



89th Regular Legislative Session Overview (2025)

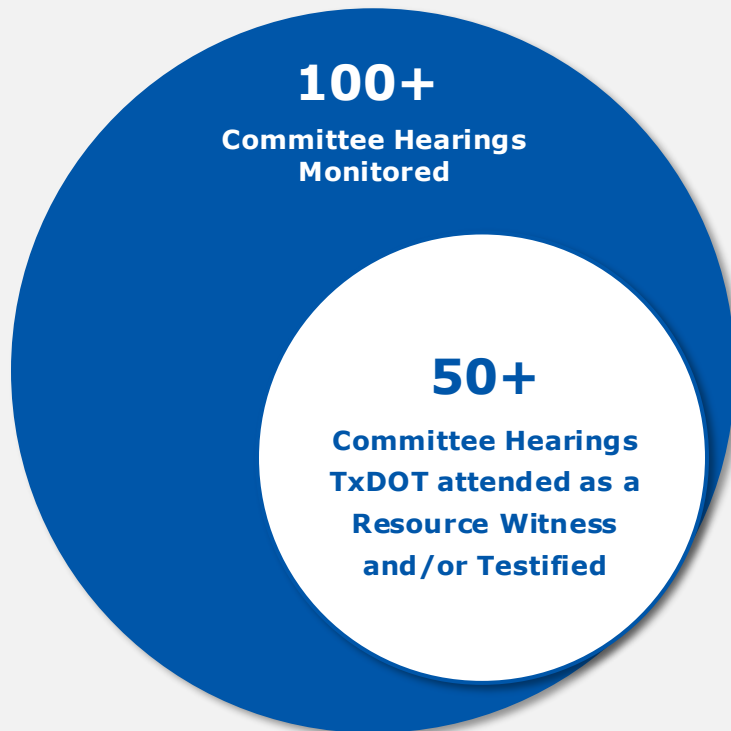
TxDOT State Legislative Affairs



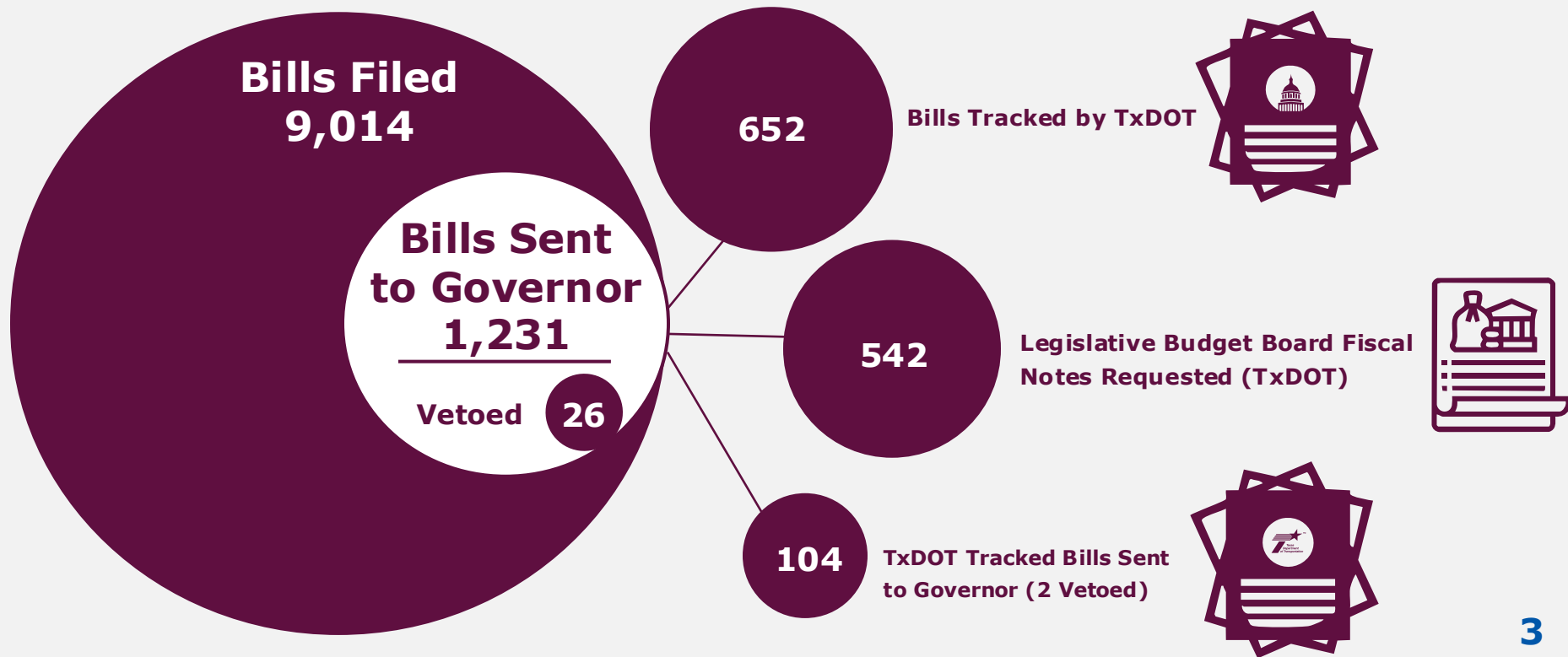
