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TEXAS TRANSPORTATION COMMISSION

COMMISSIONERS



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Alvin New Commissioner



Robert C. Vaughn Commissioner



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Steven D. Alvis Commissioner

The Texas Department of Transportation is governed by the five-member Texas Transportation Commission and an executive director selected by the commission. Commission members serve overlapping six-year terms and are appointed by the governor with the advice and consent of the Texas Senate.

TEXAS DEPARTMENT OF TRANSPORTATION



Marc D. Williams, P.E. **Executive Director**



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MESSAGE FROM TXDOT EXECUTIVE DIRECTOR

We are pleased to provide you with the Texas Department of Transportation's (TxDOT) 2023 Legislative Summary – Delivering on our Transportation Future. This publication provides an overview of key bills passed during the 88th Regular Texas Legislative Session (2023) that impact the state transportation system, TxDOT's daily operations and staff, and the traveling public.

The Fiscal Years (FY) 2024-2025 biennial budget and the extensions of key highway and transportation funding sources, Proposition 1 (2014) and Proposition 7 (2015) mark major accomplishments of the 2023 legislative session and reflect a path towards progress for TxDOT and the state's transportation system users/traveling public. The state budget included an estimated \$37.86 billion in funding for the biennium to support TxDOT's operations—88 percent of which is dedicated to project development, delivery, and maintenance to maintain current momentum in statewide transportation improvements.

Of note, the Texas Legislature provided TxDOT approximately \$509 million for capital facilities, vehicles, and equipment and \$367 million for capital information technology and resources - all critical tools in carrying out TxDOT's day-to-day operations and supporting our mission of Connecting You With Texas. The FY 2024-2025 biennial budget also reflects a significant investment in our state's multimodal transportation and freight systems, increasing funding for rural and small urban transit, maritime ports, rail, and general aviation. The Legislature also approved an increase of 349 full-time equivalents (FTE) to TxDOT's overall FTE capacity, allowing TxDOT to place additional employees in critical project development and delivery and district operations positions.

Other highlights include legislation that promotes highway and work zone safety, ensures transportation funding parity, and streamlines project administration and delivery, by:

- Allowing TxDOT to implement variable speed limits to temporarily lower speed limits in response to conditions like adverse weather, congestion, work zones, and traffic incidents (HB 1885);
- Increasing penalties for repeat offenders who violate the "Move Over or Slow Down" law (HB 898)

- Imposing a fee on an electric vehicle due at the time of registration, generating approximately \$1 billion for the State Highway Fund over the next five years (SB 505); and
- Increasing TxDOT's Local Letting cap amount from \$300,000 to \$1 million to keep up with inflation and help ensure that these smaller highway projects are let and delivered expediently and under the control of the local TxDOT district (SB 1021).

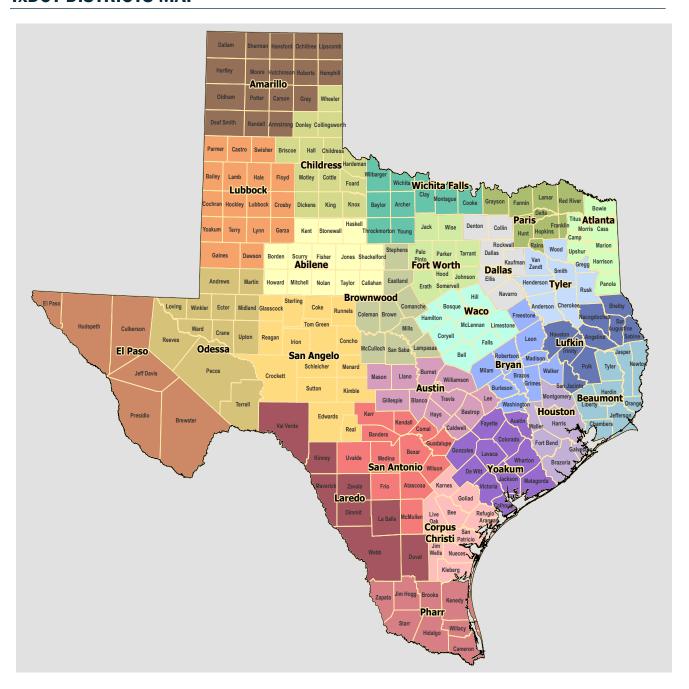
TxDOT staff demonstrated dedication and teamwork to effectively monitor, review, and provide information on legislation and other issues before and during the legislative session. The subject matter expertise, responsiveness, and generosity of TxDOT staff and leadership enabled TxDOT to respond promptly to and educate via formal testimony, meetings, and correspondence. I appreciate TxDOT staff's hard work to ensure that the Legislature and Office of the Governor received timely, accurate information on the potential impact of proposed legislation on TxDOT policy, operations, and personnel. Your work did not go unnoticed.

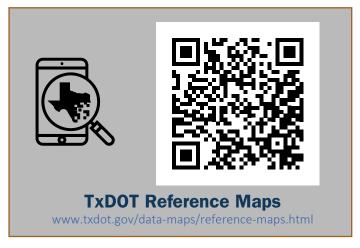
My sincere thanks to Governor Greg Abbott and his staff, the members of the Texas Legislature and their staff, the Texas Transportation Commission, transportation stakeholders, and the public for their work throughout the legislative session. This collaboration remains vital to TxDOT's ability to deliver mobility, enable economic opportunity, and enhance the quality of life through ever-improving transportation solutions for all Texans.

Finally, thank you for doing your part to make our transportation system safer by obeying all traffic laws and operating your vehicle safely and responsibly. I look forward to TxDOT's successful implementation and execution of legislation passed during the 88th Legislative Session. Please contact the State Legislative Affairs Section of TxDOT's Government Affairs Division for more information on the content of this publication or any other transportation issues.

Respectfully,

Marc D. Williams, P.E. Executive Director, TxDOT





VALUES, VISION, MISSION, & GOALS

Mission

Connecting you with Texas.

Vision

A forward thinking leader delivering mobility, enabling economic opportunity, and enhancing quality of life for all Texans.

Values

People

People are the Department's most important customer, asset, and resource. The well-being, safety, and quality of life for Texans and the traveling public are of the utmost concern to the Department. We focus on relationship building, customer service, and partnerships.

Accountability

We accept responsibility for our actions and promote open communication and transparency at all times.

Trust

We strive to earn and maintain confidence through reliable and ethical decision-making.

Honesty

We conduct ourselves with the highest degree of integrity, respect, and truthfulness.

Goals and Objectives

Deliver the Right Projects

Implement effective planning and forecasting processes that deliver the right projects on-time and on-budget.

- Use scenario-based forecasting, budgeting, and resource management practices to plan and program projects.
- Align plans and programs with strategic goals.
- Adhere to planned budgets and schedules.
- Provide post-delivery project and program analysis.

Focus on the Customer

People are at the center of everything we do.

- Be transparent, open, and forthright in agency communications.
- Strengthen our key partnerships and relationships with a customer service focus.
- Incorporate customer feedback and comments into agency practices, project development, and policies.
- Emphasize customer service in all TxDOT operations.

Foster Stewardship

Ensure efficient use of state resources.

- Use fiscal resources responsibly.
- · Protect our natural resources.
- Operate efficiently and manage risk.

Optimize System Performance

Develop and operate an integrated transportation system that provides reliable and accessible mobility, and enables economic growth.

- Mitigate congestion.
- Enhance connectivity and mobility.
- Improve the reliability of our transportation system.
- Facilitate the movement of freight and international trade.
- Foster economic competitiveness through infrastructure investments.

Preserve our Assets

Deliver preventive maintenance for TxDOT's system and capital assets to protect our investments.

- Maintain and preserve system infrastructure to achieve a state of good repair and avoid asset deterioration.
- Procure, secure, and maintain equipment, technology, and buildings to achieve a state of good repair and prolong life cycle and utilization.

Promote Safety

Champion a culture of safety.

- Reduce crashes and fatalities by continuously improving guidelines and innovations along with increased targeted awareness and education.
- · Reduce employee incidents.

Value our Employees

Respect and care for the well-being and development of our employees.

- Emphasize internal communications.
- Support and facilitate the development of a successful and skilled workforce through recruitment, training and mentoring programs, succession planning, trust, and empowerment.
- Encourage a healthy work environment through wellness programs and work-life balance.



PART I TRANSPORTATION LEGISLATION





HB 1

Author: Representative Greg Bonnen (R-Friendswood) Sponsor: Senator Joan Huffman (R-Houston)



General Appropriations Bill.

Summary

House Bill 1, the General Appropriations Act (GAA), provides the state budget for fiscal years (FY) 2024-2025. HB 1 appropriates \$321.34 billion from all state funding sources, a \$56.5 billion (21 percent) increase from the FY 2022-2023 General Appropriations Act.

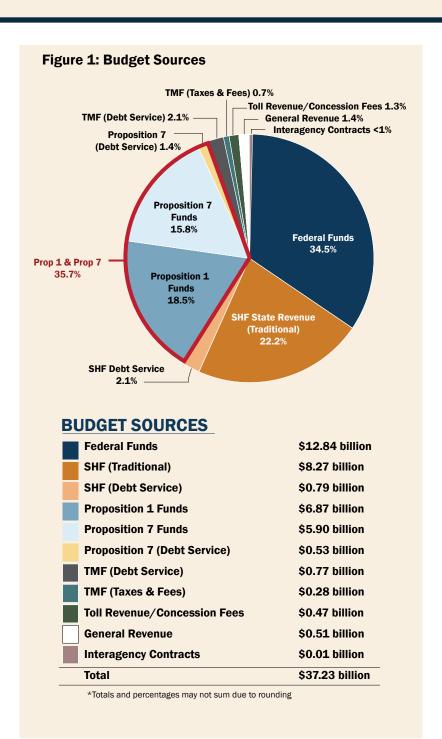
Impact on TxDOT

Direct appropriations for the Texas Department of Transportation's (TxDOT) FY 2024-2025 budget total \$37.23 billion (see breakout Figure 1: Budget Sources and Figure 2: Budget Uses). Additionally, HB 1 appropriates another \$88 million to TxDOT in Article IX, General Provisions. TxDOT's FY 2024-2025 total appropriations represent an approximately \$7 billion increase compared to the FY 2022-2023 biennium.

HB 1 appropriates more than \$32.74 billion, or 87.9 percent, of TxDOT's total budget to highway improvement project development and delivery as well as contracted and routine public roadway maintenance.

Summary of Key Funding Sources

Of TxDOT's \$37.23 billion biennial budget, HB 1 appropriates \$18.54 billion in FY 2024 and \$18.68 billion in FY 2025. The budget includes approximately \$12.84 billion in federal funds, accounting for 34.5 percent of TxDOT's budget estimate. State fees, taxes, and other revenues comprise the remaining funding.



Proposition 1

In the most recent Biennial Revenue Estimate (January 2023), the Texas Comptroller of Public Accounts (Comptroller) estimated Proposition 1 deposits will total \$3.32 billion in FY 2024 and \$3.55 billion in FY 2025.



https://www.txdot. gov/about/financialmanagement/fundingneeds-potential-sources/ proposition-1-funding.html

Proposition 7

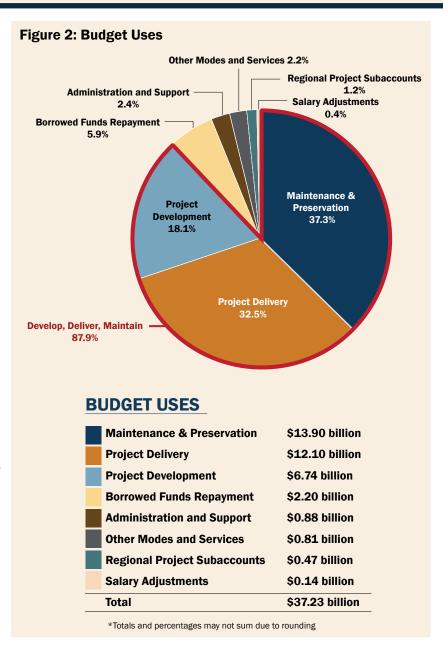
Based on the Comptroller's January 2023
Biennial Revenue Estimate, TxDOT anticipates receiving the full \$2.5 billion in state sales and use tax revenues in both FY 2024 and 2025 dedicated under the Texas Constitution contingent upon revenue collection levels.

TxDOT also expects to receive \$692.14 million and \$740.63 million in state motor vehicle sales and rental tax revenues in FY 2024 and 2025, respectively.

Of the more than \$6 billion in new Proposition 7 funds appropriated for the FY 2024-2025 biennium, HB 1 dedicates approximately \$529.92 million to pay debt service on Proposition 12 General Obligation Highway Improvement Bonds. TxDOT will distribute the remaining \$5.9 billion to the development, delivery, and maintenance of non-tolled public roadway projects.



https://www.txdot.gov/ about/financial-management/ funding-needs-potentialsources/proposition-7funding.html



Summary of Key Funding Uses

In each biennium, around 88 percent of TxDOT's budget is directed to the development, delivery, and maintenance of public roads. Figure 2 shows the distribution of the various funding sources across budget uses. TxDOT has leveraged reduced borrowing rates and federal incentives to deliver large-scale projects at a faster rate. TxDOT retains several obligation tools designed to pay back debt service. Goal F, Debt Service Payments, includes both state and federal funding, and TxDOT works diligently to create savings opportunities by periodically refinancing the agency's debt when interest rates are favorable. Regional Project Subaccounts

reflect projects with funding for local projects from past concession agreements and toll revenue. TxDOT retains limited authorized funding for transportation project services such as public transit, aviation, maritime, rail, and other projects. In contrast with previous General Appropriations Acts, HB 1 appropriates general revenue funding for multi-modal transportation projects including public transit, aviation, and maritime. HB 1 provides \$94 million in general revenue funding to provide additional support for grants to capital and maintenance projects for airports throughout the state, in addition to existing appropriations in TxDOT's bill pattern for aviation facilities projects. The budget also includes \$12 million in general revenue for TxDOT's Flight Services facility at the Austin-Bergstrom airport. Maritime grants and loans also received record general revenue funding of \$600 million this legislative session in HB 1 and SB 30. the supplemental budget. HB 1 also appropriates \$3.77 million in general revenue for public transit grant funding to adjust for 2020 U.S. Census outcomes and maintain per capita program funding at 2010 levels.

HB 1 appropriates to TxDOT and other state agencies a five percent salary increase to all employees in FY 2024 and an additional five percent salary increase in FY 2025. The five percent salary increase in FY 2024 was made effective July 1, 2023 (FY 2023) by the supplemental appropriations act (SB 30).

Full-Time Equivalents

HB 1 authorizes an additional 349 Full-Time Equivalents (FTE) to TxDOT's existing FTE limit (12,808) for the FY 2024-2025 biennium. TxDOT plans to use most new FTE authority to support TxDOT's 25 districts for planning, engineering, and project development, and delivery. The positions will address TxDOT's growing project development and delivery needs and increased public demand.

Rider Revisions

TxDOT requested and received several significant rider amendments, additions, and deletions in its bill pattern for the FY 2024-2025 biennium.

One of TxDOT's rider priorities included expanding transfer authority, which allows TxDOT to maximize funding across contracted engineering, right-of-way, and major highway-related budget strategies. The expanded budget transferability provides TxDOT's capacity to effectively manage project development and delivery and align funds in line with the yearly letting schedule. HB 1 updates Rider 3, Transfer Authority, to enable TxDOT to transfer among strategies (listed below), without prior Legislative Budget Board (LBB) approval, from 5 percent to 10 percent of the appropriation item from which the transfer is made for the fiscal year.

- A.1.2, Contracted Planning and Design;
- A.1.3, Right-of-Way Acquisition;
- A.1.4, Construction Contracts;
- · A.1.5, Maintenance Contracts; and
- A.1.8, Construction Grants and Services.

HB 1 amends Rider 11, District Discretionary Funds, to allocate funding from planned and existing highway projects in Goal A, Project Development and Delivery, to projects located within 60 miles of an international border crossing and recommended to the Texas Transportation Commission by the Border Trade Advisory Committee.

HB 1 also increases the interagency contract authority that allows TxDOT to pay for legal services with the Office of the Attorney General (OAG) to \$10 million each fiscal year. The amendment to TxDOT's Rider 33, Interagency Contract for Legal Services, enables the Office of the Attorney General to maintain enough attorneys for TxDOT to fulfill its legislative requirements and eminent domain proceedings.

New Unexpended Balance Authority

The legislature granted TxDOT's request to add its "Acquisition of Land and Other Real Property" strategy to Rider 40, Unexpended Balances Appropriation: Construction of Buildings and Facilities, Repair or Rehabilitation of Buildings and Facilities, and Acquisition of Land and Other Real Property. This will allow TxDOT to carry over any unexpended balances across the biennium.

Revised Reporting Requirements

HB 1 makes several amendments to TxDOT's existing reporting requirements including:

- A new reporting requirement to the Rider 14(g) subsection, Federal Funds Reporting Requirement, by adding a new Subdivision 14(g)(3), requires TxDOT to submit an annual report accounting for all federal funds received and used for transportation projects in the preceding year.
- A new subsection, Rider 14(I), Project Tracker, allows TxDOT to use the Project Tracker online tool to satisfy all qualifying reporting requirements in Rider 14.
- Rider 18, Additional Funds, allows for the automatic approval by the Office of the Governor of additional Proposition 1 and 7 deposits over appropriated amounts upon 30 business days of receiving the request to spend additional funds.

