

North Central Texas
Council of Governments

**Summary of Approved
Transportation and
Air Quality Bills**

88th Texas Legislature



2023



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Summary of Approved Transportation and Air Quality Bills

88th Texas Legislature

Air Quality and Energy

HB 3014 (Harris) - Relating to the motor vehicle safety inspection of electric vehicles.

House Bill (HB) 3014 exempts motor vehicles that use electricity as their only source of motor power and are not equipped with an internal combustion engine from vehicle inspection requirements relating to emissions and exhaust systems.

This Act takes effect September 1, 2023.

HB 4885 (Landgraf) - Relating to the Texas Emissions Reduction Plan.

HB 4885 requires the Texas Commission of Environmental Quality (TCEQ) to establish and administer the Texas Hydrogen Infrastructure, Vehicle, and Equipment grant program as part of the Texas Emissions Reduction Plan (TERP).

Under the program, TCEQ must determine eligibility and provide funding for eligible projects to offset the incremental cost of projects that reduce nitrogen emissions from high-emitting sources in nonattainment areas and affected counties of the state. Eligible projects include:

1. Hydrogen infrastructure implementation projects;
2. Purchase or lease of hydrogen vehicles or equipment;
3. Replacement of vehicles or heavy-duty equipment with newer hydrogen vehicles or equipment;
4. Repowering of vehicles or heavy-duty equipment with engines that ran on hydrogen; and
5. Use of hydrogen fuel.

A project would not be eligible if it were required by any state or federal law, regulation, memorandum, or other legally binding document.

TCEQ must develop a simple, standardized application package for grants under the program.

HB 4885 also makes changes to the TERP Fund. The bill revises provisions authorizing uses for the TERP Fund to specify that 8 percent of the fund may be shared between the new Hydrogen Infrastructure, Vehicle, and Equipment grant program and the current New Technology Implementation grant program. A maximum of \$8 million from this percentage may be used for the Hydrogen Infrastructure, Vehicle, and Equipment grant program.

HB 4885 decreases the amount that may be used for the Texas Natural Gas Vehicle grant program from 10 percent to 7.5 percent. The bill changes the cap on funds that may be used by TCEQ for administrative costs from \$16 million to 15 percent of the total TERP fund. HB 4885 decreases the amount that may be used for the Light-Duty Motor Vehicle Purchase or Lease Incentive program from 5 percent to 2.5 percent.

This Act takes effect September 1, 2023.

HB 4932 (Lopez) - Relating to the amount of foreign emissions of air contaminants in nonattainment areas and the required revision of the state implementation plan to account for those emissions.

HB 4932 requires the Texas Commission on Environmental Quality (TCEQ) to request a report from the Environmental Protection Agency (EPA) Administrator that shows the amount of foreign emissions detected or estimated to be present at each federal air quality monitoring site located in each nonattainment area in Texas for each air contaminant for which each respective nonattainment area is designated for any national ambient air quality standards.

If TCEQ does not receive the information requested from the EPA within 180 days of TCEQ's request, HB 4932 requires TCEQ to estimate the amount of foreign emissions. The bill defines foreign emissions as air contaminants emanating from outside Texas. The bill authorizes TCEQ to contract with a third party to conduct the required foreign emissions estimate.

HB 4932 requires TCEQ's Executive Director, using either the information received from the EPA or the TCEQ estimate, to create a recommendation on whether to revise the State Implementation Plan to account for the amount of foreign emissions in each nonattainment area in Texas in any manner permissible under federal law.

This Act took effect June 11, 2023.

The bill's provisions expire September 1, 2027.

SB 784 (Birdwell) - Relating to the exclusive jurisdiction of the state to regulate greenhouse gas emissions in this state and the express preemption of local regulation of those emissions.

Senate Bill (SB) 784 prohibits municipalities and local subdivisions from enacting or enforcing ordinances or measures that directly regulate greenhouse gas emissions to include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride. It would also establish the preemption of the state in such regulation to the degree not preempted by federal law.

This Act takes effect September 1, 2023.

SB 1001 (Schwertner) - Relating to the regulation of electric vehicle supply equipment.

SB 1001 defines "electric vehicle supply equipment" as a device or equipment used to dispense electrical energy to an electric vehicle. An "electric vehicle supply provider" means an owner or operator of electric vehicle supply equipment that's available and accessible to the public to provide electrical energy through a commercial transaction, including any sale or exchange for compensation of electrical energy through a digital network. A "digital network" means an online application, website, or system used by an electric vehicle supply provider that allows users to enter into a commercial transaction to dispense electrical energy from electric vehicle supply equipment to an electric vehicle.

The bill allows the Texas Commission on Licensing and Regulations (TCLR) to adopt rules to regulate electric vehicle supply equipment in operation before January 1, 2024, that: (1) was not equipped with metering systems capable of measuring electricity transferred from the charging station to the vehicle; or (2) was not capable of measuring the time elapsed while actively charging a vehicle and calculating a fee for the charging session.

Pursuant to SB 1001, TCLR may set fees to cover the costs of administering the bill. The Texas Department of Licensing and Regulations (TDLR) may contract with third parties to perform its electric vehicle supply equipment duties.

TCLR may enact rules to exempt electric vehicle supply equipment from a requirement if:

1. TCLR determines that imposing or enforcing a requirement was not cost-effective for TDLR;
2. Enforcing the requirement is not feasible with current resources or standards; or
3. The requirement would not substantially benefit or protect consumers.

Electric vehicle supply equipment may also be exempt from requirements if, per TCLR rule, the electric vehicle supply equipment was:

1. Installed in a private residence for noncommercial use;
2. Provided for the exclusive use of an individual or a group of individuals; or
3. Provided by a business for use at no charge.