September 3, 2025

89th Regular Legislative Session (2025)

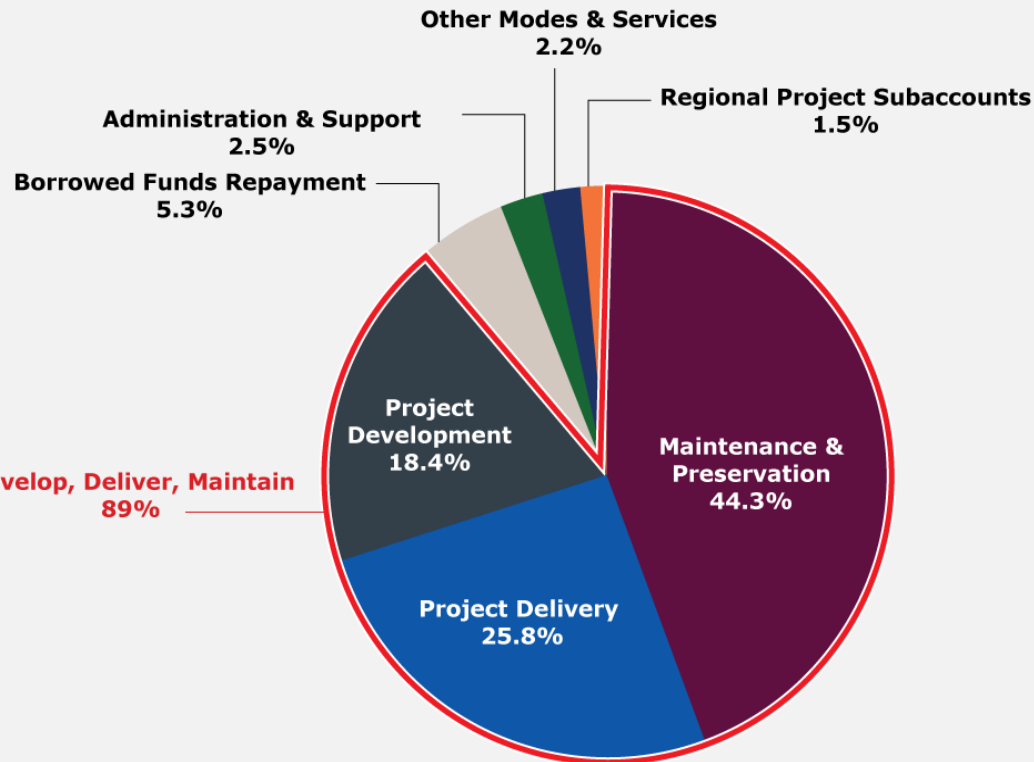
Highlights of Legislative Involvement



89th Regular Legislative Session (2025)