New Riders

HB 1 adds six new riders to fund specific projects and studies including:

 Rider 46, Appropriation for Ship Channel Improvement Revolving Loan Program, in FY 2024, provides \$400 million in general revenue to a general revenuededicated fund associated with the requirements of Section 56.003, Texas Transportation Code. The funds will create low-interest, flexible loans for federally authorized projects to widen and deepen existing ship channels. Rider 47, Southern Gateway Deck Park, requires TxDOT to provide \$10 million in federal funds available for the Southern Gateway Deck Park project in TxDOT's Dallas District if the project meets federal funding requirements. It should be noted that Article VI of the GAA also requires the Texas Parks and Wildlife under Rider 44, Grant for Southern Gateway Park, to make \$5 million in federal funds available to grant to Phase II of the Southern Gateway Park in Dallas.

HB 1 requires TxDOT to use existing funding to pay for a range of studies examining electric charging infrastructure, railroad projects, and hurricane corridor traffic including:

- Rider 48, Evaluation of Medium-Duty and Heavy-Duty Vehicle Charging Infrastructure and Capacity, requires TxDOT to oversee an interagency task force that studies deploying zero-emission medium-duty and heavy-duty vehicle charging infrastructure and submit a report on the results of the evaluation to the Legislature by October 1, 2024.
- Rider 49, Railroad Grade Separation Project Study, requires TxDOT to conduct a study to determine the feasibility, costs, and benefits of constructing railroad crossing grade separation projects at certain roadway intersections in Harris County and to submit a report on the results of the study to the Legislative Budget Board by December 31, 2024.
- Rider 50, U.S. 290 Traffic Study, requires TxDOT to conduct a study on strategies to reduce traffic on U.S. 290 hurricane evacuation routes including at-grade rail crossings.
- Rider 51, Port of Victoria Rail Expansion Study, requires TxDOT to conduct a study on a rail expansion project at the Port of Victoria and submit a report on the study results to the Legislative Budget Board by December 31, 2024.

Deleted Riders

The legislature granted TxDOT's request to eliminate Riders 45-50 from the FY 2024-2025 budget which were either out of date or already fully implemented:

- Rider 45. Human Trafficking Signage;
- Rider 46. Unexpended Balance Appropriation:
 Improvements to the McKinney National Airport;
- Rider 49. Ector County Airport Runway (SB 30 returns \$15 million to TxDOT Aviation Strategy); and
- Rider 50. Emergency and First Responder Airport Facilities.
- **Article IX Provisions**

Section 17.37, Appropriations for the Department of Transportation; Section 17.39, South Texas International Airport; and Section 17.40, Emergency and First Responder Airport Facilities, found in Article IX of the 2024-2025 GAA, provides general revenue for the following projects:

- \$20 million for funding improvements to the Pharr International Bridge in Hidalgo County;
- \$10 million for funding Texas State Railroad projects in Rusk, Texas;
- \$8 million for funding runway expansion projects at Wood County Airport Collins Field;
- \$5 million for funding a hangar facility at the McKinney National Airport for use by the Texas Department of Public Safety;
- \$20 million for funding improvements to the Abilene Regional Airport for a Statewide Fire Fighting Headquarters;
- \$10 million for funding airport runway improvement projects at the Sugar Land Regional Airport;

- \$10 million to upgrade existing infrastructure to extend the airport runway and make investments in certain electrical projects at the South Texas International Airport in Edinburg; and
- \$5 million for a hangar expansion project at the Mid-Valley Airport in Weslaco for use by the Texas Department of Public Safety and other law enforcement agencies for emergency and first responders.

HB 2230

Author: Representative Terry Canales (D-Edinburg) Sponsor: Senator Robert Nichols (R-Jacksonville)



Relating to the determination of the sufficient balance of the economic stabilization fund for the purpose of allocating general revenue to that fund and the state highway fund.

Summary

In November 2014, Texas voters approved the ballot measure known as Proposition 1 to authorize a constitutional amendment to increase transportation funding by dedicating a portion of existing oil and natural gas production taxes, also known as severance taxes. Under the constitutional amendment, a portion of state severance taxes are divided evenly between the Economic Stabilization Fund (ESF) and the State Highway Fund (SHF). Pursuant to Section 49-g(c), Article III, Texas Constitution, the funds may only be used for constructing, maintaining, and acquiring rights of way for public roadways other than toll roads.

Before severance tax revenue is deposited in the State Highway Fund, the Economic Stabilization Fund balance must be maintained at a certain level, referred to as the "sufficient balance." Section 316.092(a), Government Code, currently requires the Texas Comptroller of Public Accounts (Comptroller) to set the Economic Stabilization Fund's sufficient balance at seven percent of the certified amount of general revenue-related funds appropriated for the fiscal biennium. If the balance of the fund is less than the sufficient balance, the Comptroller shall reduce the allocation to the State Highway Fund and increase the allocation to the Economic Stabilization Fund, in an equal amount, until the sufficient balance adopted under Section 316.092, Government Code is achieved.

House Bill 2230 amends Section 316.092(b), Government Code, to extend the current sufficient balance expiration date by eight years – from December 31, 2034, to December 31, 2042. The provisions requiring transfers from the Economic Stabilization Fund to the State Highway Funds, assuming all conditions are satisfied, are now set to expire after the final transfer of Proposition 1 funds in fiscal year 2043.

Impact on TxDOT

At the time of this publication, the State Highway Fund has received a total of \$13.3 billion in Proposition 1 funding since the initial deposit in fiscal year 2015. TxDOT anticipates that by extending the Proposition 1 transfers for eight years through fiscal year 2043, HB 2230 will generate an additional \$16.9 billion from fiscal year 2036 through fiscal year 2043 based on historic cash forecast estimates. It should be noted that Proposition 1 deposits are susceptible to significant fluctuations from year to year based on state and nationwide shifts in annual oil and natural gas production and markets. In addition, the amount of Proposition 1 funding that can be deposited to the State Highway Fund depends heavily on the Economic Stabilization Fund's sufficient balance threshold. As is currently the case, a significant decrease in the Economic Stabilization Fund balance below the threshold could reduce or eliminate Proposition 1 transfers into the State Highway Fund.

By extending this funding stream's expiration dates, HB 2230 will enable TxDOT to maintain consistency and continue with existing fiscal and project planning and operations. TxDOT's Unified Transportation Program (UTP), which guides transportation planning over a tenyear horizon, is based on cash forecasting – accordingly, its scope and scale is largely influenced by key funding streams like Proposition 1 over the ten-year planning horizon. Therefore, the continuation of Proposition 1 funding beyond the original expiration date enables TxDOT to predict future revenues more accurately and subsequently allows consistent planning over the entirety of current and future Unified Transportation Programs' ten-year planning periods.

HB 4015

Author: Representative Ed Thompson (R-Pearland)
Sponsor: Senator Kelly Hancock (R-North Richland Hills)



Relating to the disposition of certain fees collected for the rail safety program.

Summary

Pursuant to Section 111.101, Transportation Code, the Texas Department of Transportation (TxDOT) collects rail safety fees at a rate approved by the Texas Transportation Commission to administer TxDOT's Rail Safety Inspection Program. The program administers safety inspections of railroad facilities and equipment and ensures statewide compliance with state and federally mandated safety regulations related to hazardous materials, operating practices, motive power, equipment, signal and train control, and track on railways. To administer the program, TxDOT collects the rail safety fees from railroads operating in the state and uses revenues to enforce federal and state railroad safety requirements. Section 111.101(c), Transportation Code, provides that the total amount of rail safety fees estimated to be collected may not exceed the costs of administering TxDOT's rail safety program.

Though TxDOT collects and uses the rail safety fees in full, they are deposited into the state's General Revenue (GR) Fund rather than the State Highway Fund. The deposit of rail safety fee revenue into the general revenue fund can pose budgetary challenges to the Rail Safety Inspection Program as the fund can be subject to government-wide budget cut mandates.

House Bill 4015 requires rail safety fee revenues to be deposited directly to the credit of the State Highway Fund rather than the General Revenue Fund, preventing these revenues from potential statewide budget cuts and other impacts.

Impact on TxDOT

While the changes made in HB 4015 are revenue neutral to the state, depositing the fees into the State Highway Fund instead of the statewide General Revenue Fund better positions TxDOT and the state to meet federal and state railroad safety requirements. Because the revenues would no longer be subject to certain general revenue limitations and budget cuts, which may result in decreases in rail safety fee appropriations, HB 4015 ensures TxDOT meets federal and state requirements on railroad safety oversight.

SB 30

Author: Senator Joan Huffman (R-Houston)
Sponsor: Representative Greg Bonnen (R-Friendswood)



Relating to supplemental appropriations and reductions in appropriations and giving direction and adjustment authority regarding appropriations.

Summary

Senate Bill 30 serves as the supplemental appropriations bill, which makes additional appropriations and reductions to supplement and adjust the funds appropriated during the previous legislative session (87th Regular Legislative Session, 2021) and special sessions of the 87th Legislature.

Items included in SB 30 of impact to the Texas Department of Transportation (TxDOT) range from administrative to project-specific and include:

- Additional funding for the Texas Employees Retirement System;
- A two-month early start to the two subsequent five percent salary increases for state employees incorporated in the Fiscal Years 2024-25, House Bill 1 (88th Texas Legislature, Regular Session, 2023);
- Unexpended balance authority for rail inspection station funding in Presidio at the Texas-Mexico border;
- Funding for maritime port capital improvement projects;
- Funding for agency transportation items (fleet purchases); and
- Adjustments in funding dedicated to specific aviation projects from the 87th Regular Legislative Session.

Impact on TxDOT

In early January 2023, Texas Comptroller of Public Accounts (Comptroller) Glenn Hegar released the Biennial Revenue Estimate (BRE), projecting the state's \$188.2 billion in revenue available for general-purpose spending in the 2024-2025 biennium, reflecting a \$32.7 billion statewide surplus. The increase came in direct contrast to the financial circumstances that faced the previous legislature as they entered the 87th Regular Legislative Session (2021), following the onset of the COVID-19 pandemic. The Comptroller's 2023 projections reflect significant economic gains over the past biennium given increases in the energy market, end of pandemic restrictions, and record inflation.

SB 30 adjusts appropriations made in the previous biennium to reflect these changes in economic conditions and spikes in statewide revenue. The following items impact TxDOT's operations or budget:

SB 30 provides \$1.07 billion to the Texas Employees Retirement System to amortize unfunded actuarial liabilities, reaffirming the state's commitment to its workers.

SB 30 repeals Section 17.43, Article IX, of the General Appropriations Act of 87th Regular Session (2021), resulting in the reappropriation of \$15 million from non-dedicated sources of the State Highway Fund originally allocated to the Ector County Airport runway extension to TxDOT's Aviation Division for aviation facilities projects.

SB 30 provides \$200 million in state General Revenue funding for maritime port capital improvement projects, appropriated to the Port Access Account Fund and subject to the statutory requirements provided in Chapter 55, Transportation Code.

SB 30 re-appropriates any unexpended and unobligated amounts of the \$15 million appropriated to fund a customs inspection station on the South Orient Rail Line in Presidio, Texas (SB 8, 87th Legislature, 3rd Called Session (2021). The unexpended balance authority begins immediately and continues for two years.

SB 30 provides a five-percent salary increase for state employees, effective July 1, 2023.

SB 30 also appropriates \$31,009,632 from the State Highway Fund to purchase motor vehicles for TxDOT fleet purposes. This appropriation satisfies TxDOT's capital budget request for transportation items in the Fiscal Year 2024-25 biennium.

SB 30 will adjust TxDOT's agency-wide and division budgets to accommodate for additions and reallocations in funding. The appropriations listed above became effective immediately upon the Governor's signature of SB 30 on June 9, 2023. Additional funds appropriated to multimodal programs and projects through SB 30 will enable TxDOT to expand operations and projects in those areas, requiring engagement and planning from appropriate TxDOT divisions.

Effective Date: June 9, 2023

SB 505

Author: Senator Robert Nichols (R-Jacksonville)
Sponsor: Representative Terry Canales (D-Edinburg)



Relating to imposing an additional fee for the registration of an electric vehicle.

Summary

The state and federal motor vehicle fuel taxes serve the state and nation as key funding sources for highway improvement projects and act as road consumption charges or road user fees for the development, delivery, and maintenance of the state and national highway systems. However, despite growing inflation and transportation needs state and nationwide, neither Congress nor the Texas Legislature have raised motor vehicle fuel tax rates since the 1990s, diminishing the purchasing power of these funding sources. Additionally, as electric-only powered vehicle registrations continue to rise, the state and nation's transportation funding gap continues to widen as these vehicles' users do not contribute to gasoline tax revenues. The number of registered electric vehicles in Texas is expected to increase over the coming decade.

Senate Bill 505 addresses current and anticipated transportation funding gaps by creating a state electric vehicle registration fee. SB 505 amends Subchapter G, Chapter 502, Transportation Code, to require an owner of an electric vehicle to pay an additional fee at the time of the initial two-year application for new electric vehicle registration levied at \$400 and \$200 for the ongoing yearly registration. Fees created under SB 505 apply to electric vehicles with a gross vehicle weight of 10,000 pounds or less. SB 505 designates the Texas Department of Motor Vehicles (TxDMV) to collect the electric vehicle registration and renewal fees, which must be deposited to the credit of the State Highway Fund (SHF). The law requires the Texas Department of Motor Vehicles to adopt rules to administer the imposition of the additional fee.

Impact on TxDOT

SB 505 will result in an increase in revenues deposited to the State Highway Fund, the primary source of funding for the state highway and transportation system. Based on Texas Department of Motor Vehicle registration data, approximately 105,800 currently registered vehicles will assume these charges beginning September 1, 2023. Based on the analysis provided by the office of the Texas Comptroller of Public Accounts (Comptroller), the implementation of the additional fees established by SB 505 will result in a revenue gain of \$79.5 million for the State Highway Fund in fiscal year (FY) 2024, with the number of applicable vehicles and associated revenue gains to the State Highway Fund growing each fiscal year based on forecasts used by the Comptroller.

Based on the Comptroller's estimates, the State Highway Fund is anticipated to increase by the following amounts with the new fee:

FY 2024	\$79,537,000
FY 2025	\$124,475,000
FY 2026	\$179,253,000
FY 2027	\$259,878,000
FY 2028	\$342,217,000

These revenues will work to offset funding gaps experienced by the state given reductions in motor vehicle gas tax buying power and the increase of electric vehicles statewide.

SB 1499

Author: Sentor Robert Nichols (R-Jacksonville)
Sponsor: Representative Terry Canales (D-Edinburg)



Relating to the funding of certain port projects.

Summary

Texas is home to 20 independently operating seaports responsible for the transport of significant domestic and international freight trade. To ensure efficient operations and facilitation of the state and nation's goods, these ports oversee and fund facility improvements and ship channel projects through partnerships with local, state, and federal entities. The needs of the ports are covered under various programs with unique objectives and funding for port access, connectivity, and infrastructure. Among these, the state's Port Access Account Fund (fund), managed and allocated by the Texas Department of Transportation (TxDOT), may provide grant funding for statewide port facility and infrastructure improvement and construction, dredging, channel deepening, and other "inside the gate" projects as well as maritime port studies. While the fund was created in 2001, until the 88th Regular Legislative Session, the Texas Legislature has not appropriated money to the funds. The 88th Legislature's Supplemental Appropriations Act (Senate Bill 30) appropriates \$200 million in general revenue to this fund for authorized port projects, as advised by the Port Authority Advisory Committee (PAAC).

Senate Bill 1499 reauthorizes the fund and provides other clarifications about the funds' use and sources by amending various portions of Chapter 55, Transportation Code. SB 1499 reestablishes the Port Access Account Fund and adds that money appropriated from the legislature and the federal government may be credited to the account, in addition to money from gifts, grants, and donations as well as interest on deposits and investments to the fund. SB 1499 revises two defined terms - "port access improvement project" is changed to "port connectivity project" and "port security, transportation, or facility project" is changed to "port development and infrastructure project."

SB 1499 further clarifies that money appropriated to the fund by the Texas Legislature may only be used to fund eligible port development and infrastructure projects, as defined in Section 55.002, Transportation Code.

Additionally, SB 1499 requires that an eligible applicant may receive at most 20 percent of the total funding appropriated to TxDOT for qualifying projects within a biennium. SB 1499 also clarifies that the Port Authority Advisory Committee determines qualifying facilities that may receive project funding as a port development and infrastructure project.

Impact on TxDOT

By reauthorizing and funding the Port Access Account Fund, the 88th Legislature creates a mechanism by which TxDOT may support the development of port improvement projects across the state. SB 1499 provides clarifying guidance and criteria for TxDOT alongside the Port Authority Advisory Committee in its allocation of appropriations made to the Port Access Account Fund under SB 30. TxDOT will ensure projects meet eligibility criteria, as clarified in SB 1499, and that no applicant receives more than 20 percent of funds appropriated to the account in each biennium. TxDOT will adopt new and update existing policies and procedures to administer the funds in alignment with SB 1499.

