strengthen accountability, identify barriers in information sharing, and enhance public safety.

4. Texas Parks and Wildlife Department Funding:

Evaluate the long-term sustainability of Texas Parks and Wildlife Department Fund 9. Examine alternative or supplemental funding mechanisms to ensure stable funding for wildlife conservation, state parks, and agency operations.

5. Preventing Fraud, Waste, and Abuse:

Study methods by which the state can leverage technology, including artificial intelligence, to detect fraud, waste, and abuse of taxpayer resources.

6. Data Privacy and Security:

Study the implementation and effectiveness of the Texas Data Privacy and Security Act to determine whether the law provides adequate protection for Texas residents and businesses.

7. Citizenship and Voting:

Study the integrity of the voting procedures in Texas, including voter registration and voter-roll maintenance, and make recommendations to ensure that only U.S. citizens are able to register and vote in Texas.

8. Voter Registration:

Study the state's voter registration processes and systems by conducting an inventory of the systems used by counties that are offline and analyzing the impact of supporting multiple software systems across the state. Recommend ways to streamline voter-roll maintenance and improve efficiency.

9. Election Timelines:

Examine statutory timelines related to the administration of elections, including key deadlines. Evaluate the need to make adjustments to improve election administration, transparency, and voter access.

10. Technology in Elections:

Study the growing role of new and rapidly evolving technologies in the election process and political communications.

11. Integration of Early and Election Day Voting:

Monitor the implementation of SB 2753, relating to the integration of early voting by personal appearance and election day voting, including the manner in which election returns are processed and other related changes. Monitor the working group led by the Texas Secretary of State (SOS) in conjunction with counties. Monitor the statutorily required SOS report and its recommendations for proper implementation. Identify any administrative, funding, or operational issues that may warrant legislative consideration.

12. Election Administration Staffing Needs:

Study the challenges faced by election officials in finding volunteers and staff for early-voting and election days. Identify methods or programs to increase the number of election workers necessary to administer elections.

13. Election Transparency and Ballot Privacy:

Survey the entities and types of election-related information subject to the Texas Public Information Act. Additionally, review ballot privacy and security requirements. Make recommendations to increase transparency, protect the public's right to review and inspect election records, and ensure ballot secrecy remains intact.

14. Produced Water:

Review the utilization of produced water in Texas. Examine efforts to develop mechanisms for beneficial reuse, barriers to deployment, and other financial impediments limiting the use of produced water. Evaluate the effectiveness of recently passed legislation to address liability concerns and streamline permitting. Make recommendations to encourage greater utilization of this resource.

15. Hydrogen:

Survey the state of the hydrogen industry in Texas. Review the Railroad Commission of Texas' Hydrogen Production Policy Council for recommendations and determine whether statutory changes are necessary to improve the production, transmission, and utilization of hydrogen.

16. Carbon Capture, Utilization, and Storage:

Evaluate the continued viability of commercial carbon capture, utilization, and storage in Texas. Analyze the effect of carbon capture projects on energy development and security. Evaluate relevant case law and statutes related to the ownership of pore space, operator liability, and environmental protections. Review how the recent attainment of Class VI primacy may impact the future development of carbon capture projects.

17. Severed Well Operations:

Review the procedures and administrative rules related to severed wells and the process for an operator to resume operations after a well has been severed. Make recommendations to address any relevant safety and regulatory compliance concerns regarding severed well operations.

18. Improving the Regulatory Process:

Study environmental regulations governing air, land, and water quality, waste disposal, and industrial development. Examine opportunities to streamline permitting processes, reduce unnecessary or duplicative regulatory requirements, and improve coordination among responsible agencies. Evaluate how current regulatory requirements affect economic development, infrastructure investment, and business operations across the state while

ensuring environmental safeguards remain effective. Develop recommendations to improve regulatory processes, interagency coordination, and provide greater predictability for regulated entities.

