



# **Texas 89th Legislative Session Report**

Prepared June 2025

# TABLE OF CONTENTS

MESSAGE FROM OUR FOUNDER AND CEO .....	3
POLICY PRIORITIES & METHODOLOGY .....	5
89 <sup>TH</sup> LEGISLATIVE SESSION AT A GLANCE .....	6
EQUITABLE TAX STRUCTURES .....	7
INFRASTRUCTURE INVESTMENT .....	14
CLIMATE & RESOURCE STEWARDSHIP .....	19
GOVERNMENT INNOVATION .....	25
OPPORTUNITIES AHEAD OF AND FOR THE 90 <sup>TH</sup> LEGISLATIVE SESSION.....	30
DATA & TRANSPARENCY.....	32
JOIN US IN BUILDING A BETTER TEXAS .....	33
ENDNOTES AND REFERENCES.....	34

# MESSAGE FROM OUR FOUNDER AND CEO

Dear Reader,

Texas stands at a critical juncture. Despite the prosperity that Texas continues to highlight, that prosperity is at risk. Capital is abundant but often directionless.<sup>i</sup> Common sense policy is being misrepresented by partisan divide.<sup>ii</sup> Short-sighted governance at the State and Local level threatens our long-term prosperity.<sup>iii, iv</sup> Too many Texans are feeling abandoned by partisan politics that often curries favor with personalities rather than merit.

The TexCap Policy Institute was founded to answer the questions that so many Texans are asking and provide thoughtful insight to lawmakers and policymakers alike. We design and advocate for private-sector guided, public-interest policies that channel private capital into building long-term prosperity for all Texans through infrastructure, equitable tax structures, and responsible governance rooted in transparency, innovation, and impact.



This inaugural report is our proof-of-concept demonstrating precisely the rigorous, innovative, nonpartisan analysis we're committed to delivering. **To be clear, we don't endorse politicians or parties, only good ideas.**

Our unique model integrates deep public and private-sector experience with rigorous, nonpartisan policy analysis. We're focused solely on solutions that are practical and actionable that are rooted in real-world insight. This combination allows us to produce transformative policies that work for Texans across the State.

Let's work together to ensure Texas' future prosperity remains a reality for the next generation of Texans.

A handwritten signature in black ink that reads "Gavin Nicholson".

**Gavin Nicholson**

*Founder and Chief Executive Officer*

TexCap Policy Institute

## **Vision**

To ground innovation in ethical stewardship and prosperity through public policy at the State and Local level, increasing quality of life without partisan division.

## **Mission**

To design and advocate for private-sector guided, public-interest policies that channel private capital into building long-term prosperity for all Texans through infrastructure, equitable tax structures, and responsible governance rooted in transparency, innovation, and impact.

# POLICY PRIORITIES & METHODOLOGY



**Equitable Tax Structures** - Fairer tax systems that prioritize responsible stewardship of taxpayer dollars and balance Texas' growing needs

**Infrastructure Investment** – Increasing access to rural and urban broadband and expanding smarter multi-modal transportation systems



**Climate & Resource Stewardship** - Market-driven approaches to environmental sustainability including grid resiliency, diverse energy production (nuclear, geothermal, hydro), and sustainable water policies

**Government Innovation** – Increasing transparency, efficiency, civic tech, and local-first solutions such as utilizing blockchain systems and AI regulation



Each bill and policy conclusion is based off our **five** methodologies:

**Net benefit to Texas households:** Changes in disposable income, cost of living, and consumer purchasing power

**Fiscal sustainability:** Long-run effects on state and local budgets, debt, and revenue stability

**Regional competitiveness:** Ability to attract jobs, investment, and talent across rural, suburban, and urban areas

**Return on investment:** Economic impact, weighed by the net gains and losses experienced across all stakeholders

**Innovation & productivity gains:** The degree to which the policy spurs research and development, accelerates technology adoption, and boosts workforce efficiency

# 89<sup>TH</sup> LEGISLATIVE SESSION AT A GLANCE

The 89<sup>th</sup> Texas Legislature continued a trend of filing an increased number of bills in both Chambers with over 9,014 bills and joint resolutions filed. This is alarming due to the often duplicative nature of bills. If the Texas legislature were to hear every single bill on its merits, there would need to be at least 64 bills that would need to "move" at some stage in the process for all 140 days straight. This is unsustainable and can create a bad policy environment due to the excessive number of filed bills. For comparison, in the 84<sup>th</sup> (2015) legislative session, only 6,476 bills and joint resolutions were filed.

Lawmakers should consider looking at other states that have adopted "bill restrictions" in their respective chambers such as California, Colorado, Florida, North Carolina, and Tennessee. This would allow for more streamlined collaboration between respective parties and reduce the number of "symbolic" bills which serve no purpose other than to take up valuable time. "The idea is not to restrict lawmakers' work, but to reduce the amount of time spent on superfluous proposals and to allow more time for substantive legislation."<sup>v</sup>

9,014 Bills/JRs Filed (+669 more than 88<sup>th</sup> session)

- 3,162 Senate Bills Filed (+436 more than 88<sup>th</sup> session)
- 5,852 House Bills Filed (+223 more than 88<sup>th</sup> session)

1,213 Bills sent to Governor (-33 less than 88<sup>th</sup> session)

- 594 Senate (+92 more than 88<sup>th</sup> session)
- 619 House (-125 less than 88<sup>th</sup> session)

1,187 Bills Effective with and without Governor's Signature (+17 more than 88<sup>th</sup> session)

- 580 Senate (+132 more than 88<sup>th</sup> session)
- 607 House (-155 less than 88<sup>th</sup> session)

27\* vetoed by Governor (76\* vetoed during the 88<sup>th</sup> Session) – [CLICK HERE](#)

- 14 Senate (-40 less than 88<sup>th</sup> session)
- 13 House (-9 less than 88<sup>th</sup> session)

*Note: Governor Abbott used a line-item veto for HB1 in the 88<sup>th</sup> Session and SB1 in the 89<sup>th</sup> session and is not included in the statistics*



# EQUITABLE TAX STRUCTURES

The Texas Legislature provided \$10 billion in new funding for property tax relief, increased homestead exemptions, and sent numerous ad valorem tax exemptions to the voters this November. Notably, the Texas Legislature did not pass more regressive taxing<sup>vi</sup> policies such as a ban on property taxes which would have led to an increased sales tax.

It is obvious among **Republican** and **Democratic** Lawmakers that the property tax system in its current state is not sustainable. According to a Hobby School of Public Affairs at the University of Houston poll, 50% of Texans wanted lawmakers to prioritize property tax relief.<sup>vii</sup> The issue, however, is that the property tax system is not one that incentivizes or rewards good-faith actors. Homeowners and property owners are punished under the current system when they improve their property. Lower-income Texans are forced out of neighborhoods when development in their neighborhoods occurs due to the rise in property values which equates to higher taxes.

If the legislature intends to keep its property tax system, it should continue to explore successful ideas like a circuit break for all Texans or appraisal caps for certain "legacy" homeowners (people who have owned their home for at least 10+ years). Unfortunately, continuing to "buy down" property taxes and offering exemptions will not offer long-term relief as they do not address the underlying causes for the current juxtaposition many local governments are facing: **Residents who want increased property values without the higher property tax values.**

There also seems to be a disconnect of what type of districts are increasing their burden on homeowners. While some media outlets<sup>viii</sup> place the blame largely on School Districts, data from the Comptroller's office suggests otherwise. Special Districts and County taxes had the highest average annual percentage increase when local jurisdictions levied property taxes. The legislature can, and should, continue to fund a higher M&O obligation with the State budget to offset the charge at the local level.