TxDOT anticipates provisions of SB 1499 to be implemented with minimal impact as TxDOT, with guidance from the Port Authority Advisory Committee, may administer the funds with current resources.

SCR 2

Author: Senator Robert Nichols (R-Jacksonville)
Sponsor: Representative Terry Canales (D-Edinburg)



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.

Summary

In November 2015, Texas voters approved the ballot measure, known as Proposition 7, to authorize a constitutional amendment to increase transportation funding by dedicating portions of state sales and use tax and motor sales and rental tax revenues to highway improvements. Proposition 7 requires the Texas Comptroller of Public Accounts (Comptroller) to deposit in the State Highway Fund (SHF) \$2.5 billion of the net revenue from the state sales and use tax that exceeds the first \$28 billion of that revenue received by the state treasury each state fiscal year. This provision was originally set to expire August 31, 2032.

Additionally, under the constitutional amendment, when state motor vehicle sales and rental tax revenue exceeds \$5 billion in a fiscal year, 35 percent of the amount above \$5 billion is deposited to the State Highway Fund. This provision was originally set to expire August 31, 2029.

The Texas Constitution allows the Texas Legislature to extend the deposits in ten-year increments by adopting a resolution by a majority vote of the Texas Senate and House of Representatives.

Senate Concurrent Resolution 2 extends both funding components of Proposition 7 – sales and use tax and motor vehicle sales and rental tax revenues – for ten years beyond their original expiration dates. Accordingly, the state's sales and use tax transfers into the State Highway Fund will be extended through August 31, 2042, while the motor vehicle sales and rental tax portion will be extended through August 31, 2039.

Impact on TxDOT

At the time of this publication, Texas' State Highway Fund has received a total of \$15.7 billion in Proposition 7 funding since the initial deposit in fiscal year 2018. TxDOT anticipates that by extending Proposition 7 transfers for ten years, SCR 2 will result in an estimated fiscal impact totaling \$43.9 billion, based on historic cash forecast estimates (sales and use tax deposits \$25 billion; state motor vehicle sales and rental tax \$18.9 billion).

By extending this funding stream's expiration dates, SCR 2 will enable TxDOT to maintain consistency and continue with existing fiscal and project planning and operations. TxDOT's Unified Transportation Program (UTP), which guides transportation planning over a tenyear horizon, is based on cash forecasting – accordingly, its scope and scale is largely influenced by key funding streams like Proposition 7 over the ten-year planning horizon. Therefore, the continuation of Proposition 7 funding enables TxDOT to predict future revenues more accurately and subsequently allows consistent planning over the entirety of current and future Unified Transportation Programs' ten-year planning periods.

Effective Date: June 9, 2023



HIGHWAY PROJECT CONSTRUCTION, CONTRACTING, & DELIVERY



HIGHWAY PROJECT CONSTRUCTION, CONTRACTING, & DELIVERY

HB 3156

Author: Representative Jeff Leach (R-Plano)
Sponsor: Senator Morgan LaMantia (D-South Padre Island)



Relating to liability of engineers and certain business entities performing construction monitoring and inspection services for the Texas Department of Transportation.

Summary

To complete its highway and transportation improvement projects statewide, the Texas Department of Transportation (TxDOT) often contracts with professional firms to oversee construction and maintenance, a service referred to as construction engineering and inspection services (CEI). These firms provide observation and reporting services on behalf of TxDOT but do not serve as the project designer, nor do they dictate a contractor's methods of construction or maintenance. These firms are subject to standards and procedures set by TxDOT.

House Bill 3156 extends legal protection to construction engineering and inspection service firms by adding Section 97.003, Civil Practice and Remedies Code, to exempt TxDOT consultants that provide monitoring and inspection services on transportation construction or maintenance projects and report to TxDOT regarding the contractor's compliance with TxDOT's requirements from liability to a claimant for personal injury, property damage, or death arising from an act or omission performed in the course and scope of their duties. This exemption applies so long as the firm:

- Does not have authority to direct the operations of the contractor or subcontractor that they are contracted to monitor or inspect and otherwise does not control the contractor's or subcontractor' construction, means, methods, techniques, sequences, or procedures; safety precautions or programs; or any other person performing the work being monitored or inspected; and
- 2. Substantially complied with obligations specified under the contract.

HB 3156 provides that the provisions of the bill do not apply to a cause of action for gross negligence or willful or wanton conduct.

Impact on TxDOT

HB 3156 extends some of the legal protections that would otherwise be provided to TxDOT as a governmental body responsible for the oversight of construction engineering and inspection. TxDOT does not anticipate HB 3156 to take any formal operational or administrative action, nor will it affect TxDOT's professional relationship and dealings with construction engineering and inspection contractors. In some situations, firms protected under the new law may ask TxDOT to provide documentation confirming the consultant's substantial compliance with duties under its contract with TxDOT. Doing so could be done with existing resources and staffing.

HIGHWAY PROJECT CONSTRUCTION, CONTRACTING, & DELIVERY

HB 3989

Author: Representative John Raney (R-Bryan) Sponsor: Senator Carol Alvarado (D-Houston)



Relating to the adoption of a policy on the preclusion of private design professionals from contracting with the Texas Department of Transportation.

Summary

Currently, the Texas Department of Transportation (TxDOT) evaluates whether certain individuals or firms that serve as prime contractors and subcontractors are to be precluded - that is, excluded or prohibited from participating in a contract or work authorization – on one or more TxDOT highway improvement contracts based on six categories of criteria. TxDOT's preclusion decisions are generally based on identified situations in which the preclusion of one or more firms from a particular procurement would mitigate a conflict of interest or potential conflict of interest related, as defined in Section 10.6, Title 43, Texas Administrative Code, to the project. If TxDOT determines preclusion is necessary, TxDOT provides associated documentation as an attachment to the contract's solicitation listing the contract numbers, work authorization numbers, prime providers, and subcontractors identified as precluded from competing for the particular solicitation.

House Bill 3989 adds to existing preclusion policies by amending Section 2261.260, Government Code, which states that TxDOT must adopt a written preclusion policy before TxDOT may determine that a private design professional may be precluded from performing a contract for architectural or engineering services or otherwise participating in a procurement. HB 3989 requires TxDOT to distribute and publicize the preclusion policy statewide to all TxDOT districts as well as notify private design professionals in writing when a potential basis for the preclusion policy exists. HB 3989 also requires TxDOT to develop a process in which design professionals may appeal TxDOT decisions on preclusion, providing a reasonable amount of time for private firms and individuals to do so.

Impact on TxDOT

Currently, TxDOT maintains policies and procedures that govern the procurements of professional services and preclusion policies. HB 3989 requires that TxDOT review and align existing policies with the new Section 2261.260, Government Code. To comply with the requirements of HB 3989, TxDOT will evaluate existing procurement policies and adopt and apply a formal written preclusion policy for private design professionals that is published statewide, provides for timely notification of professionals, and establishes a formal appeals process. TxDOT will align any relevant procurement documentation and training with these changes and additions. All changes can be made using existing TxDOT resources and staffing.

HIGHWAY PROJECT CONSTRUCTION, CONTRACTING, & DELIVERY

SB 1021

Author: Senator Robert Nichols (R-Jacksonville)
Sponsor: Representative Terry Canales (D-Edinburg)



Relating to the handling of bids on certain contracts for highway projects.

Summary

State statute allows the Texas Department of Transportation (TxDOT) to delegate to its 25 regional district engineers the ability to award locally let highway improvement projects. Current statute allows these locally let projects so long as an engineer's estimate equals less than \$300,000 – an amount that has not been adjusted since 1997 despite rising inflation and construction costs. This limits TxDOT district engineers' ability to use the local letting process for highway improvement projects as originally intended to speed and streamline project letting for smaller projects.

Senate Bill 1021 amends Section 223.005,
Transportation Code, to increase the value of contracts for highway improvement projects that a TxDOT district engineer may award locally from an estimated amount of less than \$300,000 to less than \$1 million. SB 1021 also increases the value of contracts for a building construction contracts that TxDOT may award from an estimated amount of less than \$300,000 to less than \$1 million. SB 1021 allows the Texas Transportation Commission (Commission) to permit for highway and building construction contracts under \$1 million to be locally let by a district engineer or division director, respectively, responsible for overseeing the project.

Impact on TxDOT

Changes made in SB 1021 update and increase the maximum project value from \$300,000 to \$1 million under which the local letting process is allowed to catch up with rising costs of highway and building improvement projects. Local letting serves as an important tool for TxDOT to provide flexible project delivery on smaller-scale highway improvement projects. Local letting also allows TxDOT to develop plans and execute contracts based on district needs and time constraints, allowing project delivery flexibility and timeliness. Increasing the allowable local let amount will also allow locally let contracts to cover a larger geographical area rather than break into smaller contracts. Larger contract scopes allow for fewer overall contracts, decreasing letting and contract management workload.

TxDOT anticipates SB 1021 will result in a positive overall fiscal impact by reducing contract costs and providing added flexibility in project delivery. All costs associated with administrative changes, including rule changes, required under SB 1021 to set new local letting limits can be absorbed with existing resources and staffing.

Effective Date: May 24, 2023





HB 3444

Author: Representative Terry Canales (D-Edinburg)
Sponsor: Senator Juan "Chuy" Hinojosa (D-McAllen)



Relating to the classification of transportation districts by the Texas Transportation Commission.

Summary

Section 201.105, Texas Transportation Code requires the Texas Transportation Commission (Commission) to distinguish 25 districts across the state to provide regional delineation in the performance of the Department of Transportation's (TxDOT) duties. The section outlines the Commission's duties in determining these districts including setting district boundaries, considering costs and benefits to the state and TxDOT, reviewing and assessing district operational and budgetary needs, and establishing district offices, among others.

House Bill 3444 amends this section of the Texas Transportation Code to require the Commission to prescribe by rule the criteria used to classify each district within one of three categories: metropolitan, urban, or rural. The bill requires that the rules classify a district with a population of more than one million as metropolitan.

Impact on TxDOT

HB 3444 requires the Commission to adopt rules to determine the criteria used to determine a TxDOT district classification and to define a metropolitan TxDOT district with a population of more than one million. Based on these rules, TxDOT would make necessary adjustments to internal procedures and policies related to district classifications. TxDOT district classifications - currently administratively determined as one of the three categories codified into statute - do not govern district operations or funding. Rather, a subset of internal TxDOT positions is administratively designated only for those districts classified as metropolitan to accommodate these districts' size and needs. To ensure alignment with new rules, TxDOT will update job families restricted to metropolitan districts, modify certain urban districts to reflect the change, and adjust any reports, dashboards, and other systems based on district size and classification.

HB 4422

Author: Representative Terry Canales (D-Edinburg)
Sponsor: Senator Juan "Chuy" Hinojosa (D-McAllen)



Relating to a study on enhancing border security outcomes through public safety, technological, and transportation infrastructure improvements near Texas-Mexico border crossings.

Summary

House Bill 4422 authorizes a study, led by the Texas Department of Transportation (TxDOT) alongside partner agencies, on public safety, border security, and transportation infrastructure from Texas-Mexico border crossings onto the state highway system to ensure safe, efficient, and streamlined motor vehicle connectivity that amplify Operation Lone Star efforts. HB 4422 requires TxDOT to conduct the study in consultation with the Texas Department of Public Safety (TxDPS); the Texas Military Department, the Texas A&M Transportation Institute (TTI); local law enforcement agencies near the Texas-Mexico border; representatives of at least three noncontiguous counties adjacent to the Texas-Mexico border or adjacent to a bordering county; relevant transportation industry representatives; and an independent nonprofit applied research and development organization selected by TxDOT. A final report outlining the study's findings and associated recommendations must be submitted to the governor, lieutenant governor, and legislature by December 1, 2024.

HB 4422 requires that TxDOT select multiple Texas-Mexico international border crossings that serve commercial vehicles and analyze current transportation routes for commercial vehicles from these border crossings onto the state highway system. TxDOT and study partners must use this information to identify ways to strengthen border security initiatives that support Operation Lone Star or similar state border security efforts and support law enforcement response efforts near border crossings to maximize oversight of border crossings, inspection of vehicles using crossings, and use of public safety resources. Findings must also be used to determine strategies to enhance transportation and highway infrastructure and

technology near border crossings to maximize the safety of communities and the traveling public near the border; improve transportation efficiency and commercial motor vehicle connectivity; and reduce traffic congestion along transportation routes while mitigating safety concerns.

TxDOT and study partners must also consider possible future transportation routes to bolster the efficient movement of commercial vehicles from border crossings onto the state highway system, enhance public safety, mitigate traffic congestion, and streamline commercial motor vehicle connectivity. The study must assess current technologies utilized used to promote border security efforts at commercial inspection facilities at or near border crossings and identify upgrades to or alternative technologies that may improve border security efforts. Finally, the study must identify funding strategies and amounts needed to improve the processing and flow of commercial motor vehicles at border crossings and improve transportation efficiency and commercial motor vehicle connectivity.

All these study elements must be incorporated into the final report as well as a review of the anticipated effects of the security and public safety improvements on international trade efforts with Mexico, as recommended in the study.



Impact on TxDOT

As the lead agency on the border security and highway technology study, TxDOT will be responsible for the administrative responsibilities and functions of the study group, including facilitating meetings amongst entities specified in HB 4422, overseeing stakeholder and public meetings, gathering the necessary information, and conducting required research, managing the development of the study, and overseeing the final report's development.

Due to the study's focus on the unique and emerging subject matter as well as the broad coordination required by HB 4422, TxDOT will work alongside the Texas A&M Transportation Institute (TTI) and a selected specialized third-party nonprofit research entity to assist with conducting the study.

Effective Date: May 27, 2023

SB 1001

Author: Senator Charles Schwertner (R-Georgetown) Sponsor: Representative Ken King (R-Canadian)



Relating to the regulation of electric vehicle supply equipment; requiring an occupational registration; authorizing fees; authorizing an administrative penalty.

Summary

As of May 2023, total electric vehicle registration in Texas totaled more than 196,000, based on data from the Texas Department of Motor Vehicles (TxDMV). This figure has nearly tripled since 2020, and electric vehicles are registered in over 90 percent of the state's 254 counties, and most major automotive manufacturers have established targets to produce electric vehicles (EVs) and plans to convert to EV production for all vehicles.

The federal National Electric Vehicle Infrastructure (NEVI) Formula Program, created under the 2021 Infrastructure Investment and Jobs Act, provides formula and discretionary grant funding to states to deploy public electric vehicle charging infrastructure along public roads to establish an interconnected network across the state and nation. Pursuant to NEVI program requirements, the Texas Department of Transportation (TxDOT) developed and submitted the state's Texas Electric Vehicle (EV) Charging Plan, approved by the Federal Highway Administration in 2022. The Texas EV Charging Plan provides a comprehensive framework to enable passenger EV travel across the state regardless of distance traveled or weather conditions. In accordance with federal guidance, the plan focuses on interstate routes and then transitions to off-interstate routes and urban areas and will be subsequently updated annually for the life of the NEVI program.

Further, the National Institute of Standards and Technology (NIST) and the National Conference on Weights and Measures provide the federal regulatory framework for electric vehicle charging stations and have developed standards for measuring devices (including those used in sub-metering electricity at residential and business locations and those used to measure and sell electricity dispensed as vehicle fuel).

Senate Bill 1001 requires the Texas Department of Licensing and Regulation (TDLR) to develop the state's regulatory framework and authorizes the agency to regulate electric vehicle supply equipment, require an occupational registration for EV charging manufacturers, and authorizes fees and administrative penalties. SB 1001 authorizes the Texas Department of Licensing and Regulation to periodically, or in response to a complaint, inspect electric vehicle supply equipment to verify compliance with registration requirements and standards and adopted rules unless the equipment is exempt by the Texas Department of Licensing and Regulation's rule. SB 1001 establishes how complaints can be filed by consumers, sets forth the duties of electric vehicle supply providers, exempts certain EV supply equipment from requirements, sets forth the regulation of certain legacy chargers, and sets forth the operations of EV supply equipment. SB 1001 requires registration of EV chargers unless exempt by the Texas Commission of Licensing and Regulation rule. SB 1001 requires that specifications and tolerances for EV supply equipment be the same as those recommended by the National Institute of Standards and Technology.

Further, SB 1001 requires the Texas Commission of Licensing and Regulation, in consultation with TxDOT, to adopt standards that require certain EV supply equipment to be equipped with a standard EV charging connector or plug type widely compatible with as many types of electric vehicles as possible. This requirement applies only to equipment that is installed after December 1, 2024, made available to the public, not intended primarily for private use, and funded by a public grant or rebate.

SB 1001 sets forth that an EV supply provider is required to disclose fees on EV equipment or the EV supply provider's digital network, requires an EV supply provider to transmit a receipt with specific information regarding the transaction and requires an EV supply provider to take specific steps to repair damaged EV supply equipment. SB 1001 also sets forth enforcement actions if a person engages in a commercial transaction in violation of the statute or the rules adopted by the Texas Commission of Licensing and Regulation.

Finally, SB 1001 authorizes the Texas Department of Licensing and Regulation to establish and lead a stakeholder work group to provide input, advice, and recommendations on EV charging supply equipment activities.