TDLR's Executive Director is required to establish a method to address complaints. TDLR could periodically or, in response to a complaint, inspect electric vehicle supply equipment to verify compliance with registration requirements and standards.

Unless electric vehicle supply equipment is exempt or removed from service, electric vehicle supply providers must have electric vehicle supply equipment inspected and maintain the equipment. Additionally, electric vehicle supply providers must register each charging unit with TDLR before any transaction may occur.

The Texas Commission on Licensing and Regulations (TCLR) and the Texas Department of Transportation (TxDOT) must adopt standards requiring electric vehicle supply equipment to feature standard electric vehicle charging connectors or plug types that are widely compatible with as many types of electric vehicles as practicable. Specifications and tolerances for electric vehicle supply equipment must follow the National Institute of Standards and Technology recommendations.

Electric vehicle supply providers must display fee calculation methods, applicable surcharges, a certificate that TDLR regulated the electric vehicle supply equipment, and instructions on how to file a complaint with TDLR concerning electric vehicle supply equipment.

Before the user begins charging, the electric vehicle supply provider must disclose the rate at the time of the transaction and a list of applicable surcharges. After a reasonable time, at a user's request, the electric vehicle supply provider must transmit a summary with transaction information.

Electric vehicle supply providers must remove damaged equipment from the electric vehicle supply provider's digital network listing of available charging units. If TDLR determines that electric vehicle supply equipment poses a safety risk, TDLR must indicate that the equipment is out of order. Electric vehicle supply providers may only return electric vehicle supply equipment to operation once the equipment is repaired per manufacturer specifications and TCLR rule.

Electric vehicle supply equipment installed in Texas would have to be operated in compliance with manufacturer specifications and TCLR rules:

1. By March 1, 2028, if the equipment was installed before the bill's effective date.
2. By March 1, 2025, if the equipment was installed between the bill's effective date and March 1, 2025.
3. When the equipment began operating, if the equipment was installed on or after March 1, 2025.

This Act took effect June 18, 2023.

SB 1002 (Schwertner) - Relating to the operation of electric vehicle charging stations.

SB 1002 establishes a regulatory framework to promote a neutral electric vehicle charging marketplace and encourage private investment in meeting the growing charging demand.

The bill distinguishes requirements between: (1) the areas directly served by and outside the Electric Reliability Council of Texas' service regions; (2) Transmission and Distribution Utilities (TDUs) subject to direct regulation by the Public Utilities Commission; and (3) private energy providers not subject to direct regulation.

TDUs outside ERCOT's service region may provide direct EV charging services to consumers subject to certain conditions. Those conditions include a right of first refusal clause for private providers, a market rate scheme, and conflict of interest protections. TDUs within ERCOT's service region are prohibited from providing direct consumer service but may maintain affiliation with private providers not directly regulated by the PUC. This affiliation would be subject to certain other conditions aimed at market neutrality.

This Act takes effect September 1, 2023.

SB 1017 (Birdwell) - Relating to the authority of a political subdivision to regulate an energy source or engine.

SB 1017 prohibits political subdivisions from enacting or enforcing any ordinance, regulation, or other measure that limits access to, use of, or provision of infrastructure for any specific energy source. This prohibition does not preclude political subdivisions from regulating or enforcing regulations that do not prohibit the use or supply of an energy source, guide zoning, or in any area not preempted by state and federal law.

SB 1017 also prohibits enacting or enforcing regulations that prohibit or restrict the use, sale, or lease of a mechanical engine based on its fuel source. The bill does not preclude political subdivisions from regulating or enforcing regulations that do not prohibit or restrict the use of engines, implements an agreement with the Texas Commission on Environmental Quality regulating vehicle idling, or applies only to engines owned by the political subdivision and is included in the State Implementation Plan, or is necessary for compliance with federal Clean Air Act.

SB 1017 does not preclude political subdivisions from adopting regulations encouraging the use of, or providing rebates for, alternative fuel sources. This authority is provided that such regulation or enforcement does not ban, restrict, or prohibit energy sources or engines based on their fuel source.

This Act takes effect September 1, 2023.

[SB 1364 \(Alvarado\) - Relating to weight limitations for certain natural gas or electric vehicles.](#)

SB 1364 allows an electric semitruck to exceed the applicable gross weight limitation by up to 2,000 pounds, provided the vehicle's maximum gross weight cannot exceed 82,000 pounds. SB 1364 revises the Texas Transportation Code to correspond with federal laws.

This Act takes effect September 1, 2023.

[SB 1732 \(Hancock\) - Relating to standards for certain electric vehicle charging stations.](#)

SB 1732 directs that all subject electric vehicle charging stations installed after December 1, 2024, feature a universal-type connector or plug compatible with as many electric vehicle types as possible. Chargers subject to this act are those made after the effective date, available for public use, and have received funding from public grants or a state rebate. The bill also directs the Texas Department of Licensing and Regulation to adopt and promulgate any standards pursuant to this end by the effective date.

This Act takes effect September 1, 2023.

[SB 1860 \(Hughes\) - Relating to the adoption of a climate policy in a municipal charter.](#)

SB 1860 prohibits a home-rule municipality from holding an election for voter approval of a proposed climate charter unless the legislature adopts a resolution approving the proposed charter. The bill establishes that a climate charter adopted by a municipality before the bill's effective date will remain valid and enforceable until January 1, 2026. A city that adopted a climate charter before the effective date must receive an approval resolution from the legislature before January 1, 2025.

This Act takes effect September 1, 2023.

Appropriations and Revenue

[HB 1 \(Bonnen\) - General appropriations bill.](#)

HB 1 totals \$321.3 billion for the Fiscal Year 24-25 biennium. See Table 1 next page.