19. Protecting Texas Critical Infrastructure From Foreign Adversaries:

Study the risks posed by remote-access technologies embedded in critical infrastructure that could enable cyber intrusion, surveillance, or disruption by foreign adversaries or other malicious actors. Evaluate whether additional safeguards are needed to strengthen oversight, prevent exploitation, and protect Texas infrastructure from security threats. Provide recommendations to enhance accountability and ensure the resilience of critical systems.

20. Authority of the Texas Commission on Law Enforcement:

Evaluate the statutory framework governing the creation and recognition of law enforcement agencies in Texas and the role of the Texas Commission on Law Enforcement in that process. Review whether current law provides clear authority and standards for establishing new agencies employing licensed peace officers and identify any statutory gaps or inconsistencies. Provide recommendations, if needed, to clarify authority and ensure consistent standards for the establishment of law enforcement agencies.

21. Strengthening the Law Enforcement Workforce:

Study workforce challenges affecting state and local law enforcement agencies, including recruitment, retention, moral injury, and training-pipeline barriers. Examine the operational impacts of staffing shortages and evaluate strategies to strengthen the law enforcement workforce, including financial support for recruits during academy training, childcare and family-support solutions for officers, and other incentives to improve recruitment, retention, and public safety readiness.

22. Health Benefits for Small and Midsize Employers:

Study primary cost drivers affecting employer-sponsored health plans and evaluate the downstream impacts on employee access to coverage. Identify policy options that allow for flexibility, innovative benefit design, and encourage market competition. Make recommendations to improve the availability of affordable coverage options for employers.

23. Preventing Homelessness of Foster Youth:

Study the U.S. Department of Housing and Urban Development's Foster Youth to Independence Initiative, which aims to prevent homelessness among young adults aging out

of the foster care system. Examine program models from other states and determine best practices for potential applicability in Texas.

24. Mental Health Impacts, Homelessness, and System Recidivism:

Study and evaluate the relationship between mental health conditions, homelessness, and the criminal justice system. Examine the availability of specialized high-acuity beds for the homeless, specifically for those with severe mental illness, addiction, and complex medical conditions. Make recommendations regarding pre-arrest diversion, alternatives to inpatient hospitalization, and best practices for sharing data to reduce recidivism.

25. Housing Affordability:

Examine how the following factors may improve housing attainability and affordability:

- **Fees:**
Examine the collection, use, and oversight of fees imposed by local governments, including impact fees, utility connection charges, permit and inspection fees, and drainage or stormwater fees. Evaluate whether sufficient financial transparency exists and if such fees are used in accordance with their legal authority.
- **Third-Party Review:**
Study methods to expedite the safe permitting of construction projects to increase housing supply. Review the ongoing implementation of recent legislation regarding the use of third-party reviews of plats and property development plans, permits, and similar documents, and the inspection of an improvement related to such a document. Examine methods that have proven successful in other states and recommend statutory changes to expedite the permitting of residential housing projects.
- **Pre-Approval of Residential Building Plans:**
Examine the impacts and feasibility of allowing municipalities to establish processes for the pre-approval and repeated use of residential building plans, including the potential effects on housing supply, affordability, permitting timelines, and local administrative capacity.

26. Groundwater Management:

Study groundwater regulation and make recommendations to ensure groundwater management is adequately focused on protecting the long-term viability of the state's aquifers. Specifically address:

- If desired future conditions provide sufficient protection of groundwater resources, and whether impediments to achieving desired future conditions exist;

- The adequacy of groundwater conservation districts' authority to address impacts from large-scale groundwater production projects, including export projects;
- The need for increased investment in groundwater data and modeling tools to support advanced planning, decision-making, and management; and
- How groundwater production in unregulated portions of the state impacts the aquifer management efforts of existing groundwater conservation districts.