Impact on TxDOT

Based on previous work with the Texas Department of Licensing and Regulation during the development of the Texas EV Charging Plan, TxDOT anticipates that the Texas Department of Licensing and Regulation will request information on standards for EV supply equipment from the agency. SB 1001 authorizes the Texas Department of Licensing and Regulation to establish a stakeholder work group for input, advice, and recommendations on EV charging supply equipment activities. As part of its broader coordination effort with the Texas Department of Licensing and Regulation, TxDOT will provide federal requirements for electric vehicle charging stations it uses and provide any additional support in determining such standards. TxDOT anticipates this effort to require minimal resources.

Further, the Texas Department of Licensing and Regulation may ask TxDOT to participate in this workgroup to provide expertise in regulating operating standards for electric vehicle charging equipment. If so, TxDOT staff with expertise in EV charging infrastructure will participate and provide information, resources, and input as appropriate.

Effective Date: June 18, 2023

SB 1002

Author: Senator Charles Schwertner (R-Georgetown)
Sponsor: Representative Ana Hernandez (D-Houston)



Relating to the operation of public electric vehicle charging stations.

Summary

In 2023, Texas Department of Motor Vehicle (TxDMV) registration data shows that over 196,000 electric vehicles on Texas roads, and it is projected by the Electric Reliability Council of Texas (ERCOT) that at least one million electric vehicles will be on Texas roads by 2028. In 2021, under the federal Infrastructure Investment and Jobs Act (IIJA), the National Electric Vehicle Infrastructure (NEVI) Program allocated \$5 billion to establish a nationwide network of 500,000 electric vehicle chargers by 2030, of which \$407.8 million will be allocated to Texas in Fiscal Years 2022-2026.

As a requirement of the National Electric Vehicle Infrastructure Program, the Texas Department of Transportation developed and adopted a statewide Texas Electric Vehicle (EV) Charging plan (EV Plan) to deploy electric vehicle charging stations along critical highway corridors and support a statewide and interstate network of charging stations, allowing long-distance travel across the state. The EV Plan – developed in coordination with state, local, and private entities – is a comprehensive framework focused on electric vehicle charging infrastructure along interstate routes, as well as off-interstate routes and urban areas in later phases, in accordance with federal guidance, to enable passenger EV travel across the state.

Further, as the prevalence of electric vehicle adoption continued to increase in Texas, the 87th Texas Legislature commissioned an interim charge evaluating the consequences of increased electric vehicle usage and charging on electric generation, transmission, distribution, and retail and evaluate their potential impact on increased electric demand and reliability of the grid.

As a result of all this work, Senate Bill 1002 creates a statewide framework that encourages private electric vehicle charging infrastructure investments and establishes the Electric Reliability Council of Texas and the Public Utility Commission's (PUC) responsibilities in deploying public electric vehicle charging infrastructure. Among provisions outlining a robust investment and regulatory framework, SB 1002 requires the Public Utilities Commission to consider the Texas Department of Transportation's (TxDOT) designation by category of nearby roads other than interstate highways when establishing the reasonable proximity between two locations at which electric vehicle charging service will be provided on roads other than interstate highways, as outlined in the state's EV Plan.

Impact on TxDOT

While SB 1002 will not result in a direct operational impact, TxDOT will coordinate with the Electric Reliability Council of Texas and Public Utilities Commission to the extent needed as they consider roadway designations and reasonable proximity of charging stations between locations on interstate highways. Federal National Electric Vehicle Infrastructure Program rules do not allow public entities to compete for grants, therefore, TxDOT's administration of the program will not be impacted.

SB 1732

Author: Senator Kelly Hancock (R-North Richland Hills)
Sponsor: Representative Jared Patterson (R-Frisco)



Relating to standards for certain electric vehicle charging stations.

Summary

As of May 2023, total electric vehicle registration in Texas totaled more than 196,000, based on data from the Texas Department of Motor Vehicles (TxDMV). This figure has nearly tripled since 2020, and electric vehicles are registered in over 90 percent of the state's 254 counties.

The federal National Electric Vehicle Infrastructure (NEVI) Formula Program, created under the 2021 Infrastructure Investment and Jobs Act, provides formula and discretionary grant funding to states to deploy public electric vehicle charging infrastructure along public roads to establish an interconnected network across the state and nation. Pursuant to NEVI program requirements, the Texas Department of Transportation (TxDOT) developed and submitted the state's Texas Electric Vehicle (EV) Charging plan. approved by the Federal Highway Administration in 2022. The Texas EV Charging plan provides a comprehensive framework to enable passenger EV travel across the state regardless of distance traveled or weather conditions. In accordance with federal guidance, the plan focuses on interstate routes and then transitions to off-interstate routes and urban areas and will be subsequently updated annually for the life of the NEVI program.

Senate Bill 1732 requires the Texas Department of Licensing and Regulation (TDLR) to adopt standards for electric vehicle charging stations made available to the public, including those developed and funded under the NEVI program, that require those stations to be equipped with a widely compatible charging connector or plug. The provisions of the bill apply to charging stations: (1) installed after December 1, 2024; (2) made available to the public; (3) not intended primarily

for private use; and (4) funded through public grants or state rebate programs. SB 1732 requires the Texas Department of Licensing and Regulation to consult with TxDOT in adopting standards for charging stations with the compatible charge connector or plug type to accommodate as many electric vehicles as possible.

Texas Department of Licensing and Regulation must adopt these standards by December 1, 2024, and electric vehicle charging stations subject to requirements in this bill must comply by January 1, 2030.

Impact on TxDOT

SB 1732 requires TxDOT to work in consultation with the Texas Department of Licensing and Regulation to adopt standards for widely compatible electric vehicle charging equipment at public-funded or assisted locations. As part of its broader coordination effort with the Texas Department of Licensing and Regulation, TxDOT will provide federal requirements for electric vehicle charging stations it uses and provide any additional support in determining such standards. TxDOT anticipates this effort to require minimal resources. Recipients of federal grant funding under the NEVI program administered by TxDOT would be responsible for ensuring compliance with state standards, including charging compatibility standards established by the Texas Department of Licensing and Regulation pursuant to SB 1732.

Effective Date: May 24, 2023





HB 898

Author: Representative Lynn Stucky (R-Denton) Sponsor: Senator Tan Parker (R-Flower Mound)



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

Summary

Initially passed by the Texas Legislature in 2003, the "Move Over, Slow Down" law requires drivers to move over a lane or slow to 20 mph below the posted speed limit when approaching police, fire, and emergency vehicles using visual signals or flashing lights activated on the roadside. In 2013, the legislature added that drivers must move over or slow down when approaching Texas Department of Transportation (TxDOT) workers and vehicles that are stopped with overhead flashing blue or amber lights, and, in 2019, again added service utility vehicles, including TxDOT vehicles, tow trucks, power utility vehicles, garbage and recycling vehicles, and others as vehicles for which drivers must yield to. Under the law as originally passed, a driver who fails to move over and slow down for a vehicle included in the statutory list is subject to a fine of up to \$200, a fine of up to \$500 if the violation results in property damage, and \$2,000 (and a Class B misdemeanor) if the violation resulted in bodily injury.

House Bill 898 amends Section 545.157, Transportation Code, to increase the penalties for drivers who violate the "Move Over, Slow Down" law. Under HB 898, the first violation may result in a fine between \$500 and \$1,250. A second offense within five years is punishable by a fine between \$1,000 and \$2,000. If the violation results in bodily injury, the offense is a Class A misdemeanor. A second offense that causes bodily injury is a state jail felony. HB 898 also adds the option of: (1) license suspension for multiple convictions; and (2) discharging fines through community service. The bill significantly raises penalties for failing to move over and slow down and removes any enhanced punishment for property damage alone, without injury.

Impact on TxDOT

The "Move Over, Slow Down" law has significantly contributed towards TxDOT and statewide efforts to improve roadway safety, reduce and end roadway fatalities, and promote work zone safety awareness. TxDOT's highway safety campaign efforts, including public service announcements, digital ads, and outreach efforts, work to raise awareness of the law, in addition to other statewide highway safety efforts. TxDOT anticipates that HB 898 can result in a significant and positive safety impact for TxDOT's staff and contractors, as well as crews and workers statewide. While TxDOT does not directly enforce highway safety laws including "Move Over, Slow Down," TxDOT will continue to feature the law in its highway safety campaign, update materials, and communicate changes to the law to the traveling public as necessary.

HB 1198

Author: Representative Jay Dean (R-Longview)
Sponsor: Senator Bryan Hughes (R-Mineola)



Relating to a public awareness campaign to promote the proper attachment of trailers to certain motor vehicles.

Summary

In its statewide efforts to promote roadway safety and reduce the number of fatalities, the Texas Department of Transportation (TxDOT), in partnership with public and private entities, manages numerous public safety campaigns that bring awareness to different elements of highways safety, from the risks of driving while intoxicated to work zone and bicycle safety to wearing a seatbelt. However, neither TxDOT nor other state agencies are required by statute to educate motorists on the proper techniques and safety reminders when using trailer attachments on passenger cars to prevent crashes and injuries caused by a trailer hitch failing on a vehicle or trailer being towed, and TxDOT does not manage a campaign specifically on this safety issue.

House Bill 1198 requires TxDOT to create and implement a public awareness campaign to promote the proper attachment of a trailer to a passenger car and raise awareness of the potential consequences of improper trailer attachment. HB 1198 authorizes TxDOT to implement the campaign, engage in online advocacy, issue public service announcements, and distribute materials relating to the safety campaign. HB 1198 also authorizes TxDOT to pay for the campaign and its administration through gifts, grants, donations, matching funds, and other funds made available for that purpose.

Impact on TxDOT

To implement HB 1198, TxDOT plans to incorporate proper trailer attachment and related safety messages into its existing public safety campaign efforts. TxDOT anticipates this can be accomplished using National Highway Traffic Safety Administration (NHTSA) funds, which TxDOT currently uses for other highway safety campaigns, to create and disseminate the materials specified in HB 1198. TxDOT anticipates that implementing the public awareness campaign required by this bill can be accomplished using minimal resources.

HB 1199

Author: Representative Jay Dean (R-Longview) Sponsor: Senator Bryan Hughes (R-Mineola)



Relating to the inclusion of certain information regarding trailers in vehicle accident reports.

Summary

House Bill 1199 requires the Texas Department of Transportation (TxDOT) to tabulate, analyze, and regularly publish online data on vehicle crashes that involve a trailer, including the number of deaths that result from such crashes. HB 1199 requires collecting and analyzing specified data from the statewide crash report (CR-3), used by the Texas Department of Public Safety (TxDPS) and local law enforcement to record vehicle crash information at time of response. HB 1199 requires TxDOT to include a way to indicate whether a trailer was involved in a crash and whether the crash resulted in fatalities on crash report forms provided to law enforcement.

Impact on TxDOT

Under current law, TxDOT must gather certain crash information from peace officers and report that data publicly. HB 1199 amends existing practice by requiring TxDOT to add trailers as a contributing factor in its annual crash statistic compilation and analysis published on its website, TxDOT.gov. TxDOT anticipates these requirements can be met and necessary adjustments made using existing resources.

Currently, TxDOT provides a way to indicate whether a trailer is involved in a crash and whether the crash resulted in a fatality on its current version of the CR-3 Texas Peace Officer Crash Report, as directed in HB 1199. As an additional measure, TxDOT will update the CR-3 training courses held for peace officers to provide additional guidance on the proper use of the form and highlight how to correctly input these contributing factors and vehicle defects to obtain and capture this data more accurately.

HB 1885

Author: Representative Terry Canales (D-Edinburg) Sponsor: Senator Robert Nichols (R-Jacksonville)



Relating to the authority of the Texas Transportation Commission to establish variable speed limits.

Summary

In Texas, all speed limits are considered prima facie speed limits – translated to "at first sight" – which are reasonable and prudent under normal driving and roadway conditions. Under Section 545.353, Transportation Code, the Texas Transportation Commission (Commission) may determine the prima facie limit is unreasonable or unsafe for a section of roadway and may set a different speed limit based on an engineering study conducted by the Texas Department of Transportation (TxDOT) that examines specific factors, including a roadway's traffic volumes, observed operating speeds, highway characteristics, and crash history.

Certain conditions on the roadway are susceptible to rapid change due to temporary factors like congestion, construction zones, crashes, and weather. Typically, drivers determine their operating speeds under normal weather conditions on a straight roadway section with good pavement quality and adequate sight distances. When less than ideal and expected roadway conditions are present and a driver does not adjust for variable conditions, the likelihood of driver error and potential for resulting crashes and roadway danger increases.

Variable Speed Limit (VSL) systems allow for real-time, temporary reductions of speed limits to accommodate for current road and traffic conditions and improve traffic safety and highway capacity. VSL systems use sensors to monitor prevailing traffic or weather conditions and send associated data to trained operators in regional traffic management centers. Based on traffic, weather, and roadway data, VSL operators determine appropriate and enforceable speed limits for given conditions to ensure highway and driver safety, which are displayed on dynamic electronic speed signs. The VSL system then incrementally adjusts

speed limits to leverage existing capacity by delaying the point when traffic flow breaks down and stop-and-go conditions occur.

House Bill 1885 amends Section 545.353,
Transportation Code, to authorize the Commission,
by rule, to establish a variable speed limit program to
allow the temporary lowering of a prima facie speed
limit to address inclement weather, congestion, road
construction, or any other condition that affects the
safe and orderly movement of traffic on a roadway for
with the Commission has the authority to establish a
speed limit. HB 1885 authorizes notice of a speed limit
under the program to be displayed using a stationary
or portable dynamic message sign. The program is
prohibited from authorizing the lowering of a speed
limit to divert traffic to a toll road for the purpose of
increasing revenue from toll charges.

A speed limit established under the program:

- Is required to be based on an engineering and traffic investigation;
- Is authorized to be effective for all or a designated portion of a highway and is authorized to be effective for any period of the day or night, as TxDOT determines necessary;
- Is prohibited from being less than 10 miles per hour below the prima facie speed limit on the portion of highway to which it applies; and
- 4. Is effective only when the speed limit is posted and only if a sign notifying motorists of the change in speed limit is posted not less than 500 feet but not more than 1,000 feet before the point at which the speed limit begins.

Impact on TxDOT

HB 1885 will provide a key safety and traffic management tool to TxDOT. Providing the authorization to implement a VSL program, HB 1885 will enhance safety for the traveling public, as well as TxDOT and contract employees in construction and maintenance work zones on Texas roads.

In 2013, the 83rd Texas Legislature passed House Bill 2204 (83R, 2013) to provide TxDOT the authority to implement a pilot program to test VSL systems to improve safety during construction, congestion, and inclement weather. The Texas A&M Transportation Institute (TTI) assisted TxDOT in the data collection and analysis for the project evaluation, which concluded that VSLs would be beneficial if implemented to address inclement weather, congestion, or road construction. The pilot determined that VSLs had a safety benefit at each location and motorists had a clear understanding of the purpose of the VSLs.

Potential scenarios in which variable speed limits may be used by TxDOT include roadway construction and maintenance to ensure the safety of workers and the traveling public, as well as inclement weather conditions like heavy fog, ice, or rain. For example, the Commission may establish a construction speed zone for five years. During that time, two days require additional lane closures and further reduction in speed in the area. Rather than going back to the Commission to address this, VSLs could temporarily be used to manage traffic in that area.

Further, HB 1885 enables TxDOT practices to align with federal safety recommendations. In 2020, the National Transportation Safety Board directed a letter to TxDOT urging the agency to implement VSLs as part of a broader need to implement several safety-related recommendations. In early 2023, the National Traffic Safety Board again recommended that Texas adopt legislation authorizing TxDOT to implement a VSL program in response to a multi-vehicle collision on Interstate 35 West in Fort Worth due to icy conditions during Winter Storm Uri (February 2021).

TxDOT anticipates minimal impediments to implementing a VSL program, given its experience doing so through the VSL study authorized by the 83rd Legislature and robust resources provided by federal highway safety entities.

HB 1964

Author: Representative Ana Hernandez (D-Houston)

Sponsor: Senator Bob Hall (R-Edgewood)



Relating to the release of a motor vehicle accident report to an employee or authorized representative of a vehicle storage facility.

Summary

The Texas Department of Transportation (TxDOT) is the custodian of crash records for the state of Texas. State law requires any law enforcement officer who, in the regular course of duty, investigates a motor vehicle crash that results in injury to or the death of a person or damage to the property of any one person to the apparent extent of \$1,000 or more, to submit a written report of that crash to TxDOT not later than the tenth day after the date of the crash.

Motor vehicle accident reports contain general information about the accident and private information about the individuals involved, including personal addresses and telephone numbers.

Current law protects individuals involved in motor vehicle accident information by limiting the entities that may request motor vehicle accident reports to people directly involved in the accident or those who have a proper interest in the accident. Current statute requires TxDOT to release a crash report to certain entities, agencies, and persons, upon written request and payment of any required fee.

House Bill 1964 expands access to these crash reports to additional entities by amending Section 550.065, Transportation Code, to add "an employee or authorized representative of a vehicle storage facility that stored a vehicle involved in an accident" as an entity authorized to receive a vehicle crash report.

Impact on TxDOT

TxDOT maintains a database of vehicle crash reports filed and is responsible for releasing requested reports in accordance with existing statute. TxDOT will revise its Request for Copy of Peace Officer's Crash Report (also referred to as Form CR-91) and the online Crash Reporting and Analysis for Safer Highways System portal to include this new category. TxDOT anticipates that making the changes required by HB 1964 may be done using existing TxDOT resources and staffing.