Tax Year	Special Purpose District Levy	% Change in SPD	County Levy	% Change in County	City Levy	% Change in City	School Levy	% Change in ISD	Total Levy	Total % Change
1998	\$1,883,080,138		\$2,619,628,810		\$2,970,251,205		\$11,228,753,261		\$18,701,713,414	
1999	\$2,063,101,426	9.56%	\$2,646,645,113	1.03%	\$3,179,745,715	7.05%	\$11,917,859,505	6.14%	\$19,807,351,759	5.91%
2000	\$2,888,621,638	40.01%	\$2,873,452,097	8.57%	\$3,504,092,996	10.20%	\$13,301,083,561	11.61%	\$22,567,250,292	13.93%
2001	\$2,651,610,746	-8.20%	\$3,246,024,017	12.97%	\$3,847,976,857	9.81%	\$15,026,153,737	12.97%	\$24,771,765,357	9.77%
2002	\$2,867,735,633	8.15%	\$3,507,842,313	8.07%	\$4,117,776,708	7.01%	\$16,262,058,353	8.23%	\$26,755,413,007	8.01%
2003	\$3,084,209,240	7.55%	\$3,774,835,414	7.61%	\$4,366,866,303	6.05%	\$17,198,357,427	5.76%	\$28,424,268,384	6.24%
2004	\$4,579,488,574	48.48%	\$4,089,744,284	8.34%	\$4,518,242,703	3.47%	\$18,428,882,515	7.15%	\$31,616,358,076	11.23%
2005	\$3,617,024,497	-21.02%	\$4,402,504,841	7.65%	\$4,863,361,658	7.64%	\$20,186,781,140	9.54%	\$33,069,672,136	4.60%
2006	\$3,970,005,374	9.76%	\$4,937,454,611	12.15%	\$5,286,535,198	8.70%	\$20,811,154,860	3.09%	\$35,005,150,043	5.85%
2007	\$4,512,711,637	13.67%	\$5,352,522,462	8.41%	\$5,895,031,685	11.51%	\$18,796,244,425	-9.68%	\$34,556,510,209	-1.28%
2008	\$4,952,792,863	9.75%	\$5,863,884,238	9.55%	\$6,406,453,878	8.68%	\$21,124,726,350	12.39%	\$38,347,857,329	10.97%
2009	\$5,134,342,018	3.67%	\$6,035,439,440	2.93%	\$6,546,689,972	2.19%	\$21,681,527,731	2.64%	\$39,397,999,161	2.74%
2010	\$5,395,436,477	5.09%	\$6,036,573,208	0.02%	\$6,553,776,429	0.11%	\$21,582,858,323	-0.46%	\$39,568,644,437	0.43%
2011	\$4,924,190,615	-8.73%	\$6,208,531,842	2.85%	\$6,661,221,363	1.64%	\$21,923,148,715	1.58%	\$39,717,092,535	0.38%
2012	\$5,530,689,644	12.32%	\$6,505,085,887	4.78%	\$7,004,163,084	5.15%	\$22,965,265,816	4.75%	\$42,005,204,431	5.76%
2013	\$5,311,005,897	-3.97%	\$6,949,426,677	6.83%	\$7,271,470,566	3.82%	\$24,397,363,508	6.24%	\$43,929,266,648	4.58%
2014	\$6,363,499,461	19.82%	\$7,448,383,408	7.18%	\$7,768,696,671	6.84%	\$26,570,247,739	8.91%	\$48,150,827,279	9.61%
2015	\$6,952,742,838	9.26%	\$8,016,707,675	7.63%	\$8,318,105,027	7.07%	\$27,894,584,723	4.98%	\$51,182,140,263	6.30%
2016	\$8,028,538,312	15.47%	\$8,335,177,994	3.97%	\$9,099,861,446	9.40%	\$29,469,130,143	5.64%	\$54,932,707,895	7.33%
2017	\$9,128,216,329	13.70%	\$9,144,582,770	9.71%	\$9,730,426,404	6.93%	\$31,751,930,542	7.75%	\$59,755,156,045	8.78%
2018	\$8,485,263,910	-7.04%	\$9,602,798,872	5.01%	\$10,387,752,412	6.76%	\$34,723,549,607	9.36%	\$63,199,364,801	5.76%
2019	\$8,909,719,354	5.00%	\$10,423,290,377	8.54%	\$11,146,148,401	7.30%	\$36,065,930,857	3.87%	\$66,545,088,989	5.29%
2020	\$9,486,152,671	6.47%	\$11,290,528,493	8.32%	\$11,963,476,245	7.33%	\$37,759,657,465	4.70%	\$70,499,814,874	5.94%
2021	\$10,400,963,921	9.64%	\$11,694,130,764	3.57%	\$12,495,940,682	4.45%	\$38,946,142,782	3.14%	\$73,537,178,149	4.31%
2022	\$10,409,180,231	0.08%	\$12,797,292,169	9.43%	\$13,634,471,866	9.11%	\$43,949,038,027	12.85%	\$80,789,982,293	9.86%
2023	\$12,723,403,616	22.23%	\$14,174,524,582	10.76%	\$15,049,228,872	10.38%	\$39,496,580,852	-10.13%	\$81,443,737,922	0.81%
Avg Increase	7.08%		6.17%		5.92%		5.10%		5.63%	

Table and Information taken from the Comptroller's *Biennial Property Tax Report – Tax Years 2022 and 2023*

One metric that is often overlooked in these calculations is what type of units are being taxed. In 2023, Category A – Single Family homes had a total taxable value of \$1.8 trillion (44.88% total), F1 – Commercial Real Estate had a total taxable value of \$655.5 billion (16.33% total), and B – Multifamily had a total taxable value of \$347.3 billion (8.65% total). 53% of Texans said that Property Tax relief should benefit primarily homeowners and 36% said it should be balanced between homeowners and businesses.<sup>ix</sup> **Identifying a way to shift the burden of taxation away from homeowners and onto Commercial Real Estate could be a potential solution.**

Alternatively, if the legislature wants to keep the types of taxing units untouched, **they could propose an interim study on Franchise Taxes and what impact they could have on the state's budget to help "pay down" property taxes.** Since 2008, the "No Tax Due Threshold" for Franchise tax has increased from \$300,000 to \$2,470,000, the tax rate for non-retail and wholesale stores has dropped from



1% to 0.75% and the tax rate for retail or wholesale has dropped from 0.5% to 0.375%. These policies absolutely attracted businesses to Texas due to the low burden of doing business. However, the legislature must now reckon with the funding discrepancies. The Texas population has increased from 24.31 million (2008) to 31.29 million (2024), yet we are continuing to decrease Franchise taxes that can supplement the property tax burden at the County level.