27. Data Center Water Use and Conservation:

Examine the total water usage of data center operations in Texas, including direct and indirect uses. Evaluate regulatory, permitting, and infrastructure considerations for water-efficient data center development, particularly in water-stressed regions. Consider policy options to optimize water resources and enhance water stewardship in the data center sector.

28. Program Capacity:

Assess the capacity of existing state and federal water infrastructure financial assistance programs, including the State Water Implementation Fund for Texas. Evaluate strategies to leverage the dedicated revenue stream established by Proposition 4 (HJR 7, 89th Regular Session) to meet identified capital needs and develop recommendations to mitigate any possible short-term funding shortfalls.

29. Regional Water Planning:

Study the state and regional water planning process, data used to project long-term water needs and available water supplies, criteria used to adopt water supply projects and management strategies, and progress made to address water supply deficits described within the most recent state water plan. Make recommendations to improve the state and regional water planning process.

30. Disaster Preparedness, Response, and Recovery:

Review the application of current state law as it relates to state and local disaster preparedness, response, and recovery. Review state agency and local government requirements related to training, licensing, education, coordination, and mass fatality operations. Identify beneficial disaster management practices to improve the coordination of communications between governmental entities and streamline response and recovery efforts, including those related to intergovernmental command structures. Evaluate the applicability of other regulatory requirements that hinder disaster response and recovery throughout the state and recommend corresponding statutory or state policy changes.

31. Pole Attachments:

Study the impact of pole attachments and other potential impediments to the provision of broadband service. Evaluate the need for a standardized pricing model, or other mechanisms to ensure consistency in pole attachment fees, while considering the costs to utility infrastructure owners and the safety and reliability of the electric system.

32. Battery Storage and Safety:

Examine the current rules and regulations regarding battery storage and safety. Evaluate potential risks to communities and make recommendations to allow the continued deployment of battery storage without compromising public safety.

33. Strengthening Interoperable Communications:

Examine the establishment of a formal Interoperability Council to coordinate a statewide emergency communications strategy, set interoperability standards, support regional systems, and improve coordination among local, state, and federal first responders. Make recommendations on the council's governance, membership, authority, funding, and implementation. Propose state policy and strategies to enhance information sharing and integrate advances in new technologies, including telecommunications and electronic technology, to ensure reliable communications during emergencies.

34. Data Centers:

Study the development of data centers in Texas, including its importance to global competitiveness and national security. Evaluate the direct and indirect economic growth potential fostered by in-state data center development, including growth multiplier effects and economic diversification. Identify existing secondary and post-secondary education and training opportunities and recommend pathways to satisfy increasing labor demands. Review the existing regulatory framework governing data center development and recommend proposals to streamline regulations while enabling communities to plan and manage growth responsibly. Study the implementation of SB 6 and the Large Load Batch Study Process proposed by the Electric Reliability Council of Texas, as it relates to data centers, and identify how grid-connected data center facilities and co-located resources can support grid resilience and reliability.

35. Legislative Prioritization of Texas Department of Transportation Projects:

Study the need for the Texas Department of Transportation to receive prioritization direction from members of the Texas Legislature, including when identifying local projects for construction or maintenance.

36. Texas Department of Transportation Construction Communications:

Review the Texas Department of Transportation's planning and communication strategies for roadway and exit closures during and after construction. Make recommendations on how planning and communication can be improved.

37. Speed Enforcement in Work and School Zones:

Evaluate measures to enhance roadside worker and public safety, including limited authorization of speed enforcement mechanisms in high-speed work zones and school zones. Consider measures that would safeguard Texans' privacy, prohibit automated retention of data, and prevent citations from being issued by third-party entities.

38. Property Tax Relief:

Study and consider methods to build on the property tax relief provided by the 89th Legislature. Review the cost and benefits of compressing school district tax rates and increasing the homestead exemption; whether the property tax appraisal system is working as intended, and opportunities to improve the system to benefit homeowners and businesses; and the economic performance of state tax revenue supporting ongoing property tax relief, including the impact of exemptions.