HB 2190

Author: Representative Terry Canales (D-Edinburg)
Sponsor: Senator Juan "Chuy" Hinojosa (D-McAllen)



Relating to the terminology used to describe transportation-related accidents.

Summary

House Bill 2190 amends several provisions of Texas statute, including the Texas Transportation Code, Code of Criminal Procedure, Civil Practice and Remedies Code, and Education Code, to change the terminology used to describe transportation-related incidents from "accidents" in statute to "collisions." The changes made by HB 2190 are non-substantive and intended to clarify and amend terminology used in existing law.

Impact on TxDOT

The Texas Department of Transportation (TxDOT) anticipates no operational impact from HB 2190. TxDOT generally refers to transportation-related incidents and accidents as "crashes" to reflect nationally adopted terminology on roadway safety. TxDOT also used the term "crash" in Crash Report forms provided to statewide law enforcement, in the Texas Manual on Uniform Traffic Control Devices, and when compiling and analyzing statewide vehicle crash data. Despite changes in state statutes related to terminology to prefer "collision," TxDOT will continue to use the term "crash" to reflect federal practice and industry standards.

HB 3075

Author: Representative Kyle Kacal (R–College Station)
Sponsor: Senator Pete Flores (R–Pleasanton)



Relating to the operation of an unmanned aircraft over a correctional facility or detention facility; creating a criminal offense.

Summary

In 2013, the Texas Legislature passed House Bill 912 (83R), which provided for a Class C misdemeanor if an individual uses an unmanned aircraft (drone) to capture an image of another individual or property. Although the law provided for some exceptions, no exceptions were made for journalists. In 2022, in National Press Photographers v. McCraw (594 F. Supp. 3d 789), the U.S. Court for the Western District of Texas ruled most of the state statutes prohibiting certain drone usage (Government Code, Chapter 423) unconstitutional on First Amendment free speech grounds.

House Bill 3075 seeks to clarify issues noted in the court's opinion and prohibit drone usage over correctional and detention facilities without violating the constitution, as outlined in the 2022 ruling. HB 3075 amends Chapter 38, Penal Code, to provide a Class B misdemeanor for: (1) operating a drone less than 400 feet above a correctional facility or detention facility; (2) allowing a drone to make contact with a correctional facility or detention facility or any person or object on the premises, or (3) allowing a drone to come close enough to a correctional facility or detention facility to interfere with the operations or cause a disturbance. If the individual was previously convicted of a similar offense, the punishment is enhanced to a Class A misdemeanor. HB 3075 also provides for a state jail felony if the drone is used to deliver contraband to the facility. Exceptions to the provisions of HB 3075 are provided for government, law enforcement agencies, and individuals with consent from the owner or operator of the facility.

Impact on TxDOT

The Texas Department of Transportation (TxDOT) does not anticipate a direct impact from HB 3075 as TxDOT does not regulate or enforce laws around the use of unmanned aircraft. Further, TxDOT is not subject to the provisions of HB 3075 as the bill provides an exception for governmental entities.

Currently, the Federal Aviation Administration (FAA) maintains exclusive authority to regulate airspace for all aircraft in the United States. TxDOT abides by all federal rules and regulations regarding operations of TxDOT-owned drones at or below 400 feet above ground level. The Federal Aviation Administration also provides explicit permission to operate a drone at or over 400 feet above ground level if the subject of the flight – such as a tower, bridge, roadway, or building – is taller than 400 feet above ground level so long as the unmanned aircraft remains within 400 feet laterally of the subject.

HB 3556

Author: Representative Lynn Stucky (R-Denton)
Sponsor: Senator Tan Parker (R-Flower Mound)



Relating to a local area activation of the alert system for certain missing children.

Summary

Established in 1996, the AMBER Alert System – which stands for America's Missing: Broadcast Emergency Response – enables state and local law enforcement to coordinate with public and private entities to broadcast a suspected abduction or missing child or person with intellectual disabilities. Because of verification requirements and the statewide nature of the system, local communities and law enforcement have experienced impediments to quickly deploying the AMBER Alert broadcast system in a timely and localized fashion.

House Bill 3556 seeks to address these concerns and establish a framework for the activation of a regional AMBER Alert notification by amending Subchapter L, Chapter 411, Government Code, which authorizes the statewide AMBER Alert system for abducted children and missing persons with intellectual disabilities. HB 3556 requires the Texas Department of Public Safety (TxDPS), at the request of a local law enforcement agency that is aware of a missing child but has not verified criteria for activation, if the chief law enforcement officer or local law enforcement agency believes that activation of the alert system is warranted, to activate the alert system on a regional level. In this case, the system may be activated only: (1) within a 100-mile radius of the location from which the child is believed to have gone missing or the location in which the child was last seen; and (2) in all counties adjacent to the county from which the child is believed to have gone missing or the county in which the child was last seen. The Texas Department of Public Safety must also notify appropriate participants in the alert system.

Before requesting a local activation, HB 3556 requires a local law enforcement agency to verify the criteria

required by new section 411.3555 have been satisfied. HB 3556 requires, on verification of the criteria, for the law enforcement agency to immediately contact the Texas Department of Public Safety and supply the necessary information on forms prescribed by the director of the Texas Department of Public Safety.

Impact on TxDOT

While the Texas Department of Public Safety coordinates with local law enforcement to disseminate qualifying missing person and public safety advisories, including the statewide AMBER Alert Program, state partners, including the Texas Department of Transportation (TxDOT) use agency resources to deploy and broadcast alert notifications. To do so, TxDOT uses its dynamic message signs (DMS), which rapidly notify the public of specific public safety messages along state highway rights of way across the state. Statewide alerts. displayed on TxDOT's network of dynamic messaging signs, can be issued statewide or within any Texas geographical area. Only law enforcement agencies can request to activate the state network. Each alert program contains criteria designed to ensure network integrity and prevent public desensitization.

Accordingly, TxDOT will work with the Texas Department of Public Safety to align its deployment of certain AMBER Alerts to align with the changes set forth in HB 3556, requiring the activation within a 100-mile radius of the location from which the child is believed to have gone missing or the location in which the child was last seen and all counties adjacent to the county from which the child is believed to have gone missing or the county in which the child was last seen.

TxDOT will develop procedures in cooperation with the Texas Department of Public Safety for other statewide

advisories. When implementing AMBER, Silver, Camo, Active Shooter, and Blue Alerts, the Texas Department of Public Safety typically sends notification messages to a regional TxDOT Traffic Management Center, which confirms receipt by phone. TxDOT distributes the alert information via email to TxDOT districts within a 200-mile radius.

Using similar processes, TxDOT will coordinate with the Texas Department of Public Safety to execute the new alert system within a 100-mile radius of the location from which the child is believed to have gone missing or the location in which the child was last seen and all counties adjacent to the county from which the child is believed to have gone missing or the county in which the child was last seen. TxDOT anticipates all changes can be made and regional systems deployed using existing resources

Effective Date: June 13, 2023

HB 4122

Author: Representative Ryan Guillen (R-Rio Grande City)
Sponsor: Senator Kelly Hancock (R-North Richland Hills)



Relating to the operation and movement of motorcycles on a roadway laned for traffic.

Summary

House Bill 4122 seeks to protect the safety of motorcyclists and other drivers by allowing motorcyclists' full use of a lane and protection from other vehicle users depriving motorcyclists of doing so. HB 4122 adds Section 545.0605, Transportation Code, to:

- Entitle motorcyclists to the full use of a lane and prohibits a motor vehicle from being driven in a manner that deprives a motorcycle of the full use of a lane;
- 2. Authorize an operator to operate the motorcycle two wide in a single lane with another motorcycle, and
- 3. Prohibit an operator from operating a motorcycle more than two wide in a single lane with other motorcycles, operating a motorcycle between lanes of traffic moving in the same direction, or passing a vehicle in the same lane.

The bill does not apply to a police officer in the performance of the officer's official duties.

Impact on TxDOT

While TxDOT does not anticipate a direct operational impact from HB 4122, the law may bolster the safety of motorcyclists and the traveling public by providing clear guidance on safe roadway lane use for both types of vehicle operators.

HB 4797

Author: Representative Ramon Romero, Jr. (D-Fort Worth)
Sponsor: Senator Kelly Hancock (R-North Richland Hills)



Relating to training on the treatment of toll project roadways during inclement weather.

Summary

House Bill 4797 modifies statutory requirements to enhance the safety of the traveling public on Texas toll roads during inclement weather by amending Section 372.059, Transportation Code, to require toll project entities who treat the roadway during icy and snowy weather to train employees and contractors who supervise or develop treatment plans in alignment with the Texas Department of Transportation's (TxDOT) winter weather road treatment protocols. HB 4797 requires TxDOT to develop a training course on inclement weather road treatment in coordination with toll entities and enables the Texas Transportation Commission (Commission) to adopt rules to do so. HB 4797 specifies the training requirements for a course on winter inclement weather road treatment including the employees to which it must be provided and instruction on prioritization of certain roadways and infrastructure, timing of treatment, and treatment of adjacent generalpurpose lanes. HB 4797 requires such a course to be similar to training courses provided to TxDOT employees and allows TxDOT to authorize toll project entities to provide employees access to a course by a third-party entity if it consists of substantially of the same content provided to TxDOT maintenance crews.

For toll entities that manage and operate toll roads subject to a comprehensive development agreement (CDA), HB 4797 provides that the private toll entity holds responsibility for compliance with these employee training requirements.

Impact on TxDOT

Currently, TxDOT maintains agreements with toll project entities and operators that dictate requirements for roadways to be free from snow and ice and prescribe response times in inclement weather events. Currently, facility contractors working on behalf of TxDOT are required to undergo annual training in preparation for winter weather and TxDOT continuously works to determine additional steps to improve training practices to ensure the highest level of safety for the traveling public during and outside of severe weather situations.

HB 4797 requires TxDOT to develop training courses in alignment with procedures used to train TxDOT employees and make such training available to toll project entity employees and contractors. Accordingly, TxDOT's existing inclement weather training protocols will be translated into a training course and shared so that the toll entity's employees may engage in this training. Additionally, TxDOT must work with toll project entities to identify the types of employees and contractors subject to the training requirements. The Commission may create rules around such training needed to complete this section, however, any resources required to prepare and adopt rules may be absorbed.

Further, prior to the passage of HB 4797, TxDOT has partnered with Texas Tech University to develop winter weather training course and uses the course for training employees. TxDOT staff have been participants and instructors in this course and continue to seek opportunities to expand this program to cover additional employees and contractors. TxDOT also plans to host training sessions with all private and state-regulated toll facilities operating in Texas to ensure consistency and that training materials are accessible. HB 4797 codifies many practices and federal-level safety recommendations that TxDOT has been in the process of implementing.

SB 1023

Author: Senator Robert Nichols (R-Jacksonville)
Sponsor: Representative Terry Canales (D-Edinburg)



Relating to the establishment and posting of the maximum loads permitted on certain bridges.

Summary

Texas maintains the largest inventory of vehicular bridges amongst all states, with more than 55,000 vehicular bridges open to public traffic. Roughly 36,000 of these bridges are located on the state highway system ("on-system") and 19.000 on city and county roads ("off-system"). The Texas Department of Transportation (TxDOT) works to ensure that load posting signs, which specify the maximum load or weight a bridge can handle, for all 55,000 on- and offsystem bridges statewide are installed in accordance with Federal Highway Administration (FHWA) rules. Further, Section 201.8035, Texas Transportation Code, requires a county or city to post maximum load signs at bridges, as determined by TxDOT to require a load restriction. While TxDOT is responsible for oversight and compliance with these Federal Highway Administration bridge load posting requirements, TxDOT currently neither maintains the authority under state law to install bridge load posting signs on off-system bridges, nor to enforce or certify that local government complies with load posting requirements.

Federal Highway Administration recently amended its bridge load posting requirements to require load posting signs installation at all on-system and off-system bridges within 30 days of determination that a load restriction is required, down from the previous requirement to post within 90 days for on-system bridges and 180 days for off-system bridges, To ensure TxDOT and all local entities comply with this expedited load posting requirement, Senate Bill 1023 amends Section 201.8035, Transportation Code, authorizing TxDOT to post maximum load post signs for bridges under the jurisdiction of a county or a municipality if in accordance with federal law.

Impact on TxDOT

Currently, for off-system bridge load posting, TxDOT provides signs and installation hardware and the local government entity responsible for the bridge must install the signs. SB 1023 authorizes TxDOT to install bridge load posting signs on behalf of local government entities. SB 1023 allows TxDOT to incur the additional responsibility of sign installation if deemed necessary or appropriate, and to ensure signs are installed within the 30-day timeframe recently instated by the Federal Highway Administration. The 30-day time limit required by the Federal Highway Administration begins once TxDOT approves a load posting recommendation, which is issued within 60 days of TxDOT's initial inspection of a bridge.

The change in state law works to prioritize the traveling public's safety and ensure that Texas does not fall out of compliance with the Federal Highway Administration rules regarding federal bridge load posting requirements. Section 1.36, Title 23, Code of Federal Regulations, specifies that non-compliance could result in withholding payment to the state of federal funds if the Federal Highway Administration determines that a state has violated or failed to comply with the federal laws or the regulations until compliance or remedial action has been accomplished by the state to the satisfaction of the Federal Highway Administration. While the amount jeopardized by non-compliance with federal load posting requirements remains unspecified. the bill works to ensure TxDOT, on behalf of the state, preserves federal highway funding by monitoring and maintaining compliance

Effective Date: May 19, 2023

SB 1308

Author: Senator Kelly Hancock (R-North Richland Hills)
Sponsor: Representative Charlie Geren (R-Fort Worth)



Relating to the operation of an unmanned aircraft over an airport or military installation; creating a criminal offense.

Summary

In 2013, the Texas Legislature passed House Bill 912 (83R), which provided for a Class C misdemeanor if an individual uses an unmanned aircraft (drone) to capture an image of another individual or property. Although the law provided for some exceptions, no exceptions were made for journalists. In 2022, in National Press Photographers v. McCraw (594 F. Supp. 3d 789), the U.S. Court for the Western District of Texas ruled most of the state statute prohibiting certain drone usage (Government Code, Chapter 423) unconstitutional on First Amendment free speech grounds.

Senate Bill 1308 seeks to clarify issues noted in the court's opinion and prohibit drone usage over airports and military installations without violating the Constitution. SB 1308 amends Chapter 42, Penal Code, to provide a Class B misdemeanor for: (1) operating a drone above an airport or a military installation; (2) allowing a drone to make contact with an airport or military installation or any person or object on the premises; or (3) allowing a drone to come close enough to an airport or military installation to interfere with the operations or cause a disturbance. If the individual was previously convicted of a similar offense, the punishment is enhanced to a Class A misdemeanor. Exceptions are provided for government, law enforcement agencies, and individuals with consent from the Federal Aviation Administration (FAA) or the owner or operator of the installation or airport.

Impact on TxDOT

The Texas Department of Transportation (TxDOT) does not anticipate a direct impact as TxDOT does not regulate or enforce laws around the use of unmanned aircraft. Further, TxDOT is not subject to the provisions of SB 1308 as the bill provides an exception for governmental entities.

Currently, the Federal Aviation Administration maintains exclusive authority to regulate airspace for all aircraft in the United States. TxDOT abides by all federal rules and regulations regarding the operations of TxDOT-owned drones at or below 400 feet above ground level. The Federal Aviation Administration also provides explicit permission to operate a drone at or over 400 feet above ground level if the subject of the flight – such as a tower, bridge, roadway, or building – is taller than 400 feet above ground level so long as the unmanned aircraft remains within 400 feet laterally of the subject.

SB 1527

Author: Senator Joan Huffman (R-Houston)

Sponsor: Representative Senfronia Thompson (D-Houston)



Relating to human trafficking, including the prosecution and punishment of compelling and solicitation of prostitution and other sexual or assaultive offenses; increasing a criminal penalty; creating a criminal offense.

Summary

The Texas Human Trafficking Prevention Coordinating Council (council) and Task Force (task force) bring together local, state, and federal agencies and nongovernmental entities to address and prevent human trafficking in Texas. The council and task force are statutorily required to develop and implement a fiveyear strategic plan for preventing human trafficking and make legislative recommendations to strengthen state and local efforts to prevent human trafficking. Members of the council and task force include representatives across a breadth of state agencies, including the Office of the Governor, Office of the Attorney General (OAG), and Texas Department of Public Safety (TxDPS), while the task force also incorporates private industry, nonprofit entities, victims of human trafficking, nonprofit organizations, among others. The attorney general is directed to evaluate members' input and participation annually and authorized to appoint new members to the task force as necessary.

Senate Bill 1527 adds the Texas Department of Transportation (TxDOT) and Texas Education Agency (TEA) as state agencies with representation on the council and task force. SB 1527 directs and makes the task force, as a collective body, responsible for the collection and publication of statistical data related to the nature and extent of human trafficking in this state. The task force, in addition to the existing task force responsibilities, must examine massage establishments and sexually oriented businesses and their correlation to human trafficking. The bill also directs state agencies, now including TxDOT, to designate an individual authorized to coordinate TxDOT's resources to address human trafficking prevention, investigation, and prosecution-related efforts.