Budget Uses: Senate Bill 1

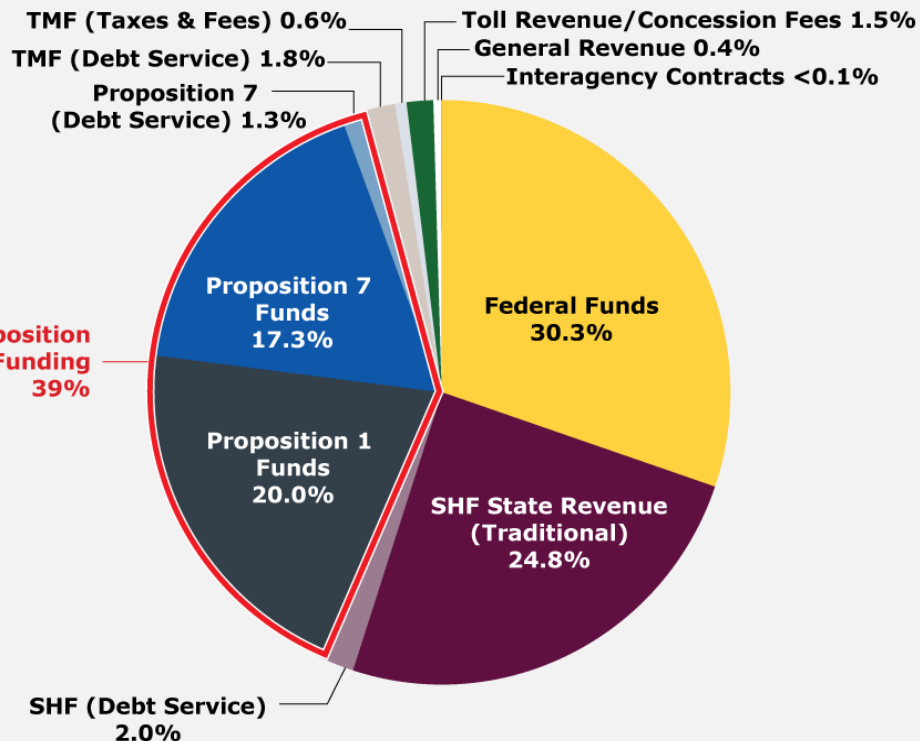


BUDGET USES

	Maintenance & Preservation	\$17.66 billion
	Project Delivery	\$10.34 billion
	Project Development	\$7.36 billion
	Borrowed Funds Repayment	\$2.13 billion
	Administration & Support	\$0.98 billion
	Other Modes & Services	\$0.86 billion
	Regional Project Subaccounts	\$0.59 billion
	Total	\$39.92 billion

*Totals and percentages may not sum due to rounding

Budget Sources: Senate Bill 1



BUDGET SOURCES

Federal Funds	\$12.07 billion
SHF (Traditional)	\$9.88 billion
SHF (Debt Service)	\$0.80 billion
Proposition 1 Funds	\$8.00 billion
Proposition 7 Funds	\$6.92 billion
Proposition 7 (Debt Service)	\$0.50 billion
TMF (Debt Service)	\$0.72 billion
TMF (Taxes & Fees)	\$0.25 billion
Toll Revenue/Concession Fees	\$0.59 billion
General Revenue	\$0.18 billion
Interagency Contracts	\$0.01 billion
Total	\$39.92 billion

*Totals and percentages may not sum due to rounding

Budget Overview: Senate Bill 1 & House Bill 500

SB 1 (General Appropriations Act)

TxDOT budget **\$39.92 billion**

- **\$35.37 billion (89%)** for the development, delivery, and maintenance of state highways
- **\$860 million** in multi-modal projects and services—rail, maritime, aviation, and public transportation
- Over **\$900 million** in capital budget items—buildings, facilities, land, information technology (IT)
- Nearly **\$180 million** in general revenue funding for various specified roadway, pedestrian, rail, and aviation projects



HB 500 (Supplemental Appropriations Bill)

\$504.1 million appropriated to TxDOT

- **\$250 million** in pedestrian and roadway rail grade separation grant funding
- **\$129 million** in aviation grant funding
- **\$105 million** in capital budget items—TxDOT vehicle fleet, aircraft, and aviation facilities
- **\$20 million** for specified roadway project



Legislative Highlights

HB 252 - Representative Walle/Senator Hughes

Relating to the payment of employment compensation by certain state agencies.

- Allows TxDOT to pay employment compensation twice a month to all employees in Salary Schedule A.
- Aligns payment practice of TxDOT maintenance employees with the private sector.
- Will allow TxDOT to better recruit and retain certain employees, particularly new hires for TxDOT maintenance crews transitioning from the private sector in the construction industry.

SB 305 - Senator Perry/Representative King

Relating to the criminal offense of passing certain vehicles on a highway.