39. Local Government Spending:

Examine local government spending and debt practices, including the use of certificates of obligation, to determine the overall impact on property tax rates. Evaluate other revenue sources, such as fees, utilized by local units of government to facilitate increased spending. Make recommendations to improve the long-term affordability for Texas families by limiting the growth of local government spending.

40. Safeguarding Taxpayer Funds:

Study how local governments appropriate public funds to, or otherwise contract with, third-party consultants and nongovernmental organizations for services, including those related to health and human services, public safety, and homelessness policies. Assess trends in third-party services spending and evaluate risks and benefits. Examine the degree of influence third-party consultants and nongovernmental organizations exert on matters of public policy and make recommendations to prevent conflicts of interest and ensure full transparency and accountability in the expenditure of taxpayer funds.

41. Texas Public Information Act:

Study the applicability of the Texas Public Information Act, the entities currently subject to the Act, its effectiveness, and the necessity of current exemptions from public disclosure.

Additionally, review requirements related to public notices and make recommendations to improve citizen awareness and transparency.



**Thank you for joining us.
The TML webinar will begin soon.**

Texas Cities and the 2027 Legislative Session

Key Issues on the Horizon

August 6, 2026

Rick Ramirez • JJ Rocha • Mike Martin



TML Legislative Team

PUBLIC POLICY & ENGAGEMENT

JJ Rocha

Director
jj@tml.org

Julia Heck

Policy Analyst
julia@tml.org

Mike Martin

Legislative Counsel
mike@tml.org

STATE & FEDERAL RELATIONS

Rick Ramirez

Director
rick@tml.org

A photograph of the Texas State Capitol dome and the Texas state flag. The dome is a large, ornate structure with many windows and decorative elements. The flag is flying on a tall pole to the right of the dome. The text "90th Texas Legislature Look Ahead" is overlaid in white on the image.

90th Texas Legislature Look Ahead

Interim Charges: Overall Themes

Interim charges are the roadmap for the 2027 legislative session. Major city-related themes include property taxes, local government finance, land use permitting, data centers, preemption, and water.

House Interim Charges

- **Ways & Means** – local government spending, debt, and fees
- **Government Oversight** – local ordinances, third-party consultants, nonprofits, and PIA
- **Land & Resource Management** – zoning, density, new laws (H.B. 24, S.B. 15, S.B. 840); third-party review
- **Natural Resources** – groundwater and water supply
- **Intergovernmental Affairs** – homelessness, housing, mental health, and criminal justice
- **State Affairs** – disaster preparedness, response, and recovery; pole attachments; data centers



Senate Interim Charges: Economy & Government

- **Business & Commerce** – grid reliability, transmission policy, data center growth, insurance affordability, and broadband deployment
- **Finance** – fraud, waste, and abuse; fiscal cost of data center tax exemptions; transportation funding; rural fire protection
- **State Affairs** – election security, poll watcher access, and ballot administration
- **Economic Development** – local hotel taxes, project finance zones, and workforce effects of AI
- **Local Government** – property tax relief, including “Operation Double Nickel”; city fees



Senate Interim Charges: Community & Infrastructure

- **Health & Human Services** – mental health and homelessness services
- **Transportation** – rail crossing safety, autonomous vehicles, and commercial driver licensing
- **Natural Resources** – wildfire readiness and renewable energy decommissioning
- **Water, Agriculture & Rural Affairs** – water demands from data centers



TML at the Interim Hearings

- **Data Center Energy Usage** – House State Affairs ([written testimony](#))
- **Public-Private Partnerships** – House State Affairs ([written testimony](#))
- **General Fund Transfers** – Senate Water, Agriculture & Rural Affairs ([invited testimony](#))
- **Super Preemption** – House Select Committee on Government Oversight ([invited testimony](#))
- **Data Center Water Use & Conservation** – House Natural Resources ([closely monitored](#))
- **Land Use “monitoring” and Housing Affordability** – House Land & Resource Management ([invited testimony](#))
- **City Fees** – House Land & Resource Management ([invited testimony](#))
- **Municipal Utility Districts** – House Land & Resource Management ([invited testimony](#))
- **Data Centers Sales Tax Exemptions** – Senate Finance ([closely monitored](#))



Rick Ramirez



Bill Longley

Major Upcoming Hearings

Senate Local Government: September 1

Homestead exemptions; fees; appraisal districts

Senate Water & Agriculture: September 1

Data center community impacts

Senate Finance: September 2

Further property tax cuts

Senate Economic Development: September 3

HOT accountability; project finance zones



Governor & Lt. Governor Tax Plans



GOVERNOR'S TAX PLAN

- Eliminate school property taxes (homeowners)
- Appraisal caps
- Expenditure caps
- Supermajority voter approval
- Petition of registered voters to roll back tax rate



LT. GOVERNOR'S TAX PLAN

- "Operation Double Nickel": lower senior homestead exemption age (65 to 55)
- Increase homestead exemptions on school district property taxes
- Impose limits on local government tax increases while allowing for reasonable growth

Key Issues on the Horizon

Property Taxes

Debt

Expenditure Caps

Land Use

Permitting

Data Centers

HB 2127 Preemption

Community Censorship



Property Taxes

WHAT'S COMING IN 2027

- Lower voter-approval tax rate
- Appraisal caps on all property
- Supermajority voter approval for tax increases
- “Operation Double Nickel” and senior relief proposals

CONSIDERED LEGISLATION IN 2025

- *S.B. 10 (2025-2) – would have lowered VAR from 3.5% to 2.5%; further amended on House floor to 1%*

Debt

WHAT'S COMING IN 2027

- Supermajority for general obligation bonds
- Moving all debt elections to November
- New restrictions on certificates of obligation

CONSIDERED LEGISLATION IN 2025

- *H.B. 19 (2025) – effectively would have eliminated COs and tax notes; would have moved all bond elections to November*

Expenditure Caps

WHAT'S COMING IN 2027

- Limiting city total expenditures to:
 - cannot exceed previous fiscal year;
 - Population + inflation; or
 - 3.5%

CONSIDERED LEGISLATION IN 2025

- *H.B. 5267 (2025), H.B. 73 (2025-2), H.B. 46 (2025-2) – expenditure cap legislation*

Land Use

WHAT'S COMING IN 2027

- More zoning reform
- ADU/Density bills
- Implementation fights over 2025 land use bills

RELEVANT LEGISLATION

- *Passed: S.B. 15 (2025) – tiny lots/limited in scope; S.B. 840 (2025) – mixed-use & multifamily in commercial*
- *Considered: S.B. 673 (2025) – ADUs by right*

Permitting

WHAT'S COMING IN 2027

- Mandatory third-party plan review and inspection
- Preapproved building plans
- Limits on permit and development fees
- Shorter shot clocks for permit review and inspections

RELEVANT LEGISLATION

- *H.B. 23 (2025) – third-party review by right*

Data Centers

WHAT'S COMING IN 2027

- Energy and water regulations
- Siting and land use regulations – will cities keep zoning authority?
- Scrutiny of sales tax exemptions (state)
- Multiple interim charges in both chambers – expect major legislation

H.B. 2127 Preemption

WHAT'S COMING IN 2027

- “Super Preemption 2.0” – more codes and increased penalties
- AG enforcement
- Interim hearing held by House Select Committee on Government Oversight

CONSIDERED LEGISLATION IN 2025

- *S.B. 2858 (2025) – would have expanded preemption to different codes, would have created an unprecedented penalty structure*

Community Censorship

WHAT'S COMING IN 2027

- Anticipate similar bills from 2025 session
- Continued pressure on city and TML legislative advocacy efforts

CONSIDERED LEGISLATION IN 2025

- *S.B. 19 (2025) – political subdivisions and nonprofit state associations may not spend public funds to contract with lobbyists*

A photograph of the U.S. Capitol building in Washington, D.C., taken from a low angle looking up the steps. The building is white with a large dome topped by a statue. A red horizontal line is drawn across the middle of the dome. The sky is blue with some clouds.

119th Congressional Update

21st Century ROAD to Housing Act (H.R. 6644)

- [Bipartisan bill](#) designed to help increase national housing supply and streamline residential development process
- Expands eligible uses for HOME and HUD CDBG funding
- Reduces administrative requirements for certain housing projects
- Grants for housing-focused pilot programs
- Combined House and Senate housing bills
- Passed House (358-32); Passed Senate (85-5)



OMB Federal Grant Guidance

- [Proposed rewrite of rules governing federal grants and pass-through awards](#) (2 C.F.R. Part 200)
- Expanded federal agency discretion and oversight across the award lifecycle
- Changes to indirect cost recovery, audits, and reporting for city grant programs
- OMB targeting final rule effective October 1, 2026
- TML monitoring alongside NLC and national partners



A background image showing two people in business suits shaking hands. The image is dark and has a blue tint. A small red horizontal line is positioned above the text.

TML Legislative Engagement Program

Engagement Program Resources

TML ADVOCACY BOOT CAMP

- Texas legislative process
- Communicating with legislators and key staff
- Do's and don'ts of testifying in person and in writing
- Engaging residents and stakeholders



WHITE PAPERS AND ONE-PAGERS

- Submitted white papers on [city utility fund transfers](#), super preemption ([process/litigation](#)), [city fees](#), [impact fees](#), [permitting](#), and [MUDs](#)
- Future white papers and one-pagers will address:
 - Property taxes
 - City debt and expenditure caps
 - Data centers
 - Audits
 - Community censorship

Texas Trailblazer Program

- Recognize city officials who go above and beyond in advocacy efforts during the 2027 session
- Set criteria to qualify
- Awarded at Annual Conference in 2027



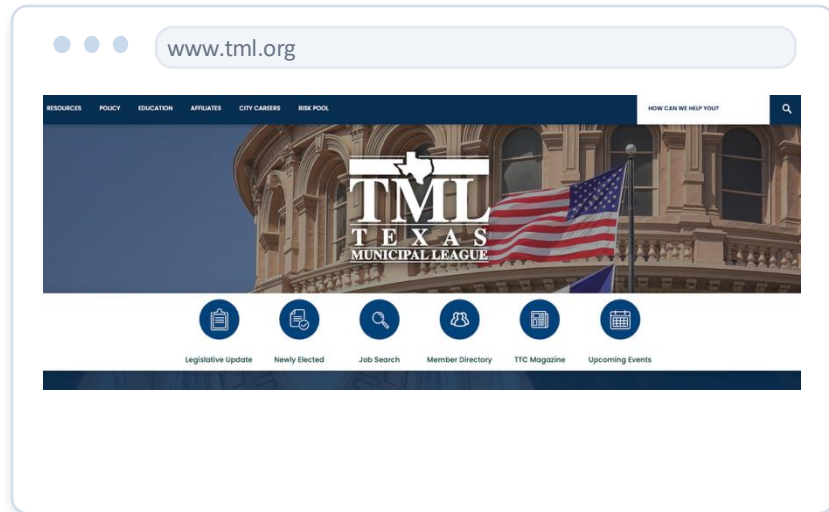
Stay Engaged & What's Next

Stay Informed

- *Legislative Update*
- Legislative Series Webinars
- TML alert emails

What's Next

- TML Annual Conference November 11-13
 - Legislative Update on Nov 11
- Midyear Conference 2027: Legislative Action Day



Questions?

Rick Ramirez – rick@tml.org

JJ Rocha – jj@tml.org

Mike Martin – mike@tml.org

Julia Heck – julia@tml.org