Impact on TxDOT

TxDOT currently undertakes extensive work to address and prevent human trafficking statewide in coordination and partnership with other state agencies, through the On the Road to End Human Trafficking campaign, as well as TxDOT's Human Trafficking Work Group. TxDOT will designate representative(s) with existing knowledge of TxDOT's human trafficking efforts to represent the department on the council and/or task force and assist in the coordination of agency resources to address human trafficking. TxDOT will prepare and authorize representatives to participate in these bodies as needed. All efforts associated with TxDOT participation on the council and task force can be absorbed given existing resources and personnel.

SB 2200

Author: Senator Kelly Hancock (R-North Richland Hills)
Sponsor: Representative Caroline Harris (R-Round Rock)



Relating to public acknowledgment of donations made to the Texas Department of Transportation.

Summary

The Texas Department of Transportation's (TxDOT) Safety Service Patrols (SSP) on highways and arterial roadways offer a free-of-charge traffic management service to support TxDOT and law enforcement efforts to clear minor crashes from area roadways and assist motorists in need. Safety Service Patrol programs currently operate in six of TxDOT's 25 districts, including Austin, San Antonio, Houston, Dallas, Fort Worth, and El Paso, and are funded in various manners. Typically, Safety Service Patrol programs are designed to reduce non-recurring traffic congestion by safely removing debris, disabled vehicles, and minor crashes from the roadway and providing traffic control immediately following a crash to clear a path for first responders while guiding traffic. Safety Service Patrol programs may also assist drivers by providing fuel, changing flat tires, providing basic mechanical assistance such as jump starts, and arranging for towing. Safety Service Patrols also provide information and updates to Traffic Management Centers.

Partner agencies or contractors operate the state's Safety Service Patrol programs, which are often funded through interlocal agreements with metropolitan planning organizations (MPO), using state and federal funding through TxDOT's Category 7 (metro mobility and rehabilitation) funds, and/or federal Surface Transportation Block Grant funds.

TxDOT currently maintains an Acknowledgement Program, authorized under state and federal law, enabling TxDOT to accept funds from third parties to pay for certain roadside and highway maintenance services in return for posting an acknowledgment sign with the company's logo stating the service was provided by the company. However, although authorized by federal law, TxDOT lacked formal authorization under state law to use sponsorships for Safety Service Patrol programs.

Senate Bill 2200 addresses this lack of statutory authority by amending Section 201.206, Transportation Code, to authorize TxDOT to enter into an agreement with a donor to publicly acknowledge donations made to TxDOT and allowing TxDOT to post such acknowledgment on vehicles used for the Safety Service Patrol program if that person or company made a donation to the program. The bill prohibits the acknowledgment from containing descriptions of the donor's products, services, facilities, or companies.

The bill authorizes the Texas Transportation Commission (commission) to adopt rules to establish the acknowledgment of donations for SSP programs and other utilizations as appropriate.

Impact on TxDOT

SB 2200 will allow the Commission to adopt rules for the creation of the donation program and provide TxDOT the flexibility to accept donations for the Safety Service Patrol program in exchange for acknowledgment of a company's support (i.e., posting a company logo on Safety Service Patrol vehicles) in accordance with statute and commission rules. SB 2200 will, in turn, enable TxDOT to generate revenue as an additional source of funding to improve, expand, and streamline the Safety Service Patrol program.

While it remains unclear the extent to which TxDOT may be able to secure donations to support, streamline, and potentially expand the program, a positive fiscal impact is anticipated. Currently, the six TxDOT districts that operate safety service patrol programs maintain budgets ranging from \$1.8 million to \$5.5 million annually per program.

Effective Date: June 18, 2023



EMERGENCY OPERATIONS



EMERGENCY OPERATIONS

SB 1093

Author: Senator Charles Schwertner (R-Georgetown)
Sponsor: Representative Will Metcalf (R-Conroe)



Relating to facilities included in the electricity supply chain.

Summary

In the wake of Texas' Winter Storm Uri in February 2021, which impacted numerous areas across the state's access to and operation of critical power supply and critical infrastructure, the 87th Texas Legislature (2021) passed Senate Bill 3, creating a statewide Texas Electricity Supply Chain Security and Mapping Committee (committee) to ensure coordinated statewide preparedness and response across state agencies during extreme weather events. SB 3 (87R, 2021) tasked the committee with mapping the state's electricity supply chain, identifying critical infrastructure related to electricity, identifying best practices in preparing the electric supply chain for extreme weather conditions, and determining priority service needs in the event of such a weather emergency. The committee's electricity supply chain map identifies critical infrastructure including where the state's power is created, delivered, and stored. Currently, the committee includes several state agency designees including the Public Utility Commission of Texas (PUC), the Railroad Commission, the Texas Division of Emergency Management (TDEM), among others, with the Public Utility Commission of Texas serving as the committee chair.

Since the committee's creation, the Public Utility
Commission of Texas identified changes to the
committee to bolster its functions, including adding
new state agencies to the committee and updating
definitions to expand the scope of the committee's
work. In some cases, during Texas' Winter Storm
Uri, response crews were unable to reach critical
infrastructure facilities due to inclement weather and
the Texas Department of Transportation (TxDOT) lacked
a central database to determine which roads were
impacted and inaccessible. To ensure TxDOT road crews

may access pertinent information during disasters or weather emergencies, Senate Bill 1093 adds TxDOT as a participating member of the Mapping Committee and provides TxDOT access to the electricity supply chain map overseen by the committee. SB 1093 adds TxDOT's executive director to the Texas Electricity Supply Chain Security and Mapping Committee and requires TxDOT staff to participate in carrying out committee tasks and responsibilities.

Additionally, SB 1093 expands the definition of "electricity supply chain" to include roads necessary to access facilities in the electricity supply chain, in addition to electric generation-related facilities and methods and critical infrastructure necessary to maintain electricity provision – both currently in statute. SB 1093 sets forth the parameters in which the committee can provide the electricity supply chain maps to certain entities involved in the production and provision of energy.

Impact on TxDOT

TxDOT currently lacks access to the state's Electricity Supply Chain Map, which identifies critical infrastructure and where the state's power is created, delivered, and stored. Currently, TxDOT is only notified on the day of the event regarding which routes to address through a request by either the County Judge who serves as the Emergency Management Director, or a utility company via a State of Texas Assistance Request (S.T.A.R.). This prevents necessary resources from mobilizing before, during, and after a natural disaster.

Knowing ahead of time where key electrical infrastructure is located allows TxDOT to stage equipment in strategic locations, pretreat lower-tiered roadways in critical infrastructure areas, maintain

EMERGENCY OPERATIONS - SB 1093

awareness of high voltage lines, and prioritize roadways near critical infrastructure to improve natural disaster preparedness statewide. Providing access to this map will allow TxDOT to better prepare, mobilize, and respond to a natural disaster, as well as act as a more informed state partner in a statewide natural disaster and weather response. Furthering, TxDOT's participation – via the executive director and designated staff – in the Electricity Supply Chain Security and Mapping Committee may result in better utility coordination, communication, knowledge sharing, and collaboration during a natural disaster.

TxDOT's executive director is required to serve on the Texas Electricity Supply Chain Security and Mapping Committee and TxDOT, together with the Public Utility Commission of Texas, Railroad Commission, and Texas Division of Emergency Management, are required to provide staff as necessary to assist the committee in carrying out the committee's duties and responsibilities.

Effective Date: May 19, 2023



BICYCLE & PEDESTRIAN



BICYCLE & PEDESTRIAN

HB 1277

Author: Representative Briscoe Cain (R-Deer Creek)

Sponsor: Senator Royce West (D-Dallas)



Relating to pedestrian use of sidewalk.

Summary

Current statute requires a pedestrian walking along a road or highway without a designated sidewalk to walk on the left side of the roadway or the shoulder facing oncoming traffic. Currently, violating this law may result in a Class C misdemeanor, punishable by a fine of no more than \$500.

House Bill 1277 addresses exceptions to this law by amending Section 552.006(b), Transportation Code, to specify that a pedestrian must walk on the left side of the roadway or shoulder facing oncoming traffic when no sidewalk is present unless the roadway or shoulder is obstructed or unsafe.

Impact on TxDOT

As part of its broader highway safety campaign, the Texas Department of Transportation (TxDOT) regularly disseminates information to the public on the importance of pedestrian safety to curb and prevent the rise in pedestrian fatalities. TxDOT regularly broadcasts radio, televised, and printed materials highlighting safety tips for pedestrians and drivers to prevent potentially fatal roadway encounters.

While TxDOT does not enforce traffic or pedestrian safety laws, HB 1277 may result in a positive safety impact for pedestrians and the traveling public by ensuring pedestrians utilize the route in the absence of proper sidewalks. This may have the added benefit of ensuring pedestrians do not interfere with the safety of TxDOT staff and contractors, as well as crews and workers statewide, when roadway and shoulder obstructions involve highway work zones. To the extent appropriate, TxDOT will update relevant pedestrian safety materials and campaigns to reflect the change in state law.



TRANSPORTATION TECHNOLOGY



TRANSPORTATION TECHNOLOGY

SB 2144

Author: Senator Tan Parker (R-Flower Mound)
Sponsor: Representative David Cook (R-Mansfield)



Relating to advanced air mobility technology.

Summary

Advanced Air Mobility (AAM) - defined by the Federal Aviation Administration (FAA) as a transportation system that transports people and property by air using advanced aircraft technology- comprises a broad range of innovative aeronautical technologies, including vertical take-off and landing (VTOL) aircraft, electric aircraft, and transformative air traffic management systems. Urban Air Mobility (UAM), a subset of Advanced Air Mobility, envisions a future aviation transportation system that employs highly automated aircraft, such as drones, to transport passengers or cargo at relatively low altitudes in urban and suburban areas. In anticipation of plans to continue testing and eventually implement this technology, industry stakeholders in Texas and across the country are working with public and private partners to study potential changes to state law to facilitate the Advanced Air Mobility industry's development, safety, and regulatory framework.

During the 87th Legislative Session in 2021, the Texas Legislature passed Senate Bill 763, establishing the Urban Air Mobility Advisory Committee – of which, membership was appointed by the Texas Transportation Commission (Commission) – to evaluate the state's statutory and regulatory environment on this emerging technology. The Urban Air Mobility Advisory Committee and its working groups developed various recommendations surrounding technology, airspace and infrastructure, and safety and security. After submitting its findings and recommendations, the committee was statutorily abolished on January 1, 2023.

Senate Bill 2144 seeks to build on the work of the Urban Air Mobility Advisory Committee by reestablishing the committee as the Advanced Air Mobility Advisory Committee. The newly established committee largely mirrors the Urban Air Mobility Advisory Committee's

composition, purpose, reporting, public outreach, and hearing requirements. SB 2144 requires the committee to produce a report that includes recommendations on state law necessary to advance the deployment of advanced air mobility (AAM) in Texas by November 1, 2024. Under SB 2144, the Advanced Air Mobility Advisory Committee is abolished on January 1, 2025.

Section 2 of SB 2144 would have required the Texas Department of Transportation (TxDOT) to review existing state laws and standards around Advanced Air Mobility deployment; coordinate with federal and local entities and industry on Advanced Air Mobility infrastructure, technology, and operations with an emphasis on safety; develop a statewide plan for Advanced Air Mobility infrastructure to support deployment; assist local entities and industry to integrate statewide technology; and coordinate with educational agencies to provide educational opportunities on Advanced Air Mobility technology. If funds are not appropriated, activities in Section 2 of the bill are permissive (funds were not appropriated for this purpose).

Impact on TxDOT

TxDOT will be responsible for the administrative responsibilities and functions of the Advanced Air Mobility Advisory Committee, including facilitating meetings, gathering necessary information from external sources, and assisting in the report's development. To establish the committee, TxDOT will coordinate with the Texas Transportation Commission to solicit nominations and recommend committee membership, as well as develop any rules necessary for the committee's establishment. Such rules will largely mirror those developed for the Urban Air Mobility Advisory Committee authorized by the 87th (2021) Texas Legislature.

TRANSPORTATION TECHNOLOGY - SB 2144

Additionally, because of the Advanced Air Mobility
Advisory Committee and the required report's focus on
technical, specialized, and emerging subject matter,
TxDOT will likely contract with an expert third-party to
assist with facilitating committee discussions, presenting
materials, conducting research, and overseeing the
development of the final report.

Effective Date: September 1, 2023

Urban Air Mobility Advisory Committee Report, Authorized by the 87th Legislature (2021)



https://www.txdot.gov/about/advisorycommittees/urban-air-mobility-advisorycommittee.html







SB 1260

Author: Senator Brandon Creighton (R-Conroe)
Sponsor: Representative Ramon Romero (D-Fort Worth)



Relating to certain contracts regarding airports by or on behalf of a local government.

Summary

Senate Bill 1260 amends Chapter 22, Transportation Code, to prohibit a local government or a person operating an airport on behalf of a local government from entering into a contract for the procurement of a passenger boarding bridge with certain entities. Prohibited entities include three defined groups: The first group includes any entity that a federal court has determined: (1) has misappropriated intellectual property from another entity; and (2) is owned wholly or partially by, is controlled by, or receives subsidies from, the government of China. The second group includes any entity that owns, controls, is owned or controlled by, is under common ownership with, or is a successor to an entity defined in the first group. The third group includes any entity that entered an agreement with or accepted funding from an entity defined in the first two groups. Lastly, SB 1260 requires that local government airport operators include in their contracts for a passenger boarding bridge a written statement that the entity complies with the requirements of SB 1260. The contract may be voided by the airport operator if such a written statement is determined to be false.

Impact on TxDOT

The Texas Department of Transportation (TxDOT) may act as the agent on behalf of certain airports in contracting for and supervising the planning, acquiring, constructing, improving, equipping, maintaining, or operating of an airport or air navigation facility, as outlined in Section 22.018, Texas Transportation Code. To ensure compliance amongst those airports for which TxDOT acts as an agent, TxDOT will provide oversight and add the necessary language to applicable contracts to verify the airport has not contracted with entities specified in SB 1260.

Effective Date: May 23, 2023

SB 1524

Author: Senator César Blanco (D-El Paso) Sponsor: Representative John Lujan (R-San Antonio)



Relating to the authority of the Texas Department of Transportation to provide department services on federal military property.

Summary

In 2021, the 87th Texas Legislature passed House Bill 3399 (87R, 2021), adding Section 201.1056, Transportation Code, to allow the Texas Department of Transportation (TxDOT) to enter into agreements with the United States Department of Defense (DoD) or another federal entity to assist with road maintenance, improvement, relocation, or extension services for military installations. During TxDOT's implementation of the bill and formulation of the military installation program in coordination with federal and state partners, some stakeholders expressed interest in expanding eligible services beyond road improvement projects to include additional TxDOT capacities, such as airfield pavement improvements and other TxDOT services.

Senate Bill 1524 aims to meet these desires of military and state partners by expanding the scope of eligible services for which TxDOT may enter into an agreement to include any service TxDOT is authorized by law to provide.

Impact on TxDOT

Because TxDOT has developed a framework for and is working to fully implement the provisions of HB 3399 (87R, 2021), TxDOT anticipates minimal impact in adjusting current policies, practices, and contracts to align with the provisions of SB 1524.

Section 201.1056, Transportation Code, prohibits TxDOT from using state funds or entering into an agreement with a federal entity if payment for the services provided under the agreement would originate from the state's apportionment of federal highway funding provided under Title 23, United States Code. Any costs associated with services provided by the department shall be covered by the Department of Defense or the respective federal entity.

Effective Date: May 23, 2023

SB 1716

Author: Senator Judith Zaffirini (D-Laredo)
Sponsor: Representative Stan Gerdes (R-Smithville)



Relating to term limits for certain contracts regarding airports and associated air navigation facilities operated by or on behalf of a local government.

Summary

Existing state statute allows a local government by contract, lease, or other arrangement to authorize a qualified person or entity, such as a private third-party management company, to operate an airport on its behalf. A local government may also lease real property at an airport owned, leased, or controlled by the local government for a broadly defined variety of uses, including commercial purposes, and supplying goods, services, or facilities at the airport. Current law limits such leases and third-party operator agreements to no longer than 40 years.

Senate Bill 1716 amends Chapter 22, Transportation Code, to provide local government-owned airports additional flexibility in negotiating lease terms with potential operators and lessees by increasing the permissible length of these agreements from 40 years to 50 years. Longer lease terms may help airports attract large commercial tenants and negotiate better terms with third-party entities. Current Federal Aviation Administration (FAA) guidance, in its Airport Compliance Program Manual, limits the length of such leases and agreements to a maximum of 50 years for a federally obligated airport, which occurs when an airport owner accepts a conveyance of federal land or federal funds to buy land or improve the airport. SB 1716 aligns state statute with the maximum length allowed in FAA guidance.

Impact on TxDOT

The Texas Department of Transportation (TxDOT) administers the Texas Airport System Plan (TASP), which includes over 200 federally obligated airports. Although TxDOT does not audit or directly enforce Federal Aviation Administration compliance with airport leases or agreements, TxDOT educates airport staff on Federal Aviation Administration guidance which helps airports maintain land-use compatibility and avoid noncompliance. To provide awareness of both state and federal allowances, TxDOT will provide outreach to inform airports on the new permissible length of these agreements. If an airport enters into a lease that exceeds the Federal Aviation Administration's guidance, the Federal Aviation Administration may object to the length of the lease, which may require the airport to shorten the term resulting in a renegotiation of the lease and, in some cases, could result in federal "claw back" provisions of federal airport improvement funds to that airport due to land use noncompliance.