Year	No Tax Due Threshold	Tax Rate (Retail or Wholesale)	Tax Rate (Other)	Compensation Deduction	EZ Computation Total Revenue Threshold	EZ Computation Rate
2008 - 09	\$ 300,000	0.500%	1.00%	\$ 300,000	\$ 10,000,000	0.575%
2010 - 11	\$ 1,000,000	0.500%	1.00%	\$ 320,000	\$ 10,000,000	0.575%
2012 - 13	\$ 1,030,000	0.500%	1.00%	\$ 330,000	\$ 10,000,000	0.575%
2014	\$ 1,080,000	0.4875%	0.975%	\$ 350,000	\$ 10,000,000	0.575%
2015	\$ 1,080,000	0.475%	0.95%	\$ 350,000	\$ 10,000,000	0.575%
2016 - 17	\$ 1,110,000	0.375%	0.75%	\$ 360,000	\$ 20,000,000	0.331%
2018 - 19	\$ 1,130,000	0.375%	0.75%	\$ 370,000	\$ 20,000,000	0.331%
2020 - 21	\$ 1,180,000	0.375%	0.75%	\$ 390,000	\$ 20,000,000	0.331%
2022 - 23	\$ 1,230,000	0.375%	0.75%	\$ 400,000	\$ 20,000,000	0.331%
2024 - 25	\$ 2,470,000	0.375%	0.75%	\$ 450,000	\$ 20,000,000	0.331%

Table and Information taken from the Comptroller's [\*Franchise Tax Rates, Thresholds and Deduction Limits\*](#)

In the short term, low taxes are good to increase disposable income and stimulate business investment but Texas is now at a critical juncture where **90% of Texans feel that housing affordability is a problem with over 50% saying that Property Taxes contribute to that.**<sup>x</sup>

A further step could be to divide franchise taxes into a tiered system, allowing smaller businesses that make less revenue to pay less taxes. An example scaling table could look like this:

	No Tax Due Threshold	Tax Rate (Retail or Wholesale)	Tax Rate (Other)	Compensation Deduction	EZ Computation Total Revenue Threshold	EZ Computation Rate
	Revenue More than \$2,470,000 but less than \$10,000,000					
2026-27	\$ 2,470,000	0.3125%	0.625%	\$ 300,000	\$ 20,000,000	0.331%
	Revenue More than \$10,000,001 but less than \$50,000,000					
2026-27	-	0.375%	0.75%	\$ 350,000	\$ 20,000,000	0.445%
	Revenue More than \$50,000,001 but less than \$500,000,000					
2026-27	-	0.4375%	0.875%	\$ 400,000	-	-
	Revenue More than \$500,000,001					
2026-27	-	0.50%	1.00%	\$ 450,000	-	-

*Note: this table is purely to be used as a visual aid for what a potential sliding scale franchise tax system could look like and is not indicative of real numbers or calculations for the purposes of this report*

Regardless of what is done, Texas must identify and utilize new taxable revenue while hesitating to increase excise taxes (i.e. sales tax) or taxes that impact rural/farmland. New revenue sources that could be considered are:

- Revenue from Marijuana Legalization (Ad Valorem or excise tax)
- Revenue from Gambling Earnings/Profits (horse and greyhound racing are currently taxed)

**"I know I told [the House Appropriations Committee] [the Budget Surplus] was historical. It was unprecedented. It was a once in a lifetime two years ago. I'm trying to stress more than ever. It really is once. Don't expect to have these continued cash carryover balances."**

Comptroller Glenn Hegar on February 18, 2025 during a House Appropriations Meeting  
(Timestamp 32:36)

#### **Problems the Legislature Must Solve:**

- Reducing property-tax burdens on homeowners without sacrificing needed services
- Increase and diversify our tax base and levies
- Continue to prevent regressive taxation models

Senator Bettencourt, Paxton, West, and Representative Morgan Meyer, Martinez Fischer, and Turner have consistently provided seriousness to an increasingly complex policy issue in the state. While not the most attractive or "campaign-worthy" issue, ensuring our fiscal policy aligns with the needs of Texans is crucial and we commend them for their work to get to a solution.

#### **Notable Bills Sent to the Governor/Effective**

**House Bill 21** by Representative Gates – Increased transparency and finance methods among Housing Finance Corporation (HFCs)

**House Bill 148** by Representative Turner – Requires Mandatory training for Appraisal District Members

**House Bill 1392** by Representative Bucy – Extends the postponement of the delinquency date for ad valorem tax payments

**House Bill 1533** by Representative Button – Enhances transparency, procedural fairness, and accessibility in the property tax appraisal and protest system.

**House Bill 2011** by Representative C. Bell – Grants former property owners or their heirs the right to repurchase real property acquired through eminent domain under specific conditions, including failure to pay ad valorem taxes by the condemning entity

**House Bill 2525** by Representative Darby – Increases homestead exemptions for seniors and disabled veterans

**House Bill 2742** by Representative Vasut – Allows split-payments for property taxes

**House Bill 4236** by Representative Martinez Fischer – Creates a study group to evaluate school district property values

**House Bill 4809** by Representative Meyer –Creates an exemption between property value and land value for historic homes

**Senate Bill 4** by Senator Bettencourt – Increased the resident homestead exemption from \$100,000 to \$140,000 for School District M&O taxation. While there is nothing inherently bad about this, we again reiterate that this is not and cannot be a sustainable model for keeping our tax base healthy.

**Senate Bill 23** by Senator Bettencourt – Increase the resident homestead exemption for the elderly and disabled from \$10,000 to \$60,000

**Senate Bill 266** by Senator Perry – Streamlined processes for disputing results of managed tax audits

**Senate Bill 467** by Senator Paxton – Creates a humane exemption policy for individuals who have lost their homes in fires

**Senate Bill 578** by Senator West – Requires security cameras for facilities that receive low-income housing tax credits increasing safety

**Senate Bill 1951** by Paxton - Imposes a penalty for failure to timely file a rendition statement or property report with the chief appraiser of an appraisal district.

### **Notable Bills Left Before House/Senate**

**House Bill 8** by Representative Meyer – Provides \$0.0331 reduction in a school district's maximum compressed tax rate

**House Bill 195** by Representative Plesa – Increases transparency in Ad Valorem Taxation

**House Bill 360** by Representative Vasut – Ensures property taxes are based on accurate market values, preventing over-taxation.

**House Bill 361** by Representative Bernal – Ensures that only comparable sales of properties with residence homestead exemptions are used, potentially preventing inflated appraisals based on non-homestead properties.

**House Bill 382** by Representative C. Bell – Exempts the total appraised value of surviving elderly spouses aged 72 or older on their residence homesteads from ad valorem taxation

**House Bill 1367** by Representative V. Jones – Increases Exemption for County taxes to a flat-dollar amount of \$100,000

**House Bill 1483, 2039** by Representative Gervin-Hawkins – Exemption of appraised value of energy efficiency-related improvements (HVAC/Smart Thermostats/Vehicle Charging Stations)

**House Bill 4847** by Representative Hunter – Mandates that for properties located in school districts with local revenue levels exceeding state entitlement and that have reduced their local revenue accordingly, additional detailed tax information must be included in the appraisal district's database

**Senate Bill 1163** by Senator Hughes – Clarifies and expands the circumstances under which an appraisal review board must postpone a protest hearing.

**Senate Bill 2452** by Senator Hancock - Prohibit the chief appraiser's compensation from being directly or indirectly linked to increases in the total market, appraised, or taxable value of property in the appraisal district.

**Senate Bill 2747** by Senator Paxton - Restricts municipalities and their entities from entering into agreements with retailers or their affiliated groups that provide sales tax rebates, grants, or loans based on municipal sales and use taxes.

### **Notable Bills with Concerns Sent to Governor/Effective**

**Senate Bill 1025** by Senator Bettencourt – Creates voter bias against well-intentioned, or even necessary, ballot measures.

We recommend that the Texas Legislature explore other alternative taxing systems and introduce interim studies to explore the use of **Land Value Tax (LVT)** or a **Split-Rate Property Tax**. Both models theoretically incentivize the responsible development of land while simultaneously providing needed stability and relief for rural, suburban, and urban communities across Texas. This type of tax provides flat-dollar tax stability and encourages more responsible homeownership while decreasing dangerous speculation in our thriving Texas communities.

## Proposed Solutions

- Interim Study on increasing **Ad-Valorem taxes** on Commercial Real Estate and away from Single-Family Homes
- Interim Study on increasing **Franchise Tax** to increase revenue to reduce M&O obligations at the local level
- Interim Study on implementation of a **Sliding Scale Franchise Tax** that increases tax levy and taxable deductions as revenue goes up
- Interim Study on the effectiveness of the **Jobs, Energy, Technology and Innovation (JETI)** agreements and **Chapter 311, 312, & 313** agreements
- Interim Study on a **Land Value Tax (LVT)** or **Split-Rate Property Tax**
- Identify and utilize **new taxable revenue** while hesitating to increase excise taxes (i.e. sales tax) or taxes that impact rural/farmland.

# INFRASTRUCTURE INVESTMENT

The State of Texas has consistently faced major issues due to its geographic size and density related to broadband access (both rural and inter-urban) and mobility & transportation (land, air, and rail). The dynamics of the legislature when it comes to infrastructure do not see partisan bounds. Far-Left **Democrats** partner with Moderate **Republicans** and Far-Right **Republicans** partner with Moderate **Democrats** over some of the most interesting partisan crossovers in the legislature.

41% of Texans think that **we spend too little on transportation** and less than 7% believe we spend too much.<sup>xi</sup> There is an appetite for lawmakers to utilize the State budget to help ease transportation issues across the rural, suburban, and urban spectrum.

When it comes to broadband development, 32% of Texans still believe **we spend too little on broadband access**.<sup>xii</sup> This holds true again for rural, suburban, and urban areas.

The message that the voters of Texas are sending lawmakers is clear: **Spend money on services that directly benefit Texans.**

## Broadband Development

According to the U.S. Census Bureau's American Community Survey, over 549,000 Texas Households do not have access.<sup>xiii</sup> For perspective, that would be the equivalent of every household in **Collin County** and **Bell County** not having internet access. While the issue predominantly impacts rural communities, there is a significant issue with internet connectivity in some of the most interurban areas of our metropolitan cities with up to **18% of low-income households**<sup>xiv</sup> who don't have access to internet service.

One emerging issue that was addressed this Session by **Senator King** and **Representative Hefner** was **SB 1646** which enhanced criminal penalties for copper theft and damage. This is crucial to combating disruptions in service that are seen in major urban cities. We specifically praise **the recordkeeping and inspection requirements placed on metal recycling entities** which will make it more difficult for individuals to offload their stolen materials.



### Notable Bills Sent to the Governor/Effective

**Senate Bill 1405** by Senator Nichols - Increase access to high-speed broadband service in Texas by updating the definitions and standards for broadband service (100Mbps), establishing a program to award financial incentives for broadband infrastructure projects, and enhancing transparency and accountability in grant awards

**Senate Bill 1646** by Senator King - Establishes stricter criminal penalties for theft, damage, or unauthorized possession of copper or brass materials, especially when involving critical infrastructure facilities

### **Mobility & Transportation**

This session was another setback for freedom of mobility with criticism against regional transit authorities and high-speed rail projects falling in the crossfire. **Senator Angela Paxton, Senator Tan Parker, and Representative Matt Shaheen** attempted to redefine key parts of the **Dallas Area Rapid Transit's (DART)** authority through **HB 3187/SB 1557** and **HB 5049/SB 2118**. This came after calls from several cities felt they were unfairly paying into DART's transit without seeing the benefits or having the appropriate representation. However, this is a short-sighted outlook.

**"I understand this bill intends to provide relief to certain cities based on a reported imbalance in spending versus sales tax collections in a single year. [This report does not account for the prior forty years of investments](#) in these cities or projects like the nearly complete \$2,000,000,000 Silver Line Regional Rail..."**

DART CEO Nadine Lee on April 24, 2025 during a House Transportation Meeting on HB 3187

(Timestamp 5:19:24)

Part of the success of many suburban cities in North Texas today is due to the investments that larger cities, like Dallas, made over 40 years ago when DART was first founded. Suburban cities should not "throw the baby out with the bathwater" due to an unequal service allocation taken during a snapshot from the COVID-19 era. However, DART cannot continue to ignore valid demands from donor cities. **DART, the suburban cities, and NTCOG should and need to get on the same page during the interim to ensure prosperity continues in North Texas.**

Additionally, every year that lawmakers create hurdles and setbacks for high-speed rail, it will get more expensive and the state loses money on future investments. The original cost of the Texas

Central high-speed rail project was originally, \$10 billion but now that number has ballooned to \$40 billion due to setbacks and challenges with delaying implementation.<sup>xv</sup>

The free, and timely, movement of people is essential to continue a competitive Texas economy. The proposed high-speed rail would be 90 minutes versus a 4-hour car ride or a 90-minute plane ride. The cost would likely be a fraction compared to a plane ticket.

Currently, the Amtrak service that runs from Austin to Dallas takes 6 hours but only costs ~\$25 per one way or about ~\$50 per round trip. A high-speed rail would likely be a small cost increase to ~\$75 per one-way or ~\$150 per round trip and shrink that trip to 90 minutes. That is about half the cost of an equivalent round-trip via airlines where the cost is ~\$300 for an extremely early morning flight or late in the evening. A full breakdown of this methodology can be found in the endnotes.<sup>xvi</sup>

### Notable Bills Left Before House/Senate

**House Bill 483** by Representative Bucy - Establishes a framework for the construction, maintenance, and operation of a high-speed rail system along the Interstate Highway 35 corridor connecting Dallas, Waco, Austin, and San Antonio. It mandates the Texas Department of Transportation to enter into a comprehensive development agreement with a private entity to implement this project, defining high-speed rail as intercity passenger rail service expected to reach speeds of at least 110 miles per hour

**House Bill 4662** by Representative Hefner – Creates rural rail transportation districts and grants for certain rail facility projects

### Notable Bills with Concerns Sent to Governor/Effective

**House Bill 2003** by Representative Harris - Requires entities proposing high-speed rail projects in Texas to annually submit detailed financial, operational, and project information to the Texas Department of Transportation (TxDOT) if the project is included in the Texas Rail Plan. This bill would potentially **force entities to disclose sensitive information** that other transportation companies don't need to provide (Air & Road Travel) while **forcing potential delays** to compile and submit information annually. This bill will also increase costs due to the hiring of new FTE's that would have to comply with the requirements.

## Notable Bills with Concerns Left Before House/Senate

**House Bill 1402** by Representative Harris - Restricts the use of public funds for activities related to high-speed rail projects, specifically prohibiting their use for roadway alterations associated with such projects. This bill would effectively stop any high-speed rail project from ever being successfully developed.

**House Bill 3879** by Representative Troxclair - Establishes the right of property owners to seek an injunction to stop the collection of ad valorem taxes if a taxing unit materially deviates from the purpose stated in the ballot proposition or related election documents. This bill specifically aims to stop projects like "Project Connect" in Austin by stopping its main revenue stream.

**House Bill 4348** by Representative Capriglione - Prohibits local governmental entities in Texas from implementing roadway projects that reallocate existing vehicular lanes to non-vehicular uses or narrow lanes without adding vehicular capacity. This would stop major cities like Dallas, Austin, and Houston, from creating bike lanes in already existing roads.

We encourage lawmakers to be careful when halting progress for high-speed rail or light-rail projects once funding has started or is secured. Delaying projects often increases material prices which increases costs of implementation.<sup>xvii</sup> The delay of specifically voter-approved projects should be considered an irresponsible use of tax dollars.

### Issues the Legislature Must Solve

- Increase **affordable and quality access to broadband** in rural and interurban areas
- Increase affordable **freedom of movement** transportation options
- Decrease **copper and metal theft** in urban areas

### Proposed Solutions

- Support Rural and Inter-urban **broadband development** by subsidizing the development of infrastructure
- Support **anti-copper theft initiatives** including the replacement of copper with more efficient materials
- Avoid interfering in inter-local agreements like DART whilst they remain at the negotiating table and **call them to testify** before the **House** and **Senate** to ensure that all parties are continuing to negotiate in good faith

- Repeal **anti-high-speed rail** policies that prevent the quick and free movement of people and continue to apply for Federal Grants that help ease the burden on Texas taxpayers

# CLIMATE & RESOURCE STEWARDSHIP

## Grid Support

The legislature went into session knowing that the demand for the grid would increase in the summer and the winter, partially due to the increase in data centers moving to Texas, the increase in population, and increasingly more extreme weather conditions. Some legislators went into this session with a plan to work with **Retail Electric Providers** (REP), **Transmission and Distribution Service Providers** (TDU/TDSP), and **Operators** (OP) to provide resiliency to our grid to avoid issues like many Texans encountered during Winter Storm Uri in 2021.

**"We are blessed to be a state that has experienced continual growth for decades. This is also true of our electric usage and demand. ERCOT, itself has seen electric load growth year over year for some time, but this growth has been, what I would describe, as kind of steady and linear. However, somewhere, somehow over the last two or three years, this has changed dramatically."**

Vice Chair Phil King on February 27, 2025 during the layout of SB6 in the Senate Business & Commerce Committee  
(Timestamp 28:00; Part 1)

Diversifying the grid with combustible and renewable resources is crucial. Ensuring that entities who use large amounts of electricity do their part to create resilience and support is also critical. Any means to stop new energy from being connected to the grid is short-sighted, and it would be hard to make good-faith arguments being anti-energy.

In order to retain our energy independence while keeping prices down, Texas must continue to connect new energy sources. To be clear, legislators on both aisles, **Republicans** with Wind & Solar and **Democrats** on Nuclear, cannot oppose anti-energy and anti-renewable energy policies simply to score political points. Valid concerns are raised by both parties but inaction is not a viable solution.

## [Notable Bills Sent to the Governor/Effective](#)

**Senate Bill 6** by Senator King – Improves Texas's electric grid reliability by regulating large energy consumers like data centers. It requires facilities using 75 megawatts or more to disclose energy

plans, contribute to transmission costs, and install equipment for emergency disconnection. It also mandates backup power use during grid emergencies and calls for more accurate load forecasting to better manage future demand.

**Senate Bill 75** by Senator Hall – Creates the Texas Grid Security Commission to identify and address threats to the state's electric grid, including cyberattacks and extreme weather. The commission will develop a statewide resilience plan and recommend protections for critical infrastructure like hospitals and emergency services.

### Notable Bills Left Before House/Senate

**Senate Bill 2994** by Senator Johnson – Mandates utilities to administer cost-effective energy efficiency incentive programs, including specific demand reduction targets based on utility size and service area competition status, and requires a minimum budget allocation for low-income energy efficiency programs

### Notable Bills with Concerns Left Before House/Senate

**House Bill 3356** by Representative Patterson - Mandates that renewable energy production facilities have backup dispatchable energy sources. Smaller producers that could not afford the new penalty associated with this requirement (utilizing section 89.1592(c) of the utilities code) could effectively force them to shutter or sell to larger companies, creating monopolies unintentionally.

**Senate Bill 388** by Senator King - Establish a framework for increasing the proportion of dispatchable electricity generation in the ERCOT power region, setting a goal for 50% of new capacity post-2026 to come from dispatchable sources. Additionally, it would have required every new renewable watt to be matched with dispatchable watts.

**Senate Bill 819** by Senator Kolkhorst – Created unfair guidelines for renewable energy sources, such as requiring set-backs up to 3,000 feet when similar requires for Oil & Gas pump jacks are 200 feet.

**Senate Bill 715** by Senator Sparks – Mandates that renewable energy production facilities have backup dispatchable energy sources. Smaller producers that could not afford the new penalty associated with this requirement (utilizing section 89.1592(c) of the utilities code) could effectively force them to shutter or sell to larger companies, creating monopolies unintentionally.



## Continue investment in Nuclear, Hydrogen, and Geothermal energy

Texas has long benefited from its energy leadership, but the path forward requires more than fossil fuels. Lawmakers this session revisited how the state can remain energy dominant while diversifying its portfolio with advanced, low-emission technologies. Investments in next-generation nuclear, hydrogen hubs, and geothermal energy were seen as viable ways to maintain energy independence, reduce strain on the grid, and create high-paying jobs. Opposition to these technologies often lacks technical grounding and risks stalling innovation that both parties in the Legislature support—**Republicans** in rural districts and **Democrats** in urban ones alike. The question isn't *if* Texas leads in new energy, but *how quickly* we invest in the infrastructure to do so.

### Notable Bills Sent to the Governor/Effective

**House Bill 14** by Representative Cody Harris - Establishes the Texas Advanced Nuclear Energy Office within the office of the governor to provide strategic leadership and support for the development of advanced nuclear energy projects in Texas. It created the **Texas Advanced Nuclear Development Fund** to provide reimbursement grants for project development, construction, and completion of advanced nuclear reactors, with specific eligibility criteria, grant limits, and oversight mechanisms.

**House Bill 4370** by Representative Metcalf – Expands the powers and purposes of various districts including public improvement districts, water control and improvement districts, and municipal utility districts to include the construction, operation, and maintenance of geothermal water conveyance systems. It authorizes these districts to issue bonds payable from taxes or revenues to fund such projects and explicitly includes geothermal water conveyance systems among the types of improvements and services these districts may provide.

**Senate Bill 879** by Senator Birdwell – Provides regulatory relief for closed-loop geothermal Projects by stating certain sections of the Natural Resources Code do not apply to those authorized to use a valid permit by rule.

**Senate Bill 1535** by Senator Zaffirini – Establishes an advanced **nuclear energy workforce development program** administered by the Texas Workforce Commission in collaboration with the Texas Education Agency and the Texas Higher Education Coordinating Board.

**Senate Bill 1762** by Senator Blanco – Expand the authority of the Railroad Commission of Texas to designate operators of orphaned oil, gas, and geothermal energy conservation wells while establishes the requirements for a person to be designated as the operator of such wells, including filing a factually supported claim of possessory rights and submitting a certificate of compliance.

## Zombie Wells in Texas

The issue of zombie wells (abandoned improperly plugged oil and gas wells) was a growing concern this session. The Texas Railroad Commission has received \$79,673,757 in federal funding to plug wells.<sup>xviii</sup> These wells pose serious risks to public health, groundwater safety, and land value across both urban and rural Texas. While the Texas Railroad Commission has received federal funds to plug orphaned wells, questions remain about the pace of remediation, the sufficiency of bonding requirements, and the transparency of enforcement.<sup>xix</sup> Lawmakers from both parties agreed that private operators should be held responsible for their environmental liabilities, but a **durable solution requires sustained investment, smarter tracking, and stronger accountability to avoid passing this billion-dollar burden to taxpayers.**

### Notable Bills Sent to the Governor/Effective

**House Bill 48** by Representative Darby – Establishes an Organized Oilfield Theft Prevention Unit within the Texas Department of Public Safety

**Senate Bill 1150** by Senator Middleton – Establishes stricter regulations and reporting requirements for inactive wells under the jurisdiction of the Railroad Commission of Texas. It sets deadlines for plugging inactive wells, outlines conditions under which extensions may be granted, mandates annual reporting by operators and the commission, and authorizes administrative penalties for noncompliance

## Water use and infrastructure

In a state as large and drought-prone as Texas, water policy remains a quiet but existential issue. Legislators acknowledged that population growth, industrial expansion, and extreme weather are stressing the state's already stretched water systems. Rural areas face aquifer depletion, while urban and suburban regions struggle with aging infrastructure and flood resilience.

Despite a broad consensus on the need for long-term investment, progress was uneven partly due to political fatigue and partly due to a lack of coordinated water governance. An overwhelming number of Texans, 56%, **do not think the legislature is spending enough on water.**<sup>xx</sup> This holds true across partisan and geographic boundaries.

Without aggressive modernization of water infrastructure and continued coordination across all stakeholders, Texas risks undercutting its economic growth and quality of life in fast-growing regions.

### Notable Bills Sent to the Governor/Effective

**House Joint Resolution 7** by Representative Harris – House Joint Resolution 7 is a constitutional amendment to dedicate a portion of state sales tax revenue (up to \$1 billion annually) to the Texas Water Fund starting in fiscal year 2027. This fund would support long-term water infrastructure projects to help with drought, population growth, and aging systems. (If signed by the Governor, the amendment will appear on the November 2025 ballot.)

**Senate Bill 7** by Senator Perry – Aims to address the state's water needs by creating the Texas Water Fund, which would allocate \$1 billion annually over the next decade to develop new water supplies and repair aging infrastructure. It prioritizes investments in **desalination** projects, **wastewater treatment**, and the construction of **reservoirs**, particularly benefiting rural communities.

**Senate Bill 1663** by Senator Zaffirini – Mandates that the Texas Commission on Environmental Quality (TCEQ) notify affected parties about groundwater contamination within 30 days of receiving notice or discovering contamination.

### Notable Bills Vetoed by the Governor

**House Bill 1690** by Representative Gerdes - Amends the Texas Water Code to require all groundwater conservation districts to adopt rules mandating notice to residents for applications to transfer groundwater out of the district.

The Governor vetoed this bill stating, "This bill would increase the regulatory hurdles to convey water resources. And it would do so needlessly. State law already authorizes groundwater conservation districts to adopt rules necessary to manage groundwater resources, including rules for public notice and hearings on groundwater permits."

We disagree with the Governor's analysis. When an application is submitted to transfer groundwater out of a district, **community members and elected officials *should* receive notice** to ensure they have an opportunity to voice concerns if the transfer is not appropriate. While Groundwater Conservation Districts already have meaningful power to deny permits, they are missing a formal process that allows affected communities to actively participate.

Water is a critical resource that cannot, and should not, be sold only to the highest bidder. There must be surgical calculations that weigh the long-term benefits and cost. Simply relying on profit margins is a disservice to the residents that live on the 70% of Texas land that are Groundwater Conservation Districts.

### Notable Bills Left Before House/Senate

**House Bill 16** by Representative Harris – Would expand the Texas Water Development Board's authority to fund projects like desalination, water reuse, and aquifer storage. It creates a Water Access Assessment to identify failing utilities and requires public reporting on infrastructure progress. The major differences between this bill lie in the legislative oversight and broader advisory committee with clearer roles and responsibilities.

### Problems the Legislature Must Solve

- Implement solutions to efficiently plug **Orphan wells** and stop **Zombie wells**
- Diversify the power grid utilizing **Geothermal** and **Nuclear** Energy
- Increasing funding to **water development projects** to offset droughts, create resiliency and increase reliability

### Proposed Solutions

- Create a fund that can be utilized to plug **Zombie Wells**. This includes more on the ground-resources to ensure **plugged orphan wells** aren't leaking.
- Support state funding for the development of **Nuclear**, **Geothermal** and **Hydrogen** energy
- Increase investment in regional **water development** partnerships
- Increase workforce pipeline and provide **standardized training** for "in-demand" jobs for **water** and **energy** sector

# GOVERNMENT INNOVATION

## Blockchain utilization

Some legislators this session explored how blockchain could modernize state and local government operations, particularly in areas like identity verification, record-keeping, and procurement transparency. While Texas has positioned itself as a national hub for blockchain innovation, the public-sector use of this technology remains limited and misunderstood. Lawmakers debated pilot programs and frameworks for adoption, but confusion around security, costs, and regulatory alignment slowed momentum. Still, the potential for blockchain to reduce fraud, streamline bureaucracy, and improve public trust was acknowledged across committee hearings. This is a space that will likely see renewed focus next session.

We applaud the bipartisan leadership on this issue that brought together **Representatives Capriglione and Bucy**, as well as **Senators Parker, Paxton, and Johnson**.

### [Notable Bills Sent to the Governor/Effective](#)

**Senate Bill 21** by Senator Schwertner – Creates a "strategic Bitcoin reserve" that the Texas Treasury can use for investment purposes. Texas is truly trying to remain competitive economically and they should not limit their purchasing to just Bitcoin. While the bill is permissible regarding "other cryptocurrencies," they should have been more explicit and included other cryptocurrencies such as Ethereum (ETH) used for DeFi transactions and "stable coins" such as Tether (USDT) or Circle (USDC).

**Senate Bill 1964** by Senator Parker – This bill targets governmental entities and vendors by mandating the creation of an AI system code of ethics by the Department of Information Resources (DIR), minimum standards for heightened scrutiny AI systems, an educational outreach program, and an advisory board to guide AI deployment.

### [Notable Bills Left Before House/Senate](#)

**House Bill 5352** by Representative Bucy - Establishes the State Blockchain Technology Pilot Program to explore blockchain applications in government operations, aiming to enhance transparency, security, and efficiency

**Senate Bill 1705** by Parker - Establishes a regulatory framework for virtual currency kiosks operating in Texas, requiring registration, compliance measures, transaction limits, customer identification, and fraud prevention protocols. It mandates disclosures of risks, transaction terms, and fees to customers, imposes limits on transaction amounts and fees

## AI Regulation

Artificial Intelligence (AI) emerged as a policy frontier this session, with legislators grappling with how to balance innovation and oversight. As more state agencies and local governments adopt AI for service delivery, licensing, and enforcement, concerns grew over bias, transparency, and workforce displacement. Bipartisan efforts attempted to establish ethical guardrails, data standards, and procurement guidelines. Texas prides itself on being pro-technology, but lawmakers will need to remain vigilant to ensure that AI serves the public good without reinforcing systemic inequities or compromising accountability. **Lawmakers and agencies must also be careful not to adopt policies that may supersede work that is better suited for humans** such as ethical/moral judgements or strategic vision and planning.

**"AI technology has great potential providing needed assistance to a variety of industries, helping to create efficiencies that can save money, time, or improve the quality of service or life of those that utilize it. However, we cannot ignore the potential harmful outcomes. House Bill 149 will provide these protections for consumers, balancing innovation & regulation and building upon the principles of the free market to do so."**

Chairman Giovanni Capriglione on March 26, 2025 during the layout of HB 149 in the House  
Delivery of Government Efficiency (DOGE) Committee  
(Timestamp 1:38:31)

Additionally, the legislature must ensure that Data Centers that utilize high amounts of energy and water are doing so in a responsible manner. It is critical that lawmakers remain critical of any attempt to deplete natural resources, whether it's oil & gas or fresh water, without paying back into the infrastructure that they are using. Continuing to require the high natural resource use industries to have reliable energy sources, separate from the primary energy grid, is critical.

We praise the work of **Senator Nathan Johnson**, **Representative Giovanni Capriglione**, and **Representative Suleman Lalani** for the work they put in this Session on Artificial Intelligence policy.



### Notable Bills Sent to the Governor/Effective

**House Bill 149** by Representative Capriglione – Establishes a regulatory sandbox program administered by the Texas Department of Information Resources that allows approved participants to test artificial intelligence (AI) systems without obtaining traditional licenses or registrations, providing legal protections during the testing period. It also creates the Texas Artificial Intelligence Council to oversee ethical AI development, recommend legislative reforms, and provide training to state agencies. This bill provides a fantastic regulatory framework that balances innovation and regulation.

**House Bill 581** by Representative Mary Gonzalez – Establishes regulations on the creation, publication, and access to artificial sexual material harmful to minors, specifically material generated or modified using artificial intelligence. It mandates commercial entities operating websites or applications that create such material to implement reasonable age verification methods to restrict access to individuals 18 years or older

**House Bill 2818** by Representative Capriglione – Establishes an Artificial Intelligence Division within the Texas Department of Information Resources to assist state agencies in implementing generative artificial intelligence technology, particularly for modernizing or replacing legacy systems

**House Bill 3512** by Representative Capriglione – Mandates annual cybersecurity and artificial intelligence (AI) training for certain state and local government employees and officials who use computers for at least 25% of their duties

**Senate Bill 441** by Senator Hinojosa - Establishes criminal and civil liabilities related to the production, distribution, and promotion of deep fake media and artificial intimate visual material without the effective consent of the depicted person. It defines key terms such as 'deep fake media,' 'artificial intimate visual material,' and 'nudification application,' and sets forth offenses, penalties, and restitution requirements

**Senate Bill 2373** by Senator Johnson - Establishes legal liability and penalties for the dissemination of artificially generated media or phishing communications used for financial exploitation.

### Notable Bills Left Before House/Senate

**House Bill 366** by Representative Phelan – Requires officeholders, candidates, or political committees who spend over \$100 on political advertising containing altered media to disclose that the media has been manipulated or altered using generative AI technology, unless the alteration is superficial

**House Bill 2298** by Representative Lalani – Establishes a grant program administered by the commission to support qualified Texas hospitals and health care facilities in using artificial intelligence technology for scanning medical images to detect cancer

**House Bill 2922** by Representative Spiller – Aims to regulate the use of artificial intelligence (AI) in utilization reviews for health benefit plans. It prohibits the sole reliance on AI algorithms for decisions regarding the medical necessity or appropriateness of healthcare services, mandating that such determinations be made by licensed healthcare providers

**House Bill 3755** by Representative Capriglione – Aims to regulate the use of biometric identifiers in artificial intelligence applications, specifically addressing their use for uniquely identifying individuals.

**House Bill 4635** by Representative Garcia Hernandez – Mandates that insurers and health maintenance organizations disclose the use of artificial intelligence (AI) in claim denials.

### **Notable Bills with Concerns Left Before House/Senate**

**House Bill 4448** by Representative Hickland – Mandates the use of automated artificial intelligence systems to review library materials in public schools for sexually explicit or relevant content, requiring third-party verification and compliance with specific standards. Legislators cannot, and should not, hand off sensitive decision-making to artificial intelligence that requires moral or ethical judgments. Humans are more than competent to determine what is and is not sexually explicit content in their communities.

**House Bill 382** by Senator Middleton - Aims to prohibit the use of artificial intelligence (AI) technology in classroom instruction within Texas schools, starting from the 2025-2026 school year. It explicitly bans AI from providing instruction or replacing/supplementing teachers' roles in educational settings. While we don't believe AI should replace teachers, there is evidence showing early results in tailoring lesson plans to students needs. When used a supplemental tool, tailored to students who may have more unique needs, it can aid teachers, parents, and students through what might otherwise be frustrating conversations.

### **Problems the Legislature Must Solve**

- Create a competitive but transparent **cryptocurrency reserve** with diverse assets
- Embrace new and developing technology like **blockchain and digital ledger** systems to help reduce fraud
- Reduce **grid load from miners**, network operators, and data centers that use large amounts of power

- Regulate AI **responsibly without impeding development**, especially going after bad-faith actors who use the technology to sow misinformation
- Prevent the delegation of **human-oriented** tasks to artificial development

### Proposed Solutions

- Continue diversification of **cryptocurrency assets** in state reserves
- Expand safeguards for **unauthorized AI content** that could sow disinformation by creating criminal and civil penalties for bad actors
- Create and Expand Grant programs for **healthcare providers** to utilize AI in certain health screenings
- Require operators of **datacenters** and **crypto-mining** facilities to produce their own energy to help offset load on our energy grid

# OPPORTUNITIES AHEAD OF AND FOR THE 90<sup>TH</sup> LEGISLATIVE SESSION

The following is a summarization of the conclusions we have drawn based on what happened during the 89<sup>th</sup> Legislative Session. While there are many things to celebrate, Texas must continue working to keep our independent and forward-thinking policies in place.

The following is a summarization of the conclusions drawn from each section above.

## Equitable Tax Structures

- Interim Study on increasing **Ad-Valorem taxes** on Commercial Real Estate and away from Single-Family Homes
- Interim Study on increasing **Franchise Tax** to increase revenue to reduce M&O obligations at the local level
- Interim Study on a implementation of a **Sliding Scale Franchise Tax** that increases tax levy and taxable deductions as revenue goes up
- Interim Study on the effectiveness of the **Jobs, Energy, Technology and Innovation (JETI)** agreements and **Chapter 311, 312, & 313** agreements
- Interim Study on a **Land Value Tax (LVT)** or **Split-Rate Property Tax**
- Identify and utilize **new taxable revenue** while hesitating to increase excise taxes (i.e. sales tax) or taxes that impact rural/farmland.

## Infrastructure Investment

- Support Rural and Inter-urban **broadband development** by subsidizing the development of infrastructure
- Support **anti-copper theft initiatives** including the replacement of copper with more efficient materials

- Avoid interfering in inter-local agreements like DART whilst they remain at the negotiating table and **call them to testify** before the **House** and **Senate** to ensure that all parties are continuing to negotiate in good faith
- Repeal **anti-high-speed rail** policies that prevent the quick and free movement of people and continue to apply for Federal Grants that help ease the burden on Texas taxpayers

## Climate & Resource Stewardship

- Create a fund that can be utilized to plug **Zombie Wells**. This includes more on the ground-resources to ensure **plugged orphan wells** aren't leaking.
- Support state funding for the development of **Nuclear, Geothermal** and **Hydrogen** energy
- Increase investment in regional **water development** partnerships
- Increase workforce pipeline and provide **standardized training** for "in-demand" jobs for **water** and **energy** sector

## Government Innovation

- Continue diversification of **cryptocurrency assets** in state reserves
- Expand safeguards for **unauthorized AI content** that could sow disinformation by creating criminal and civil penalties for bad actors
- Create and Expand Grant programs for **healthcare providers** to utilize AI in certain health screenings
- Require operators of **datacenters** and **crypto-mining** facilities to produce their own energy to help offset load on our energy grid

# DATA & TRANSPARENCY

At TexCap Policy Institute, measurable data and transparency form the cornerstone of our policy advocacy. Our unique approach integrates real-world, public and private-sector expertise with rigorous, nonpartisan analysis delivering solutions that yield tangible benefits for all Texans.