Table 1: HB 1 by Method of Finance

| Method of Finance Type (in millions) | FY 2022-23 | HB 1 FY 2024-25 | Biennial Change | % Change |
|--|-------------|--------------------|-----------------|----------|
| General Revenue Funds | \$130,403.6 | \$144,130.4 | \$13,726.8 | 10.53% |
| General Revenue-Dedicated Funds | \$8,024.2 | \$6,833.7 | (\$1,109.5) | (14.84%) |
| Federal Funds | \$117,301.4 | \$102,286.3 | (\$15,015.1) | (12.80%) |
| Other Funds | \$47,567.1 | \$68,087.2 | \$20,520.1 | 43.14% |
| All Funds | \$303,296.3 | \$321,337.6 | \$18,041.3 | 5.95% |

Source: Legislative Budget Board

Article VI – Natural Resources

Texas Commission on Environmental Quality

Article VI increased 5.68 percent over the last biennium. Total funding for the Texas Commission on Environmental Quality (TCEQ) is \$731.5 million for the FY24-25 biennium.

Budget riders of interest include:

- **Air Quality Planning**

(a) Amounts appropriated above include \$4,500,000 out of the General Revenue-Dedicated Clean Air Account No. 151 in Strategy A.1.1, Air Quality Assessment and Planning, for air quality planning activities to reduce ozone in “affected counties” (as defined in Health and Safety Code, Section 386.001(2)) not designated as nonattainment areas for the O3 National Ambient Air Quality Standards (NAAQS) as of September 1, 2023, and other areas at significant risk of being designated nonattainment for the O3 NAAQS in the future as approved by the Texas Commission on Environmental Quality (TCEQ). These activities may be carried out through interlocal agreements.

Expenditure of these funds is limited to inventorying emissions, monitoring pollution levels, and program administration. TCEQ shall allocate a base amount of \$281,250 to each state planning region containing such areas and the remaining funds proportionally to each region with a combined population of affected counties in excess of 350,000. Grants issued from appropriations identified in this rider should require that no more than 10 percent of the allocation be used for administrative purposes and prohibit the expenditure of the following: marketing and outreach activities, bicycle use programs, carpooling awareness, environmental awareness campaigns, and locally enforceable pollution reduction programs. The grant recipients shall channel the funds to those projects most useful for the State Implementation Plan (SIP).

For informational purposes, the affected counties that are not designated “nonattainment” for the O3 NAAQS as of September 1, 2023, include Bastrop, Caldwell, Comal, Gregg, Guadalupe, Hardin, Harrison, Hays, Henderson, Hood, Hunt, Jefferson, Nueces, Orange, Rusk, San Patricio, Smith, Travis, Upshur, Williamson, and Wilson counties. Additional “attainment/unclassifiable” areas may also be added by TCEQ to this grant program based on their status as being part of a core-based statistical area (CBSA) with O3 design values in excess of 60 parts per billion (ppb).

(b) Amounts appropriated above include \$2,500,000 out of the General Revenue-Dedicated Clean Air Account No. 151 in Strategy A.1.1, Air Quality Assessment and Planning, for air quality planning activities to reduce fine particulate matter (PM2.5) in “affected counties” (as defined in Health and Safety Code, Section 386.001(2)) not designated as nonattainment areas for PM2.5 National Ambient Air Quality Standards (NAAQS) as of September 1, 2023, and other areas at significant risk of being designated nonattainment for PM2.5 NAAQS in the future as approved by the TCEQ. These activities may be carried out through interlocal agreements.

Expenditure of these funds is limited to: inventorying emissions, monitoring of pollution levels, air pollution and data analysis; modeling pollution levels; and administration of the program. The TCEQ may allocate a base amount of up to \$118,750 to each state planning region containing such areas and the remaining funds proportionally to each state planning region with a combined population of affected counties more than 350,000. Grants issued from appropriations identified in this rider should require that no more than 10 percent of the allocation be used for administrative purposes and prohibit the expenditure of the following: marketing and outreach activities, bicycle use programs, carpooling awareness, environmental awareness campaigns, and similar locally enforceable pollution reduction programs. The grant recipients shall channel the funds to those projects most useful for the SIP.

Additional “attainment/unclassifiable” areas may be added by TCEQ to this grant program contingent on available resources based on their status as being part of a core-based statistical area (CBSA) with an annual PM2.5 design value in excess of 8 micrograms per cubic meter ($\mu\text{g}/\text{m}^3$), or 24-hour PM2.5 design value in excess of 25 $\mu\text{g}/\text{m}^3$.

Article VII – Business and Economic Development

Texas Department of Transportation

Total funding for the Texas Department of Transportation (TxDOT) includes \$37.23 billion for the FY24-25 biennium. This is an increase of funding to TxDOT for highway planning and design, right-of-way acquisition, and construction and maintenance of approximately \$5.0 billion, including \$2.5 billion in Federal Funds and \$2.5 billion in the State Highway Fund. Propositions 1 and 7 remain separate budget strategies. New riders of interest for the North Texas region include:

- **Southern Gateway Deck Park**

Out of amounts appropriated, TxDOT shall make available during the 2024-25 biennium \$10,000,000 in Federal Funds administered by the Department of Transportation for the Southern Gateway Deck Park Project if the project meets federal funding requirements. The Legislature intends that funds appropriated above would cover the Phase II Infrastructure of the Southern Gateway Deck Park Project. The U.S. Department of Transportation, Federal Highway Administration shall approve any project expenditures using Federal Funds.