TOLLS & TOLL OPERATIONS



TOLLS & TOLL OPERATIONS

HB 2170

Author: Representative R.D. "Bobby" Guerra (D-McAllen)

Sponsor: Senator Carol Alvarado (D-Houston)



Relating to toll collections by a toll project entity.

Summary

State statute governs the administration and operation of toll projects throughout Texas. Among these provisions, Chapter 372, Transportation Code, requires certain customer invoicing notifications and processes. House Bill 2170 modifies these requirements by adding Section 372.0555 and amending Sections 372.056, and 372.057. Transportation Code, to require that a toll project entity add the following steps to existing invoicing notifications and processes:

- 1. Immediately notify the holder of an electronic toll collection customer account if a credit or debit card transaction associated with the account is declined or cannot be processed (Section 372.0555);
- 2. Clearly indicate on an envelope containing a notice or invoice that the enclosed document is a bill and the recipient is expected to pay an indicated amount (Section 372.056(b)); and
- 3. Provide a text message notification option, in addition to first class mail and email as is currently provided in statute, if the person has provided a phone number and elected to receive notice by text message (Section 372.057(a)(3)).

Impact on TxDOT

HB 2170 adds the requirement that a toll entity immediately notify the holder of an electronic toll collection account if a credit or debit card transaction fails. Currently, customers of TxTag - the toll system currently operated by the Texas Department of Transportation (TxDOT) - who have elected to allow text and email notifications are notified via text within a day or email within three calendar days if a credit or debit card transaction declines or fails to be charged.

If a customer does not opt-in, the notification must be provided by mail, which does not occur under the current TxTag process.

TxDOT will develop and implement TxTag business rules to clearly outline timelines and processes under which TxDOT will provide a mail notification. Because these notifications are not currently provided by mail, TxDOT anticipates minimal system development costs associated with printing and mailing hard-copy notifications. Further, TxDOT anticipates additional backoffice system development and costs to ensure a clear delineation on the envelopes between statements (tag or prepaid accounts) and invoices (pay-by-mail).

HB 2170 adds a text message notification option, in addition to first-class mail and email, if the person provides a phone number and elects to receive notice by text message. TxDOT currently adheres to this provision and issues text messages for customers if they opt-in.

TxDOT adheres to all requirements, including invoicing and billing, outlined in Chapter 372, Transportation Code, in its operation and administration of toll projects. TxDOT plans to implement the new requirements outlined in HB 2170 with existing resources and staffing. These provisions also apply to regional tollway, regional mobility, and county toll authorities.



RIGHT OF WAY



HB 2518

Author: Representative Keith Bell (R-Forney)
Sponsor: Senator Robert Nichols (R-Jacksonville)



Relating to required lease terms for public property leased to a nongovernmental entity; creating a criminal offense.

Summary

Chapter 2252, Government Code, requires public work contracts to use payment and performance bonds, which help protect taxpayer dollars against any claims or liens and guarantee the project's satisfactory completion by a contractor if the contractor defaults or fails to carry out the contract's specified duties. The requirement of a payment and performance bond does not extend to improvements to privately-leased, publicly-owned property in the current statute.

House Bill 2518 adds a requirement to Chapter 2252, Government Code, that a lease between a governmental entity and another person contain lease terms requiring the person to include payment bond terms in each contract for the construction, alteration, or repair of an improvement to the leased property. The payment bond terms include a condition the contractor execute a payment bond and a performance bond equal to the amount of the contract for the protection of the governmental entity and conditioned on the faithful performance of the contractor's work in accordance with the plans, specifications, and contract documents.

Additionally, HB 2518 requires the person entering a contract to provide the government entity a notice of commencement at least 90 days before the date of the leased property's construction, alteration, or repair begins. The bill requires the notice of commencement to identify the public property where the work will be performed, describe the work to be performed, state the total cost of the work to be performed, copies of the performance and payment bonds, and a written acknowledgment signed by the contractor stating that copies of the required performance and payment bonds will be provided to all subcontractors not later than the fifth day after the date a subcontract is executed.

If a governmental entity received an incomplete commencement notice that did not contain the required copies of the performance and payment bonds, the governmental entity may notify the leaseholder that work could not proceed due to the leaseholder's failure to provide the required copies on or after the tenth day of receiving the documentation. HB 2518 provides that a person is subject to a Class A misdemeanor offense if they materially misrepresent information in a notice of commencement.

If a government entity fails to obtain a payment bond from the prime contractor or fails to include in a lease the lease terms, the entity is subject to liabilities and liens for which the bonds would have guaranteed. However, the government entity is not liable if a person leasing property from the entity failed to submit the required notice of commencement.

Impact on TxDOT

HB 2518 requires the Texas Department of Transportation (TxDOT) to update its standard lease agreement and revise any renewed leases to include the requirement of a payment and performance bond requirement. Currently, many of TxDOT's construction work contracts require payment and performance bonds. Therefore, procedures are already in place to ensure compliance with bonding requirements.

HB 2518 remains broad in that it applies to all new and renewed leases regarding contracts for any construction, alteration, or repair of an improvement of the leased property, regardless of the project's scope. Thus, HB 2518 will likely increase the number of bonds that will be required and therefore require compliance oversight, demanding additional administrative resources and costs. Additionally, the 90-day advance notice of commencement of construction may impact

RIGHT OF WAY - HB 2518

the lessee's use of the property for a considerable period after entering the lease, potentially delaying any beneficial improvements, alterations, or repairs to the leased property.

Additionally, under HB 2518, governmental entities, including TxDOT, become subject to liability for which the bonds would have guaranteed if the entity fails to include payment and performance bond requirements in their leases of public property.

SB 1869

Author: Senator Charles Perry (R-Lubbock)
Sponsor: Representative Drew Darby (R-San Angelo)



Relating to the disposition of surplus real property no longer needed for state highway purposes.

Summary

When the Texas Department of Transportation (TxDOT) no longer needs a parcel or parcels of real property owned by the state for a state highway purpose, the Texas Transportation Commission (Commission) may declare the property "surplus" and sell or transfer that property to another state agency, local governmental entity, abutter, or the public, in accordance with Section 202.021, Texas Transportation Code.

Under the Texas Transportation Code, all sales and transfers of surplus real property must be authorized by the Commission and if the property is valued at \$10,000 or more, the sale or transfer must also be approved and executed by the Texas Governor (governor). If the Commission determines the property value totals less than \$10,000, TxDOT's executive director may execute the deed selling or transferring the property without the governor's approval and signature.

In recent years, TxDOT experienced an increase in surplus property dispositions – including sales and transfers – valued at more than \$10,000, given the increasing value of real estate statewide and statewide. Subsequently, the governor has been tasked with processing, reviewing, and approving a growing volume of surplus property dispositions. This administrative load on entities other than TxDOT and the required various steps lengthen the administrative process and timeline associated with executing a sale or transfer at or above the \$10,000 property value threshold.

Senate Bill 1869 raises the value requiring governor approval for the sale or transfer of real property from \$10,000 to \$100,000. This change adjusts for inflation over the past two decades, bringing property values in statute into alignment with current real estate costs.

Impact on TxDOT

TxDOT currently maintains and will use the appropriate processes to execute a deed conveying the state's interest in property and will need to make slight modifications to align existing practice with changes made in SB 1869. TxDOT and the Commission will update rules and procedures for the conveyance or transfer of surplus property to reflect the authority for the executive director, with Commission approval, to convey property valued below \$100,000 provided in SB 1869.

SB 1869 will reduce the administrative burden on TxDOT and third parties and reduce the time associated with conveying surplus real estate, promoting efficiency in real estate practices in coming years. This, in turn, contributed to efficiencies and reduced impediments to TxDOT's highway project development and delivery. Additionally, raising the threshold will simultaneously expedite TxDOT's receipt of surplus property real estate proceeds for deposit into the state highway fund.

Effective Date: May 27, 2023

SB 2601

Author: Senator Juan "Chuy" Hinojosa (D-McAllen)
Sponsor: Representative Terry Canales (D-Edinburg)



Relating to payment of costs related to the relocation of certain utility facilities for state highway projects.

Summary

Under current state law, the Texas Department of Transportation (TxDOT) may cover the cost of relocating utility facilities owned by certain public utility service providers (utilities) when such relocation is necessary for a state highway improvement project. Eligible utilities include political subdivisions or utility providers operated by a political subdivision. The utility provider must also demonstrate that: (1) incurring costs of relocating utilities would negatively affect the provider's ability to operate or provide essential services to its customers: and (2) the provider would not qualify for a State Infrastructure Bank (SIB) loan to finance the relocation or is a political subdivision that has a population of less than 5.000 and is located in a county that has been included in at least five federal disaster declarations within the previous six-year period. Under current law, water supply corporations that are not governed as a political subdivision or operated by a political subdivision are ineligible for financial assistance by TxDOT under this program.

Senate Bill 2601 amends Section 203.092, Transportation Code, which governs the existing utility relocation financial assistance program, by adding water supply corporations as defined under Chapter 67, Water Code, as an eligible entity for which TxDOT can cover relocation costs when needed for state highway projects if the Texas Transportation Commission (Commission) determines that the payment of relocation of utilities would adversely affect the utility provider's ability to operate or provide essential services to its customers and the utility provider would not be able to receive a State Infrastructure Bank loan to finance the cost of the relocation.

Impact on TxDOT

Currently, certain political subdivisions or utilities owned by political subdivisions are eligible for coverage or reimbursement of costs when relocating certain utility facilities for state highway projects paid at the expense of the state if approved by the Commission. SB 2601 adds a water supply or sewer service corporation, as defined by Chapter 67. Water Code, as an entity for which the Commission may consider reimbursing relocation costs. As is practice with the existing financial assistance program for utility relocation, the amount covered by the state depends on costs associated with a project and the quantity and type of utilities required to be relocated. Eligible entities, including those added under SB 2601, remain subject to the statutory limit on the allowable utility relocation reimbursement amount covered by the state in any fiscal year to no more than \$10 million.

TxDOT anticipates that expanding eligibility and extending access to financial assistance for utility relocation may be done with existing resources and streamlined into current operations and practices.

TxDOT plans to adjust policies, documentation, and procedures accordingly to ensure water supply corporations may apply for and access financial assistance as outlined in SB 2601. Additionally, TxDOT anticipates SB 2601 may expedite and streamline the project development and delivery process in some cases as these water and sewer utilities may be relocated more timely. This may prevent project delays and costs associated with utility relocation delays.

Effective Date: June 18, 2023



OVERSIZE, OVERWEIGHT, & COMMERCIAL VEHICLES



OVERSIZE, OVERWEIGHT, & COMMERCIAL VEHICLESS

SB 1364

Author: Senator Carol Alvarado (D-Houston)
Sponsor: Representative John Lujan (R-San Antonio)



Relating to weight limitations for certain natural gas or electric vehicles.

Summary

In 2015, the United States Congress enacted the Fixing America's Surface Transportation Act (FAST Act), which raised the weight limit for natural gas and electric battery-powered tractor-trailers to 82,000 pounds on the Interstate Highway System. This enabling legislation was enacted to accommodate the weight of equipment required to power the engine of these vehicles, which tends to be higher than comparable vehicles fueled by gasoline and diesel. During the 85th Texas legislative session, House Bill 2319 (85R, 2015) was passed into law to allow this exemption to apply to vehicles fueled primarily by natural gas.

Despite the growing prevalence of electric vehicles and trucking on Texas roadways, these vehicles remained limited in their weight restrictions set by state statute, not to exceed the 80,000-pound weight limit to travel on U.S. interstate highways in Texas. Senate Bill 1364 seeks to address this issue and align state and federal statutes by authorizing vehicles powered by primarily electric battery power, in addition to natural gas as is currently provided in statute, to exceed weight limitations up to 2,000 pounds, provided that the maximum gross weight of the vehicle does not exceed 82,000 pounds as specified in federal law.

Impact on TxDOT

SB 1364 will allow additional types of vehicles that are not explicitly permitted by a local government entity as overweight to exceed the set weight limitation on roadways by 2,000 pounds, in alignment with the federal exception for electric and natural gas-powered vehicles. TxDOT anticipates the possibility of increased roadway and bridge consumption, contributing to more rapid deterioration of the state highway system and requiring more frequent maintenance and repair of roadways. However, the impact of increased weight limits set under this bill on the state inventory of roads and bridges is anticipated to be minimal and can be absorbed with existing resources.

Effective Date: June 2, 2023

OVERSIZE, OVERWEIGHT, & COMMERCIAL VEHICLESS

SB 1741

Author: Senator Judith Zaffirini (D-Laredo)
Sponsor: Representative Richard Raymond (D-Laredo)



Relating to the route designation for the issuance of a permit for the movement of oversize and overweight vehicles in Webb County.

Summary

Senate Bill 1741 amends Section 623.382, Transportation Code, to authorize the Texas Transportation Commission (Commission) to allow the City of Laredo to designate new routes along three new sections of roadway on Farm to Market roads 1472 and 3338 and State Highway 255 to the current local oversize/overweight corridor in Laredo (Webb County).

Subchapter T (Webb County Permits), Chapter 623, Transportation Code, currently allows the City of Laredo to operate a local oversize/overweight corridor and administer the issuance of permits for the movement of oversize or overweight vehicles carrying cargo on the specified roadways in Webb County. While the oversize/overweight corridor in Laredo and Webb County currently exists in statute, SB 1741 updates identified roadways and adds two new routes to the authorized corridor.

Existing law governing permits allows the City of Laredo to collect a fee not to exceed \$200 per trip for permits issued in an established corridor. The city may retain administrative costs not to exceed 15 percent of collected fees. The city is required to remit the remaining fee revenue (less administrative costs) to the Texas Department of Transportation (TxDOT) to deposit to the State Highway Fund to maintain roads on the designated corridor given potentially expedited deterioration and pavement consumption due to increased weights of traveling vehicles.

Impact on TxDOT

If the Commission elects to give the City of Laredo new authorization in accordance with SB 1741, TxDOT anticipates a nominal increase in pavement consumption due to the increased mileage of roadways in Webb County on which up to 125,000-pound loads are allowable. However, any additional maintenance cost will be offset by the collection of permit fees. Therefore, TxDOT anticipates no significant operational or fiscal impact associated with implementing the changes to this oversize/overweight corridor. The Texas Transportation Commission must adopt rules to update the corridor as reflected in SB 1741.



MEMORIAL HIGHWAY NAMINGS & DESIGNATIONS

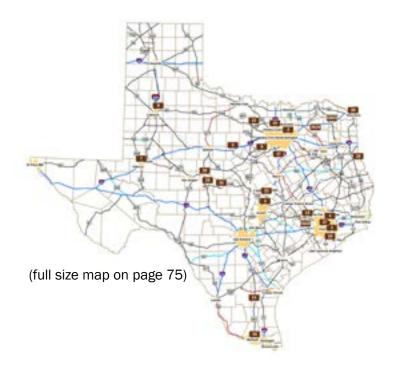


MEMORIAL HIGHWAY NAMINGS & DESIGNATIONS

	Bill	Designation	Highway	Location	Bill Author/ Sponsor
1	HB 923	Aaron M. Hicks Memorial Interchange	SH 225/SH 146	Harris County	Rep. Cain, Briscoe Sen. Middleton, Mayes
2	HB 975	Officer Richard Houston II Memorial Highway	Segment of IH 635	Mesquite	Rep. Neave Criado, Victoria Sen. Johnson, Nathan
3	HB 1305	Mildred McMillan Garrett Memorial Bridge	Segment of SH 19	Rains County	Rep. Hefner, Cole Sen. Paxton, Angela
4	HB 1368	Deputy Constable Omar Ursin Memorial Highway	Segment of FM 1960	Harris County	Rep. Cunningham, Charles Sen. Creighton, Brandon
5	HB 1913	Sergeant Barbara Fenley Memorial Highway	Segment of FM 2526	Eastland County	Rep. Spiller, David Sen. Birdwell, Brian
6	HB 1968	Officer Charles Whites Memorial Highway	Segment of IH 35	Williamson County	Rep. Harris, Caroline Sen. Schwertner, Charles
7	HB 2083	Mac Wilson and Rex Young Medal of Honor Highway	Segment of Business IH 20-E	Ector County	Rep. Landgraf, Brooks Sen. Sparks, Kevin
8	HB 2590	The Maines Brothers Band Highway	Segment of FM 40	Lubbock County	Rep. Burrows, Dustin Sen. Perry, Charles
9	HB 2835	Ed Shipman Memorial Highway	Segment of SH 144	Hood and Somervell Counties	Rep. Burns, DeWayne Sen. Birdwell, Brian
10	HB 3045	Ken Clark Memorial Highway	Segment of FM 517	Brazoria and Galveston Counties	Rep. Bonnen, Greg Sen. Middleton, Mayes
11	HB 3099	Lost Battalion Memorial Highway	Segment of US 380	Wise and Jack Counties	Rep. Stucky, Lynn Sen. Parker, Tan
12	HB 3106	Titus County WWI Veterans Memorial Highway	Segment of SH 49	Titus County	Rep. Hefner, Cole Sen. Hughes, Bryan
13	HB 3108	Army Staff Sergeant Clay Allen Craig Memorial Bridge	Segment of FM 2348	Titus County	Rep. Hefner, Cole Sen. Hughes, Bryan
14	HB 3672	Lt. General Marc Cisneros Highway	Segment of US 281-S	Premont	Rep. Canales, Terry Sen. Hall, Bob
15	HB 3672	Trooper Russell Lynn Boyd Memorial Highway	Segment of US 290	Waller County	Rep. Canales, Terry Sen. Hall, Bob
16	HB 3672	Ranger Stanley K. Guffey Memorial Highway	Segment of US 87	Brady	Rep. Canales, Terry Sen. Hall, Bob
17	HB 3672	Trooper Milton Alexander Memorial Highway	Segment of IH 35	Hillsboro	Rep. Canales, Terry Sen. Hall, Bob
18	HB 3672	Trooper Ernesto Alanis Memorial Highway	Segment of IH 2	McAllen	Rep. Canales, Terry Sen. Hall, Bob
19	HB 3672	Trooper Hollis S. Lacy Memorial Highway	Segment of US 377	Denton	Rep. Canales, Terry Sen. Hall, Bob
20	HB 3672	Trooper Howard Jordan Memorial Highway	Segment of US 67	Texarkana	Rep. Canales, Terry Sen. Hall, Bob
21	HB 3672	Trooper Mark Frederick Memorial Highway	Segment of IH 10	Austin County	Rep. Canales, Terry Sen. Hall, Bob