- Adds vehicles operated by animal control officers and vehicles operated by individuals issuing parking citations to the list of vehicles for whom drivers are required to "Move Over, Slow Down" on Texas roadways.
- Initially passed by the Texas Legislature in 2003, the state's "Move Over, Slow Down" law requires drivers to move over one lane or slow down to 20 miles per hour below the posted speed limit when approaching certain vehicles, including TxDOT vehicles, on the roadside.

Legislative Highlights

HB 4520 - Representative M. Martinez/Senator Nichols

Relating to requirements for certain funding of aviation facilities and projects.

- Lowers the required local match (**from 10% to 5%**) for General Aviation Airports located in an economically disadvantaged county (EDC).
- Impacts 130 General Aviation Airports located in 100 economically disadvantaged counties.

SB 1939 - Senator J. Hinojosa /Representative M. Perez

Relating to the ship channel improvement revolving fund.

- Directs the interest earned on the ship channel improvement revolving fund (SCIRF) to remain in the fund to be used for future loans.
- The ship channel improvement revolving fund is used to give low interest loans to deepen or widen congressionally-approved ship channel projects.
- The ship channel improvement revolving fund was funded for the first time in 2023 with \$400 million in general revenue.

Legislative Highlights

SB 1555 - Senator Nichols/Representative Patterson

Relating to a grant program to fund certain railroad grade separation projects.

- Creates a TxDOT administered grant program for local government pedestrian and roadway rail grade separation projects (off-system)—funded with **\$250 million** in HB 500 (89R, 2025).
- Requires at least 10% of the project be funded with non-state dollars.
- Projects must increase public safety, enhance economic development, and reduce traffic.

SB 2366 - Senator Hughes/Representative Hefner

Relating to a grant program to fund short line railroad projects.

- Creates a TxDOT administered grant program for rural rail transportation district short line rail projects—the program was **not funded**.
- Requires at least 10% of the project be funded with non-state dollars.
- Projects must increase public safety, enhance economic development, and reduce traffic.

Legislative Highlights

HB 2898 - Representative Frank/Senator Hagenbuch

Relating to requirements for certain meteorological evaluation towers.

- Requires any entity erecting a meteorological evaluation tower to notify TxDOT at least 30 days before construction, using a TxDOT approved online form.
- Requires TxDOT to share the notice with certain military aviation training facilities and county judges.

Legislative Highlights – General Government

SB 14 - Senator King/Representative Capriglione

Relating to reforming the procedure by which state agencies adopt rules and impose regulatory requirements and the deference given to the interpretation of laws and rules by state agencies in certain judicial proceedings.

- Creates the Texas Regulatory Efficiency Office within the Office of the Governor to oversee state agency rulemaking.
- The office must work with state agencies to reduce administrative rules and regulatory requirements.

Legislative Highlights – Information Technology

HB 149 - Representative Capriglione/Senator Schwertner

Relating to regulation of the use of artificial intelligence systems in this state; providing civil penalties.

- Establishes the Texas Responsible Artificial Intelligence Governance Act for consumer protection and enforcement and the Artificial Intelligence Council to support innovation and oversee compliance.
- Aims to protect public safety, individual rights, and privacy while encouraging the safe advancement of intelligence technology in Texas.

HB 1500 - Representative K. Bell/Senator Parker

Relating to the continuation and functions of the Department of Information Resources, including the composition of the governing body of the department and in collaboration with the comptroller, the administration of state assistance opportunities.

- The *Department of Information Resources* Sunset Bill; creates a new, 11-member governing board.
- New requirements affecting information security procurement, security requirement, and training.
- Establishes advisory committees and a Statewide Information Security Advisory Committee.

Legislative Highlights – Information Technology

HB 2818 - Representative Capriglione/Senator Parker

Relating to the artificial intelligence division within the Department of Information Resources.

- Creates a new artificial intelligence division to assist state agencies in the implementation of generative artificial intelligence technology, modernizing legacy systems, and other related projects.
- Streamlines the use of information-sharing and personnel across state agencies.

HB 3512 - Representative Capriglione/Senator Blanco

Relating to artificial intelligence training programs for certain employees and officials of state agencies and local governments.

- Requires state agency employees to participate in artificial intelligence training.
- The Department of Information Resources must certify the training program.

Legislative Highlights – Information Technology

HB 5331 - Representative Jay Dean/Senator Phil King

Relating to the enforceability of certain state agency and local government contract language regarding required security incident notifications.