- **Evaluation of Medium-Duty and Heavy-Duty Vehicle Charging Infrastructure and Capacity**

(a) The Legislature intends that TxDOT, using funds appropriated above, develop, and implement an interagency task force designed to evaluate how to deploy zero-emission medium-duty and heavy-duty vehicle charging infrastructure to best support growth in that market, recognizing the unique needs of each of these diverse classes of vehicles. The evaluation shall, at a minimum:

- (1) consider federal, state, and local laws and regulations that may impact the manufacturing, operations, and public and private investments in the development of medium-duty and heavy-duty vehicle charging infrastructure in Texas, including regional differences in infrastructure planning, regulation, and implementation;
 - (2) identify opportunities to facilitate the exchange of information between utilities, stakeholders, and private entities regarding fleet charging profiles and projected energy needs in the coming decade to improve load growth projections and generation allocations across Electric Reliability Council of Texas (ERCOT) regions; and
 - (3) examine how statewide oversight and collaboration can complement and coordinate existing efforts to study and expand the state's medium-duty and heavy-duty vehicle charging infrastructure.
- b) The Legislature intends that TxDOT convene and coordinate four quarterly meetings with the Public Utility Commission, Texas Commission on Environmental Quality, and ERCOT, as well as utility, private entity, university, community, and local government stakeholders. As soon as the task force evaluation is completed, but no later than October 1, 2024, the task force shall submit to the Legislature its findings, along with recommendations regarding any statutory or regulatory considerations the Legislature or agencies should consider to maximize competitiveness, innovation, and efficiency, while also maintaining the integrity and cost-effectiveness of the Texas grid.
- **McKinney National Airport**
In addition to amounts appropriated elsewhere in this Act, TxDOT is appropriated \$5,000,000 in General Revenue for the state fiscal biennium beginning September 1, 2023, for the purpose of funding a hangar facility project at the McKinney National Airport for use by the Department of Public Safety.

[HB 2230 \(Canales\) - Relating to the determination of the sufficient balance of the economic stabilization fund for the purpose of allocating certain constitutional transfers of money to that fund and the state highway fund.](#)

HB 2230 extends the expiration date of Proposition 1 from 2034 to 2042. This is estimated to be \$16.9 billion over eight years.

Under Proposition 1, a portion of oil and gas severance taxes are deposited into the State Highway Fund and may only be used for constructing, maintaining, and acquiring rights-of-way for public roadways other than toll roads.

This Act takes effect September 1, 2023.

[HB 3444 \(Canales\) - Relating to the classification of transportation districts by the Texas Transportation Commission.](#)

HB 3444 requires the Texas Transportation Commission (TTC) to create criteria for the classification of each TxDOT district as metropolitan, urban, or rural. The TTC rules must classify a district with a population of more than one million people as metropolitan.

This Act takes effect September 1, 2023.

[SB 505 \(Nichols\) - Relating to imposing an additional fee for the registration of an electric vehicle.](#)

SB 505 imposes a \$400 registration fee for new electric vehicles and \$200 for electric vehicle registration renewal. This fee structure only applies to electric motor vehicles that weigh 10,000 pounds or less. Hybrid vehicles are not subject to SB 505. SB 505 does not apply to autocycles, mopeds, motorcycles, or neighborhood electric vehicles. All fees collected for this purpose will be remitted to the State Highway Fund. This is estimated to be an additional \$985 million over the first five years.

This Act takes effect September 1, 2023.

[SCR 2 \(Nichols\) - Extending the duty of the comptroller of public accounts under Section 7-c, Article VIII, Texas Constitution, to deposit certain tax revenue to the state highway fund.](#)

Senate Concurrent Resolution (SCR) 2 reauthorizes and extends the transfer of the sales and use tax portion of Proposition 7 until 2042 and the motor vehicle sales or rental tax portion until 2039. This is estimated to be \$43.9 billion over ten years.

Proposition 7 requires the Texas Comptroller to deposit \$2.5 billion of the net revenue from the state sales and use tax that exceeds the first \$28 billion of that revenue coming into the state treasury into the State Highway Fund each fiscal year. Additionally, if state motor vehicle sales and rental tax revenue exceeds \$5 billion in a fiscal year, 35 percent of the amount above \$5 billion will be directed to the State Highway Fund.

This Act took effect immediately.

Automated Vehicles/Technology/Unmanned Aircraft

[HB 3075 \(Kacal\) - Relating to the operation of an unmanned aircraft over a correctional facility or detention facility.](#)

HB 3075 makes the operation of unmanned aircraft over a correctional facility or detention facility an offense. The bill does not retain the exception for an operator of an unmanned aircraft used for a commercial purpose. HB 3075 provides an additional exception for a person who has the prior written consent of the owner or operator of the correctional facility or detention facility. The bill assigns a Class B misdemeanor penalty, a Class A misdemeanor for a subsequent conviction of the offense, and a state jail felony if the actor used the unmanned aircraft to introduce contraband into the facility.

This Act takes effect September 1, 2023.

[SB 423 \(Paxton\) - Relating to the use of unmanned aerial vehicles by the Texas military forces.](#)

SB 423 approves any branch of the Texas military forces to capture images using an unmanned aircraft in State airspace during operations, exercises, and missions. It defines Texas military forces as the Texas National Guard, Texas State Guard, or any other force organized under state law.

This Act took effect May 19, 2023.

[SB 1308 \(Hancock\) - Relating to the operation of an unmanned aircraft over an airport or military installation.](#)

SB 1308 establishes that a person commits an offense if the person intentionally or knowingly: (1) operated an unmanned aircraft over an airport or military installation; (2) allowed an unmanned aircraft to make contact with an airport or military installation; or (3) operated an unmanned aircraft in a manner that interfered with the operations of or caused a disturbance to an airport or military installation.

It would be a defense to prosecution if certain individuals or entities, including a law enforcement agency or a governmental entity, engaged in this conduct.

This Act takes effect September 1, 2023.

SB 2144 (Parker) - Relating to advanced air mobility technology.

SB 2144 directs the Texas Transportation Commission to appoint an advisory committee to review current state law and recommend any necessary changes to state law to facilitate the implementation of advanced air mobility (AAM) technology. The advisory committee will comprise representatives from diverse geographic regions of the state, state and local law enforcement, the AAM industry, transportation experts, commercial airports, vertical takeoff and landing operators and vertiport operators, local governments, and the general public.

The advisory committee must hold public meetings, solicit public comments, and submit a report of findings to the Commission and Legislature no later than November 1, 2024. The advisory committee will be abolished, and this section will expire on January 1, 2025.

SB 2144 defines AAM as an aviation transportation system that uses highly automated aircraft to operate and transport passengers or cargo at lower altitudes for commercial, public service, private, or recreational purposes.

The bill directs TxDOT to:

1. Review existing aviation standards, airport facility planning, and compatibility guidance for application to AAM;
2. Designate a TxDOT employee as a liaison to the Federal Aviation Administration for such support;
3. Support the development of federal and industry standards for advanced air mobility technology that prioritize safety as the technology develops;
4. Develop a statewide plan or update the Texas Airport System Plan with specific locations for vertiports for integration of AAM technology; and
5. Provide support and resources to local governments, regional councils of government, transportation planning organizations, the AAM industry, and other stakeholders for the purpose of deconflicting government implementation with a community vision to integrate AAM technology.

TxDOT, Texas Education Agency, Texas Higher Education Coordinating Board, and the Texas State Technical College System must collaborate with school districts, universities, and other stakeholders to identify educational opportunities associated with AAM technology.

This Act takes effect September 1, 2023.

Aviation

SB 1260 (Creighton) - Relating to certain contracts regarding airports and associated air navigation facilities operated by or on behalf of a local government.

SB 1260 prohibits a local government, or a local government's agent, operating an airport from entering into contracts with entities deemed by a federal court to have misappropriated intellectual property or with entities wholly or partially owned by the Chinese government. This prohibition would extend to any company connected to, entered into an agreement with, or indebted to the entity.

The bill also provides that a company contracting for this purpose must provide an affidavit that they will comply with the requirements of SB 1260. The bill only applies to contracts for providing, maintaining, and the associated operations of airport bridging equipment.

This Act took effect May 9, 2023.

[SB 1716 \(Zaffirini\) - Relating to term limits for certain contracts regarding airports and associated air navigation facilities operated by or on behalf of a local government.](#)

SB 1716 increases the term limit during which a local government, by contract, lease, or other agreement, may authorize a qualified person to operate an airport owned, leased, or controlled by the local government as an agent of the local government from 40 years to 50 years.

SB 1716 also increases the term limit for an airport lease or lease renewal if, at the time of the lease, the property is used as nonaeronautical property and is located in an airport on which there are active federal government aircraft operations on the federal property from 40 years to 50 years.

This Act takes effect September 1, 2023.

Bicycle/Pedestrian

[HB 1277 \(Cain\) - Relating to pedestrian use of a sidewalk.](#)

HB 1277 requires a pedestrian walking along and on a highway (with no sidewalk) to walk on the left side of the roadway or the shoulder facing oncoming traffic, unless the left side of the roadway or the shoulder of the highway facing oncoming traffic is obstructed or unsafe.

This Act takes effect September 1, 2023.

[HB 3558 \(Perez\) - Relating to the operation of a motor vehicle at an intersection with a stop sign.](#)

HB 3558 provides that, in the absence of a crosswalk at an intersection, the vehicle operator must stop at the place nearest the intersecting roadway where the operator has a view of approaching traffic on the intersecting roadway.

This Act takes effect September 1, 2023.

Broadband

[HB 9 \(Ashby\) - Relating to the development and funding of broadband and telecommunications services.](#)

HB 9 creates the Broadband Infrastructure Fund (BIF) and allocates \$1.5 billion to the fund. The bill is accompanied by HJR 125, which proposes a constitutional amendment that requires voter approval to create the fund.

The BIF may only be used for:

1. Purposes related to the Broadband Development Office;
2. Providing funding for 9-1-1 and next generation 9-1-1 services;
3. Supporting the Texas Broadband Pole Replacement Program;
4. Providing matching funds for federal money provided for the federal Broadband Equity, Access, and Deployment Program; and
5. Expanding access to broadband service in economically distressed communities to support increased connectivity needs in those areas.

The Comptroller of Public Accounts will also make a one-time transfer in the amount of \$155,200,000 from the BIF to the Next Generation 9-1-1 Service Fund and make a one-time transfer in the amount of \$75,000,000 from the BIF to the Broadband Pole Replacement Fund. The Comptroller must transfer the funds no later than September 15, 2024.

This Act takes effect January 1, 2024, if the constitutional amendment creating the BIF is approved.

[HJR 125 \(Ashby\) - Proposing a constitutional amendment creating the broadband infrastructure fund to assist in the financing of broadband and telecommunications services projects in the state.](#)

House Joint Resolution (HJR) 125 amends the Texas Constitution to establish the Broadband Infrastructure Fund (BIF) to be administered by the Comptroller of Public Accounts to provide financing for projects to develop and improve broadband and telecommunications services. Projects include the construction, reconstruction, and expansion of broadband and telecommunications infrastructure or services, the operation of broadband and telecommunications infrastructure, and the provision of such services, as determined by the comptroller and the Public Utility Commission.

The ballot shall read, "The constitutional amendment creating the Broadband Infrastructure Fund to expand high-speed broadband access and assist in the financing of connectivity projects."

This Act is effective if approved at the election on November 7, 2023.

[SB 1238 \(Nichols\) - Relating to broadband development.](#)

SB 1238 revises the administration of the Broadband Development Office, the development of the state broadband development map, and the state's Broadband Development Program that were created by the 87th Texas Legislature.

SB 1238 updates the definition of broadband access and adopts standards for what constitutes served, underserved, and unserved locations for broadband access. Metrics utilized for the creation of the state's broadband map have also been revised.