**Use of AI:** TexCap Policy Institute utilized tools like "[USLege](#)" to identify bills. No part of the narrative sections or the analysis were completed using AI. Artificial intelligence, when utilized properly, can be a helpful tool to speed up otherwise lengthy and time-consuming research. All analyses were verified and fact-checked by human counterparts before publishing.

**Data-Driven Impact:** Every policy recommendation is grounded in comprehensive research and evidence-based insights through our five methodologies.

**Ethical Stewardship:** Our financial details, funding sources, and operational methods are transparent. We operate with clear ethical guidelines and always maintain nonpartisan integrity.

**Independence & Accountability:** The findings and recommendations presented in this report have been developed independently. No corporation, individual donor, or external party has influenced, directed, or altered our analysis or conclusions.

Through these principles, we ensure that our policy recommendations remain unbiased, impactful, and focused solely on creating meaningful, measurable change for Texas.



## JOIN US IN BUILDING A BETTER TEXAS

The future prosperity of Texas depends on action taken today. The TexCap Policy Institute stands ready with actionable, innovative policy solutions guided by private-sector insight and dedicated to the public interest. But to continue this vital work, your support is essential.

Your investment directly enables in-depth research, impactful recommendations, and transparent policy analysis that benefits every Texan. Join us in ensuring that our state's remarkable economic growth translates into real, lasting benefits for all Texans.

Together, we can build a stronger, fairer, and more resilient Texas. **Your support makes this vision a reality.**

**We can't build good policy the day we need it.**

**Join us as a founding funder to continue our research ahead of  
the 90<sup>th</sup> Legislative Session**



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# ENDNOTES AND REFERENCES

It should be assumed that all references made to legislation and quotes from persons are directly attainable and accessible via "Texas Legislature Online" or "capitol.texas.gov"

<sup>i</sup> Wooten, N. (2024, May 17). 'Everybody's hurting.' Low-income Dallasites struggle with taxes as property values soar. *Dallas News*. <https://www.dallasnews.com/business/real-estate/2024/05/13/everybodys-hurting-low-income-dallasites-struggle-with-taxes-as-property-values-soar/>

<sup>ii</sup> Fechter, J. (2025, May 26). Texas bill OK'ing homes on smaller lots resurrected in House. *The Texas Tribune*. <https://www.texastribune.org/2025/05/25/texas-housing-costs-bills-tiny-homes-office-buildings-apartments/>

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<sup>v</sup> National Conference of State Legislatures. (n.d.). Mechanisms used to streamline bill processing. In *National Conference of State Legislatures* (pp. 3–1 to 3–3). <https://documents.ncsl.org/wwwncsl/LegislativeStaff/ASLCS/ILP/96Tab3Pt1.pdf>

<sup>vi</sup> \*Note: Regressive tax has the definition provided by the Tax Foundation

<sup>vii</sup> Hobby School of Public Affairs. (2025). Texas Legislative Issues 2025. In *Hobby School of Public Affairs* (pp. 1–3). <https://uh.edu/hobby/tx2025/budget.pdf>

<sup>viii</sup> Krinjak, J. (2025, February 12). Recapture in Texas: Push to reform school property tax revenue redistribution policy. *FOX 7 Austin*. <https://www.fox7austin.com/news/7-on-your-side-recapture-robin-hood-school-funding-property-taxes-texas>

<sup>ix</sup> *Who should benefit from property tax reductions made by the Legislature? (April 2025).* (2025, May 6). The Texas Politics Project. <https://texaspolitics.utexas.edu/set/who-should-benefit-from-property-tax-reductions-made-by-the-legislature-april-2025#overall>

<sup>x</sup> Hobby School of Public Affairs & Barbara Jordan - Mickey Leland School of Public Affairs. (2024). Texas Trends 2024: Housing. In *Texas Trends 2024* [Report]. University of Houston and Texas Southern University. <https://uh.edu/hobby/txtrends/housing.pdf>

<sup>xi</sup> *Texas spending on transportation (April 2025).* (2025, May 6). The Texas Politics Project. <https://texaspolitics.utexas.edu/set/texas-spending-on-transportation-april-2025#overall>

<sup>xii</sup> *Texas Spending on Broadband access (April 2025).* (2025, May 6). The Texas Politics Project. <https://texaspolitics.utexas.edu/set/texas-spending-on-broadband-access-april-2025>

<sup>xiii</sup> U.S. Census Bureau, U.S. Department of Commerce. "Presence and Types of Internet Subscriptions in Household." *American Community Survey, ACS 1-Year Estimates Detailed Tables, Table B28002*, <https://data.census.gov/table/ACSDT1Y2023.B28002?q=Telephone,+Computer,+and+Internet+Access&g=040XX00US48>. Accessed on 10 Jun 2025.

<sup>xiv</sup> Columbia Telecommunications Corporation. (2021). *Broadband and Digital Equity Strategic Plan: Prepared for the City of Dallas and Dallas Independent School District*. Dallas City Hall. [https://dallascityhall.com/departments/community-care/digital-equity/DCH%20Documents/Broadband-and-Digital-Equity-Strategic-Plan\\_i-x.pdf](https://dallascityhall.com/departments/community-care/digital-equity/DCH%20Documents/Broadband-and-Digital-Equity-Strategic-Plan_i-x.pdf)

<sup>xv</sup> *Austin American-Statesman subscription offers, specials, and discounts*. (2025, April 15). <https://www.statesman.com/story/news/state/2025/04/15/texas-high-speed-rail-bullet-train-houston-dallas-federal-funding-cuts/83095582007/>

<sup>xvi</sup> This comparison assumes that individuals are traveling on a 3-day trip (July 24 thru July 27) from Austin to Dallas. Both modes of transportation were selected 30 days from the date of publishing this report to keep prices unbiased. An estimated \$75 per round trip is taken from the “High Speed Rail Alliance, “What is it like to ride high speed rail” estimates. The only available Amtrack ride from AUS to DAL is 12:00PM. The equivalent flight from American Airlines would be 5:00AM and cost \$285 or Southwest at 5:50AM for \$293. A high-speed rail would have hourly departures for the expected same cost. The travel time does not take into account for airport/train station security, travel, or other factors that could increase or decrease time commitment.

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<sup>xviii</sup> *Federally Funded Well plugging*. (n.d.). <https://www.rrc.texas.gov/oil-and-gas/environmental-cleanup-programs/federally-funded-well-plugging/>

<sup>xix</sup> Martinez, A. (2025, May 9). Texas struggles to clean up abandoned oil and gas wells. *The Texas Tribune*. <https://www.texastribune.org/2025/05/08/texas-orphan-wells-explained-railroad-commission-abandoned/>

<sup>xx</sup> *Texas Spending on Water infrastructure (April 2025)*. (2025, May 6). The Texas Politics Project. <https://texaspolitics.utexas.edu/set/texas-spending-on-water-infrastructure-april-2025#overall>