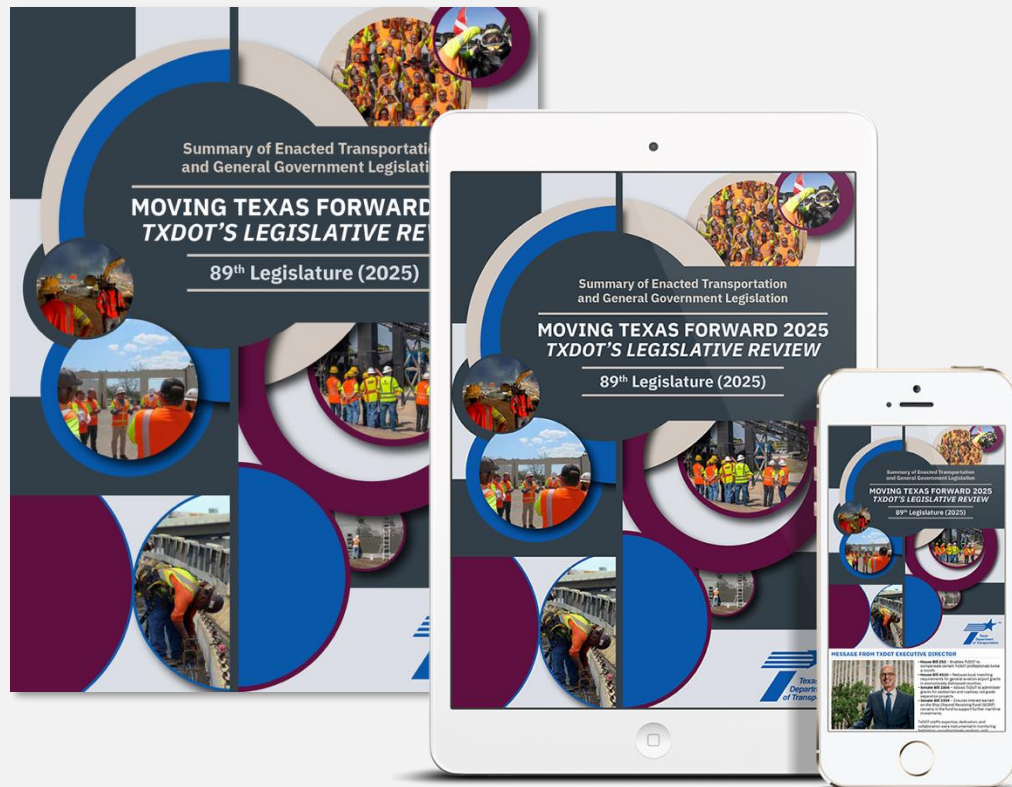
- Requires state entities and local governments to report cyber attacks to the Department of Information Resources within 48 hours of discovery.
- Makes cybersecurity insurance contracts and other contracts that prohibit or constrict compliance with certain security incident notification requirements voidable and unenforceable.

SB 1964 – Senator Parker/Representative Capriglione

Relating to the regulation and use of artificial intelligence systems and the management of data by governmental entities.

- State agencies must report inventory and identification of artificial intelligence systems and heightened scrutiny systems to the Department of Information Resources.
- Creates a Public Sector Artificial Intelligence Systems Advisory Board.

89th Regular Legislative Session (2025) TxDOT Overview



Moving Texas Forward *Summary of Enacted Transportation and General Government Legislation*



89th Special Sessions

- **FLOOD WARNING SYSTEMS:** Legislation to improve early warning systems and other preparedness infrastructure in flood-prone areas throughout Texas.
- **FLOOD EMERGENCY COMMUNICATIONS:** Legislation to strengthen emergency communications and other response infrastructure in flood-prone areas throughout Texas.
- **RELIEF FUNDING FOR HILL COUNTRY FLOODS:** Legislation to provide relief funding for response to and recovery from the storms which began in early July 2025, including local match funding for jurisdictions eligible for FEMA public assistance.
- **NATURAL DISASTER PREPARATION & RECOVERY:** Legislation to evaluate and streamline rules and regulations to speed preparedness for and recovery from natural disasters.
- **REDISTRICTING:** Legislation that provides a revised congressional redistricting plan in light of constitutional concerns raised by the U.S. Department of Justice.
- **TITLE THEFT & DEED FRAUD:** Legislation, similar to SB 648 from the 89th Legislature, Regular Session, that provides strengthened protections against title theft and deed fraud.
- **Other items not related to TxDOT.**

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