The Broadband Development Office is now authorized to award grants, low-income loans, and other financial incentives to applicants to deploy eligible broadband infrastructure projects in unserved and underserved areas, and certain parts of served areas, as well as award grants to applicants to deploy non-broadband infrastructure projects that expand the adoption, accessibility, or affordability, of broadband service.

This Act takes effect September 1, 2023.

Local Government

[HB 2127 \(Burrows\) - Relating to state preemption of certain municipal and county regulations.](#)

HB 2127 preempts local regulations in Texas Agriculture Code, Business & Commerce Code, Finance Code, Insurance Code, Labor Code, Local Government Code, Natural Resources Code, Occupations Code, and Property Code. A municipality may adopt, enforce, or maintain an ordinance or rule only if the ordinance is consistent with the laws of the State.

The bill allows a person, or a trade association representing a person, to take legal action against a municipality, county, or official, after providing a city with at least three months' notice, to sue for adopting or enforcing an ordinance preempted under HB 2127. It also allows citizens to recover legal relief and associated legal costs.

The bill does not preempt city regulations related to:

1. Building or maintaining a road, imposing a tax, or carrying out any authority expressly authorized by statute;
2. A home-rule city from providing the same services and imposing the same regulations that a general-law city is authorized to provide or impose;
3. The control, care, management, welfare, or health and safety of animals;
4. Conducting a public awareness campaign;
5. Negotiating the terms of a collective bargaining agreement with city employees;
6. Policies related to city employees; or
7. Repealing or amending an existing ordinance for the limited purposes of bringing the ordinance into compliance with the bill.

HB 2127 preempts a city from adopting or enforcing the following types of regulations:

1. An ordinance, order, or rule regulating conduct in a field of regulation that is occupied by a provision of the Agriculture Code;
2. An ordinance, order, or rule regulating conduct in a field of regulation that is occupied by a provision of the Business and Commerce Code;
3. An ordinance, order, or rule regulating conduct in a field of regulation that is occupied by a provision of the Finance Code, except that a city may enforce or maintain an ordinance regulating a credit services organization or a credit access business if the city adopted the ordinance before January 1, 2023;
4. An ordinance, order, or rule regulating conduct in a field of regulation that is occupied by a provision of the Insurance Code;
5. An ordinance, order, or rule regulating conduct in a field of regulation that is occupied by a provision of the Labor Code; including employment leave, hiring practices, breaks, employment benefits, scheduling practices, and any other terms of employment that exceed or conflict with federal or state law for employers other than the city;
6. An ordinance, order, or rule regulating conduct in a field of regulation that is occupied by a provision of the Local Government Code;
7. Regulations involving the breeding, care, treatment, or sale of animals or animal products; including a veterinary practice, or the business's transactions if the person operating the business holds a state or federal license to perform such actions or services; or the retail sale of dogs or cats, except that a city may enforce or maintain an ordinance or rule adopted before April 1, 2023, that restricts, regulates, limits, or otherwise impedes the retail sale of dogs or cats until the state adopts statewide regulations for the retail sale of dogs or cats, as applicable;
8. An ordinance, order, or rule regulating conduct in a field of regulation that is occupied by a provision of the Natural Resources Code;
9. An ordinance, order, or rule regulating conduct in a field of regulation that is occupied by a provision of the Occupations Code, excluding massage establishments; or
10. An ordinance, order, or rule regulating conduct in a field of regulation that is occupied by a provision of the Property Code; including an ordinance regulating evictions or otherwise prohibiting, restricting, or delaying delivery of notice to vacate or filing a suit to recover possession of the premises.

This Act takes effect September 1, 2023.

Open Meetings and Public Information

[SB 943 \(Kolkhorst\) - Relating to the publication of notices by a governmental entity on the Internet websites of a newspaper and Texas Press Association.](#)

HB 943 requires a newspaper that publishes a legal notice to publish that notice on the newspaper's public Internet website and requires that notice to also be published in a database maintained by the Texas Press Association.

This Act takes effect September 1, 2023.

Rail

[HB 4015 \(Thompson\) - Relating to the disposition of certain fees collected for the rail safety program.](#)

HB 4015 directs that any fees collected for the Rail Safety Program be deposited in the State Highway Fund and be used only for the express purpose of the Rail Safety Program. The current statute deposits such fees into the General Revenue Fund.

This Act takes effect September 1, 2023.

Roadways and Projects

SB 1021 (Nichols) - Relating to the handling of bids on certain contracts for highway projects.

SB 1021 grants the Texas Department of Transportation the authority to accept bids on contracts estimated to involve less than \$1 million dollars (up from \$300 million), and their consideration by the pertinent district engineer, provided they are not building construction contracts. The bill also directs that any proposed building construction contract be filed with the Department's pertinent division director and read at a public meeting.

This Act took effect May 24, 2023.

SB 1023 (Nichols) - Relating to the establishment and posting of the maximum loads permitted on certain bridges.

SB 1023 gives the Texas Department of Transportation the authority to post a load limit notice on bridges under the jurisdiction of a county or municipality. The notice must be posted in accordance with federal law.

This Act took effect May 19, 2023.

SB 1524 (Blanco) - Relating to the Authority of the Texas Department of Transportation to Provide Department Services on Federal Military Property.

SB 1524 grants TxDOT the authority to enter into contracts with the U.S. Department of Defense, or another responsible federal entity, to provide all TxDOT services on federal military installations. These services include road maintenance, improvement, relocation, and extension services.

This Act took effect May 23, 2023.

Safety

HB 393 (Goldman) - Relating to restitution payments for the support of a child whose parent or guardian is a victim of intoxication manslaughter.

HB 393 requires a defendant convicted of intoxication manslaughter to pay restitution to a child whose parent or guardian was the victim of intoxication manslaughter. A court must determine the monthly amount to support the child until the child turns 18 or graduates high school, whichever is later. The defendant is not required to pay restitution to an individual who is 19 or older.

This Act takes effect September 1, 2023.

HB 898 (Stucky) - Relating to the offense of passing certain vehicles on a highway.

HB 898 increases penalties for violating the current Move Over, Slow Down law. Specifically, HB 898 makes passing certain first responder and roadside worker vehicles on a highway a misdemeanor punishable by a \$500 to \$1,250 fine. If a person violates Move Over, Slow Down again (within five years of the first offense), the penalty would be a misdemeanor punishable by a \$1,000 to \$2,000 fine. The violation becomes a class A misdemeanor (up to one year in jail and/or a maximum fine of \$4,000) if the offense results in serious bodily injury to another or a state-jail felony (180 days to two years in a state jail and an optional fine of up to \$10,000) for a second or subsequent offense that resulted in serious bodily injury of another.

This Act takes effect September 1, 2023.

HB 1442 (Johnson) - Relating to the prosecution of certain criminal conduct involving a reckless driving exhibition and to the forfeiture of contraband as a result of a reckless driving exhibition.

HB 1442 increases the penalty for the offense of obstructing a highway while operating a motor vehicle and engaging in a reckless driving exhibition if the offense is committed while engaging in organized criminal activities such as a “street takeover.”

This Act takes effect September 1, 2023.

HB 1885 (Canales) - Relating to the authority of the Texas Transportation Commission to establish variable speed limits.

HB 1885 authorizes the Transportation Commission (TTC) to establish a variable speed limit program that allows the temporary lowering of a prima facie speed limit to address inclement weather, congestion, construction, or other conditions that affect safe and orderly traffic movement.

A speed limit established under the program:

1. Must be based on an engineering and traffic investigation;
2. Could be effective for all or a portion of the highway for any period of day or night;
3. Could not be less than 10 miles per hour below the existing speed limit on the road; and
4. Would be effective only when posted.

A speed limit cannot be altered to divert traffic towards a toll road to increase toll revenue.

This Act takes effect September 1, 2023.

HB 2899 (Plesa) - Relating to the impoundment of a vehicle used in the commission of the offense of racing on a highway.

HB 2899 requires law enforcement to have a motor vehicle used to race on a highway impounded, regardless of whether the violation results in an accident with property damage or personal injury. Previously, law enforcement could only impound a vehicle used in street racing or “street takeovers” if the driver’s conduct resulted in property damage or injury.

This Act took effect June 2, 2023.

HB 4122 (Guillen) - Relating to the operation and movement of motorcycles on a roadway laned for traffic.

HB 4122 authorizes a motorcycle rider to operate the motorcycle two abreast in a single lane with another motorcycle. The bill prohibits motorcycle operators from riding more than two abreast in a single lane with other motorcycles. HB 4122 prohibits operating the motorcycle between lanes of traffic moving in the same direction. The bill also prohibits a motorcyclist from passing a motor vehicle while in the same lane as the vehicle being passed. These prohibitions do not apply to a police officer in performing the officer's official duties.

This Act takes effect September 1, 2023.

HB 4797 (Romero) - Relating to training on the treatment of toll project roadways during inclement weather.

HB 4797 requires toll road employees and contractors who develop and supervise a plan for roadway treatment to complete training in the same manner as a TxDOT employee who treats roadways during inclement weather. TxDOT must make training courses available and adopt rules to implement the bill.

This Act takes effect September 1, 2023.

SB 1413 (Johnson) - Relating to the authority of a fire department to remove certain personal property from a roadway or right-of-way.

SB 1413 grants fire departments the authority to remove personal property that blocks the roadway or endangers public safety from a roadway or right-of-way. SB 1413 requires a city that has a fire department to develop and implement policies concerning the fire department, consulting with law enforcement agencies regarding removing personal property from a roadway or right-of-way.

This Act takes effect September 1, 2023.

Tolling

HB 2170 (Guerra) - Relating to toll collections by a toll project entity.

HB 2170 requires toll project entities to notify the customer that payment by credit or debit card was declined or could not be processed. When a toll project entity sends a notice or an invoice of unpaid tolls, it must be sent by first class mail and indicate on the outside of the envelope that the document enclosed is a bill, and the recipient is expected to pay the amount stated. HB 2170 allows toll project entities to provide an invoice or notice to a motorist by text instead of mailing or emailing the notice if the motorist opts in.

This Act takes effect September 1, 2023.

Vehicles

HB 718 (Goldman) - Relating to the issuance of temporary tags and license plates by a motor vehicle dealer.

HB 718 requires a motor vehicle dealer to issue metal license plates obtained from the Texas Department of Motor Vehicles (TxDMV) for vehicles sold by the dealer and eliminate the issuance of temporary paper buyer's tags. The bill requires TxDMV to ensure that a dealer may obtain sufficient license plates in advance to continue selling vehicles without unreasonable business disruption. A one-time fee of \$10 for the issuance of a dealer's temporary license plate is also established.

HB 718 requires TxDMV to establish rules by December 1, 2024, to set the maximum number of license plates that a dealer may obtain and to monitor the number of plates obtained by the dealer.

Aside from provisions that outline deadlines for certain rulemakings, the bill would take effect on July 1, 2025.

HB 914 (Hefner) - Relating to temporary vehicle tags and the offense of tampering with a government record.

HB 914 allows offenders to be charged with tampering with a governmental record for falsifying a vehicle temporary tag issued by the Texas Department of Motor Vehicles. It would establish this crime as a Class A misdemeanor.

This Act takes effect September 1, 2023.

HB 2195 (Noble) - Relating to wrong, fictitious, altered, or obscured license plates.