MEMORIAL HIGHWAY NAMINGS & DESIGNATIONS

Bill	Designation	Highway	Location	Bill Author/ Sponsor
HB 3672	Trooper William Kohlleppel III Memorial Highway Segment of IH 10 Austin County	Austin County	Rep. Canales, Terry	
		-		Sen. Hall, Bob
HB 3672	Trooper Billy D. Howry Memorial Highway	Segment of IH 35	Williamson	Rep. Canales, Terry
			County	Sen. Hall, Bob
SB 414	Mildred McMillan Garrett Memorial Bridge	Segment of SH 19	Rains County	Sen. Paxton, Angela
				Rep. Hefner, Cole
SB 507	Deputy Samuel Leonard Memorial Highway	Segment of US 87	Concho County	Sen. Perry, Charles
				Rep. Darby, Drew
CD EOO	SB 508 Sergeant Stephen Jones Memorial Highway	Segment of FM 765	Concho County	Sen. Perry, Charles
30 300				Rep. Darby, Drew
SB 957	Deputy Sheriff Darren Almendarez Memorial	Segment of US 59	Harris County	Sen. Alvarado, Carol
	Highway			Rep. Walle, Armando
SB 2150	Lt. General O.R. "Cotton" Whiddon Memorial	Segment of US 84	Joaquin	Sen. Nichols, Robert
	Highway			Rep. Clardy, Travis
	HB 3672 HB 3672 SB 414 SB 507 SB 508 SB 957	HB 3672 Trooper William Kohlleppel III Memorial Highway HB 3672 Trooper Billy D. Howry Memorial Highway SB 414 Mildred McMillan Garrett Memorial Bridge SB 507 Deputy Samuel Leonard Memorial Highway SB 508 Sergeant Stephen Jones Memorial Highway SB 957 Deputy Sheriff Darren Almendarez Memorial Highway Lt. General O.R. "Cotton" Whiddon Memorial	HB 3672 Trooper William Kohlleppel III Memorial Highway Segment of IH 10 HB 3672 Trooper Billy D. Howry Memorial Highway Segment of IH 35 SB 414 Mildred McMillan Garrett Memorial Bridge Segment of SH 19 SB 507 Deputy Samuel Leonard Memorial Highway Segment of US 87 SB 508 Sergeant Stephen Jones Memorial Highway Segment of FM 765 SB 957 Deputy Sheriff Darren Almendarez Memorial Highway Segment of US 59 Lt. General O.R. "Cotton" Whiddon Memorial Segment of US 84	HB 3672 Trooper William Kohlleppel III Memorial Highway Segment of IH 10 Austin County HB 3672 Trooper Billy D. Howry Memorial Highway Segment of IH 35 Williamson County SB 414 Mildred McMillan Garrett Memorial Bridge Segment of SH 19 Rains County SB 507 Deputy Samuel Leonard Memorial Highway Segment of US 87 Concho County SB 508 Sergeant Stephen Jones Memorial Highway Segment of FM 765 Concho County SB 957 Deputy Sheriff Darren Almendarez Memorial Highway Segment of US 59 Harris County Lt. General O.R. "Cotton" Whiddon Memorial Segment of US 84 Joaquin



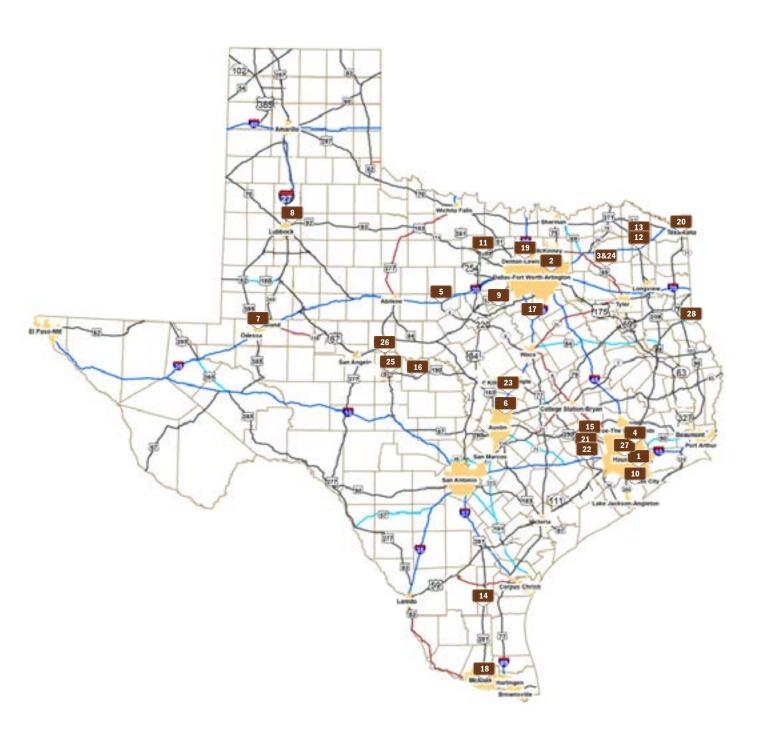
TxDOT is prohibited from officially naming any portion of the state highway system with anything other than the regular highway number. However, portions of the state highway system may be designated as a named or memorial highway by state legislation or local government ordinance or resolution. When state or local law designates a portion of the state highway system, costs for the signs and installation are required by state law to be paid in full by grant or donation to the state highway fund (Section 225.021, Transportation Code). For more information on Memorial Highway Namings and Designations please visit TxDOT's 2023-2024 Educational Series at txdot.gov and search "Memorial & Specialized Highway Signs."

Texas Memorial Highway System

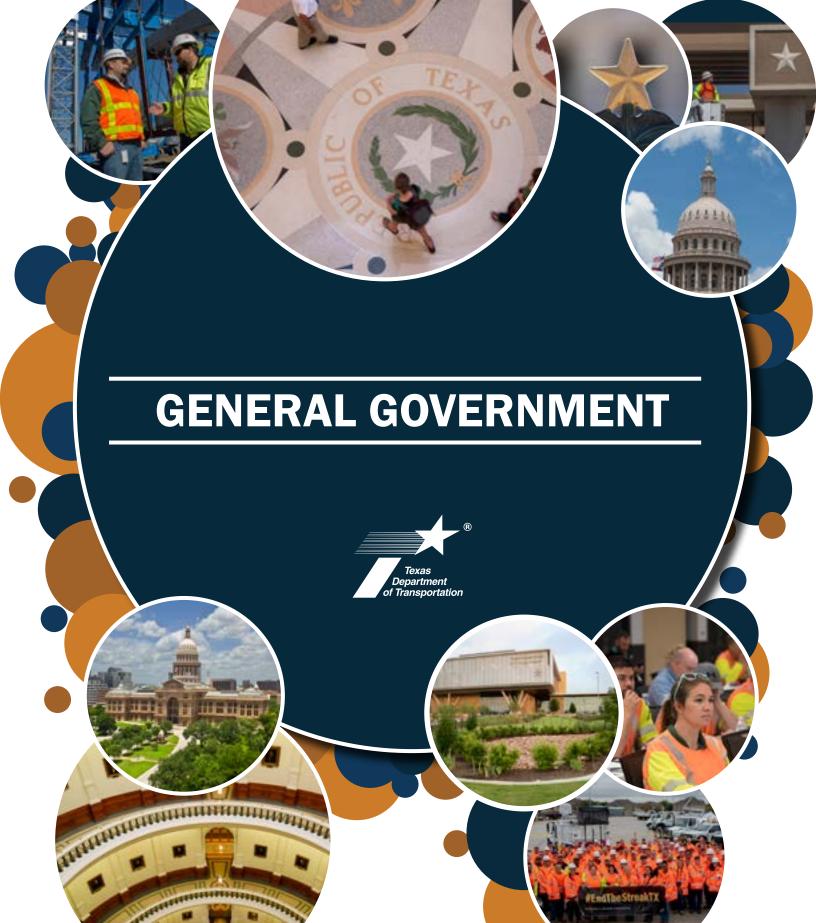


https://www.dot.state.tx.us/tpp/hwy/memorialhwy.htm

MEMORIAL HIGHWAY NAMINGS & DESIGNATIONS



PART II GENERAL GOVERNMENT LEGISLATION



HB 139

Author: Representative Stephanie Klick (R-Fort Worth)

Sponsor: Senator Bob Hall (R-Edgewood)



Relating to the provision of notice of certain proposed rules by state agencies.

Summary

Currently, when a state agency files proposed rules required by legislation with the Texas Secretary of State's office, the primary author or sponsor of the legislation necessitating the rule is not required to be notified by the state agency.

House Bill 139 ensures legislators may track the implementation of authored or sponsored legislation by requiring that notice of a proposed rule that is proposed to be adopted by a state agency under statutory authority that (1) specifically authorizes the agency to adopt the rule and (2) became law during the preceding four-year period, is sent to both the primary author and sponsor if that individual is still a member of the legislature. The notice must include the bill number that enacted the authority for the proposed rule, if such a bill became law within the preceding four years and be sent within three days after the agency files proposed rules with the office of the Secretary of State by email to the author and sponsor's designated Capitol email address or an alternative designated email address.

HB 139 specifies that failure to publish a summary of a proposed rule in Spanish and English under Section 2001.023, Government Code, to publish the bill number under Section 2001.024, Government Code, or to provide notice to the primary author or primary sponsor under Section 2001.0261, Texas Government Code, does not invalidate the rule or an action taken by the agency under that rule.

Impact on TxDOT

The Texas Department of Transportation (TxDOT) currently provides such notice to the appropriate legislative authors and sponsors when TxDOT proposes, and the Texas Transportation Commission adopts rules authorized by a piece of legislation. Thus, TxDOT currently complies with the requirements of HB 139 and anticipates no operational or fiscal impact associated with continuing these practices.

Effective Date: June 13, 2023

HB 2691

Author: Representative Angie Chen Button (R-Garland)
Sponsor: Senator Judith Zaffirini (D-Laredo)



Relating to the authority of the comptroller of public accounts to issue certain payments to persons who are indebted or delinquent in taxes owed to the state and to state agency reporting requirements regarding such persons.

Summary

When an individual or organization owes the state any outstanding debts or is delinquent on tax payments, state agencies must report these debts to the Comptroller of Public Accounts (Comptroller). The Comptroller may then hold any payments due to the indebted individual or organization until their debt is paid in full, the agency agrees to the release of payments, or when any amount owed that totals more than the amount of the debt can be released to the payee, only after 30 days. Under this current practice, companies owing small debts may have multiple payments held by the state despite payments owed to that company exceeding debt totals.

House Bill 2691 addresses such situations by amending Section 403.055, Government Code, to allow the Comptroller to issue a payment to a person after the state first withheld any amount of that person's indebtedness to the state. HB 2691 also requires state agencies to send a letter to the indebted person detailing the actions proposed by the Comptroller, such as deducting the amount the person may owe to the state.

HB 2691 requires state agencies to notify the indebted person, other than a person whose indebtedness results from the person's failure to pay required child support, that the person's debts will be reported to the Comptroller for the withholding of future warrants or electronic funds transfers.

Impact on TxDOT

To comply with requirements under HB 2691, TxDOT must notify the payee (indebted person or organization) of the notification of the debt to the Comptroller and that the Comptroller will subtract the amount owed to the state from amounts owned by the agency. These requirements apply to all debts owed to the state and reported to the Comptroller including debts owed to other state agencies, except for debts owed for unpaid child support. TxDOT will monitor the Texas Register for any rulemaking by the Comptroller authorized under HB 2691 to ensure compliance and alignment with TxDOT practices and policies. TxDOT anticipates a minimal fiscal impact due to the handling and mailing costs of the notices. However, all changes can be implemented with existing TxDOT resources and staffing.

HB 3033

Author: Representative Brooks Landgraf (R-Odessa) Sponsor: Senator Judith Zaffirini (D-Laredo



Relating to the public information law.

Summary

Chapter 552, Texas Government Code, governs various elements of the state's Public Information Act, which guides how members of the public may request and receive information related to the official business of a governmental entity. House Bill 3033 makes several changes to Chapter 552, Government Code, regarding the timeline, procedures, exceptions, and limitations associated with public information requests.

Among these changes, HB 3033 adds a definition for "business day," as it applies to the state's Public Information Act, to mean any day other than a:

- 1. Weekend (Saturday and Sunday);
- 2. National holiday;
- State holiday or optional state holiday, if the governmental entity's public information officer observes the optional holiday;
- 4. Education holiday designated by the educational institution (for the institution only);
- Friday or Monday following a state or national holiday if the holiday is observed Monday or Friday in lieu of the weekend: and
- Ten-day maximum period in a calendar year designated by a governmental body to be administratively closed with minimal staffing. Such a designation must be made by the executive director or alternative chief administrative officer.

HB 3033 amends Section 552.012, Government Code, to provide the Office of the Attorney General of Texas (OAG) the authority to require government officials to complete open records training if the governmental body

fails to comply with the law. The Office of the Attorney General must notify the official in writing and provide the official 60 days after receiving the notice to complete the training.

HB 3033 amends Section 552.103, Government Code, by excluding from the exception to public disclosure information that relates to a primary, general, or special election.

HB 3033 adds new Section 552.163, Government Code, providing an exception to public disclosure of information related to privileged Office of the Attorney General settlement communications used in an active investigation or litigation of the Office of the Attorney General involving deceptive trade practices. The exception applies to the communication once the investigation begins and terminates either after 90 days from the date the settlement discussions are over or the earliest of when the litigation or investigation is concluded. The exception does not apply to documents attached to or referenced in a qualified settlement communications subject to disclosure.

HB 3033 adds new subsections to Sections 552.271 and 552.272, Government Code, which deal with the inspection of public information in paper or electronic record if a requestor does not request a copy. Currently, government entities are authorized to establish reasonable personnel time limitations to respond to public information requests through the adoption of rules and policies, including those outlining how these time limits are calculated. The new subsections prohibit any person from inspecting paper or electronic records on behalf of a requestor of public information if the requestor has exceeded the time allotted by the governmental body unless that requestor has paid each statement required by the governmental body associated with requests requiring large amounts of

GENERAL GOVERNMENT - HB 3033

governmental employee time to provide.

HB 3033 amends Section 552.275, Government Code, which authorizes governmental bodies to set personnel time limits for responding to open records requests that require a significant amount of governmental employee or personnel time. These changes include permitting governmental bodies to:

- Include time to prepare and estimate personnel time to respond to an open records request if the requestor has already exceeded the allotted time;
- 2. Withhold public information when the allotted time has been exceeded unless the requestor pays the required additional costs under the Public Information Act or provides proper identification to show the time allotment no longer applies (if the requestor fails to pay or provide identification, the request is considered withdrawn); and
- 3. Request photo identification when there is reason to believe the requestor has already exceeded the allotted personnel time and is concealing their identity. In the final instance, the governmental body must provide the reasons for its belief and accept proof of identification of the requestor. A requestor may avoid identification if the requestor submits payment for the charges over the allotted time.

Subchapter G of Chapter 552, Government Code allows governmental entities that receive a public information request for which it wishes to withhold from public disclosure and that it considers to be exempt under provisions of Subchapter C must ask for a decision from the Office of the Attorney General regarding whether the information may be withheld and exempted. HB 3033 adds a new Section 552.3031, Government Code requiring governmental bodies to submit requests for an Attorney General decision on a public information request through the Office of the Attorney General's online portal, with some exceptions. This new section authorizes the Office of the Attorney General to establish rules necessary to implement this section. HB 3033 specifies that this section does not apply if the amount or format of the requested information

cannot be provided to the Office of the Attorney General electronically or if the request is hand-delivered. HB 3033 amends Section 552.306, