

Legislative Update

June 6, 2025

FROM WASHINGTON, D.C.

President Trump's One Big Beautiful Bill Act, or HR 1, is now in the hands of the Senate. The House approved the reconciliation bill in late May and now the Senate plans to take action and deliver the package to President Donald Trump's desk by their self-imposed July 4 deadline.

On May 30th, the administration submitted its Fiscal Year (FY) 2026 budget request, including proposed funding levels for USDOT. These documents will guide the House and Senate Appropriations Committees in drafting their respective bills. USDOT requested a total budget of \$144.2 billion for FY 2026. The proposed budget represents a 2.4 percent increase compared to the previous fiscal year.

FROM AUSTIN

Members of the Texas Legislature adjourned Sine Die on Monday, June 2nd. Legislators finalized a \$338 billion two-year statewide budget in the final days of session. Funding for TxDOT includes \$39.9 billion over the next two years, which is around \$375 million less than the previous budget. This decrease is mostly due to a \$600 million reduction in funding for port improvement projects and ship channel loans. However, highway planning and design, right-of-way acquisition, construction and maintenance will get a slight funding boost overall. Even though federal highway funds are dropping by \$777 million, the state expects to collect \$1 billion more from sources like gas taxes and vehicle fees. Additionally, the supplemental appropriations bill (HB 500) added \$506 million for TxDOT, including \$250 million to help build safer railroad crossings (SB 1555). Funding TCEQ also includes several key components. TCEQ will be allowed to temporarily use funds from the Texas Emissions Reduction Plan (TERP) account at the start of the biennium because the TERP Trust is required by law to start with a zero balance; those funds must be reimbursed later. The agency will receive \$181.5 million in federal funds (a \$69 million increase) mainly to support a new well-plugging grant program and expand other environmental efforts. Moreover, TCEQ will receive \$29.7 million to support efforts to address population growth and increased federal requirements in areas like air and water quality, permitting, and public engagement.

NCTCOG staff will put together summaries of transportation and air quality bills that were approved and include in a future legislative update.

HIGHLIGHTED BILLS WITH ACTION

- HB 24, Relating to procedures for changes to a zoning regulation or district boundary. Sent to the governor on May 31, 2025.
- SB 2321, Relating to the regulation of emissions by the Texas Commission on Environmental Quality during an event affecting electric demand or grid reliability. Sent to the governor on June 1, 2025.
- HB 2011, Relating to the right to repurchase from a condemning entity certain real property for which ad valorem taxes are delinquent. Sent to governor on June 2, 2025.
- SB 15, Relating to size and density requirements for residential lots in certain municipalities; authorizing a fee. Sent to governor on June 3, 2025.
- SB 763, Relating to the renewal and review of standard permits for certain concrete plants. Sent to the governor on June 2, 2025.
- SB 1964, Relating to the regulation and use of artificial intelligence systems and the management of data by governmental entities. Sent to the governor on June 3, 2025.

UPCOMING COMMITTEE HEARINGS

US HOUSE

- The House Appropriations Subcommittee on Transportation and Housing will meet on July 7 for a subcommittee markup of draft Transportation-HUD appropriations bill for FY 2026.