HB 2195 increases penalties if a person attaches or displays a license plate that has a coating, covering, protective substance, or other material that alters or obscures the letters, numbers, or color of the license plate.

This Act takes effect September 1, 2023.

[HB 3297 \(Harris\) - Relating to the elimination of regular mandatory vehicle safety inspections for noncommercial vehicles and the imposition of replacement fees.](#)

HB 3297 repeals provisions mandating vehicle safety inspections for noncommercial vehicles and associated fees but retains safety inspections for commercial vehicles and vehicle emission inspections in political subdivisions requiring emission inspections.

HB 3297 requires a \$7.50 fee at the time of initial registration or renewal of registration of a motor vehicle, trailer, semi-trailer, pole trailer, or mobile home in addition to other fees imposed at registration. Applicants must also pay a one-time fee of \$16.75 if the application was for the initial registration of a passenger car or light truck that was sold or purchased, had not been previously registered in any state, and the vehicle is less than two years old. A person that pays this one-time fee is not required to pay the annual fee for the next registration year for the same vehicle.

The bill requires the Comptroller to deposit the established annual fees collected during registration and deposit \$3.50 to the Texas Mobility Fund, \$2 to General Revenue, and \$2 to the Clean Air Account. After the Comptroller receives the \$16.75 one-time fee for an applicant's initial registration, \$12.75 will be deposited to the Texas Mobility Fund, \$2 to General Revenue, and \$2 to the Clean Air Account.

This Act takes effect January 1, 2025.

Water

[HB 3582 \(Harris\) - Relating to the composition and use of money in the flood infrastructure fund.](#)

HB 3582 amends current law relating to the composition and use of money in the Flood Infrastructure Fund (FIF).

The 86th Texas Legislature created the FIF and the Texas Infrastructure Resiliency Fund (TIRF) to provide financial assistance to municipalities for flood projects, and the Texas Water Development Board (TWDB) was directed to establish a State Flood Plan by September 1, 2024.

The bill designates the FIF as the recipient of the remaining Hurricane Harvey Account funds, and revises provisions relating to the use of the FIF. The Flood Plan Implementation subaccount of the TIRF is eliminated and any remaining balance will be transferred to the FIF on September 31, 2031.

After the adoption of the first State Flood Plan, the FIF may only be used to provide financing for flood projects included in the Plan or may be awarded to eligible political subdivisions for a single project. The bill also allows for, at, or below market interest rate grants or loans administered by the TWDB for FIF projects serving rural political subdivisions.

Finally, a "rural political subdivision" is defined as a municipality: (1) with a population of 10,000 or less in which no part of the service area is in an urban area with a population of 50,000 or more, or (2) located in a county in which no urban area has a population of more than 50,000.

This Act takes effect September 1, 2023.

[HB 4742 \(Lopez, J.\) - Relating to a study by the Texas Water Development Board of issues faced by communities with artificial drainage systems.](#)

HB 4742 authorizes the Texas Water Development Board to complete a study by January 1, 2025, on issues faced by communities with artificial drainage systems and prepare a written report that contains possible recommendations relating to addressing the identified issues facing those communities.

The bill also defines an artificial drainage system as a system to remove floodwater in a community that lacks topographic relief, slope, and naturally defined floodways.

This Act takes effect September 1, 2023.

[SB 28 \(Perry\) - Relating to financial assistance provided and programs administered by the Texas Water Development Board.](#)

SB 28 amends current law relating to financial assistance provided and programs administered by the Texas Water Development Board.

SB 28 establishes the New Water Supply for Texas Fund and requires the Texas Water Development Board (TWDB) to finance projects through the new fund that will lead to seven million acre-feet of new water supplies by December 31, 2033. The New Water Supply for Texas Fund may be used to provide financial assistance to political subdivisions and wholesale water providers to develop water supply projects that create new water sources for the State. Projects include desalination projects, produced water treatment projects, aquifer storage and recovery projects, and the development of infrastructure to transport water made available by a qualified project.

The bill also establishes the Texas Water Fund and requires the TWDB to use the Texas Water Fund to transfer money to various water funds administered by TWDB, including the New Water Supply for Texas Fund.

The bill requires the TWDB to ensure that a portion of the money transferred from the fund is used for:

- 1) water infrastructure projects, prioritized by risk or need, for rural political subdivisions and cities with a population of less than 150,000;
- 2) projects for which all required state or federal permitting has been substantially completed;
- 3) the statewide water public awareness program;
- 4) water conservation strategies; and
- 5) water loss mitigation projects.

Finally, the bill creates the Statewide Water Public Awareness Account to develop, administer, and implement the Statewide Water Public Awareness Program.

The Texas Water Development Board must adopt rules no later than January 1, 2024.

This Act takes effect September 1, 2023. The Section of the Act creating the Texas Water Fund takes effect January 1, 2024, but only if approved at the November 7, 2023 election.

[SJR 75 \(Perry\) - Proposing a constitutional amendment creating the Texas Water Fund to assist in financing water projects in this state.](#)

SJR 75 amends the Texas Constitution to establish the Texas Water Fund (TWF) to be administered by the Texas Water Development Board (TWDB).

The Texas Water Fund will be a special fund in the state treasury outside the General Revenue Fund and can only be used to transfer money to other funds or accounts administered by TWDB, including the Water Assistance Fund, the New Water Supply for Texas Fund, the Rural Water Assistance Fund, or the Statewide Water Public Awareness Account. At least twenty-five percent of the money initially appropriated to the TWF would be required to be transferred to the New Water Supply for Texas Fund.

The proposed constitutional amendment will be submitted to voters at an election to be held November 7, 2023. The ballot will read, "The constitutional amendment creating the Texas Water Fund to assist in financing water projects in this State."

Effective, if approved, at the November 7, 2023 election.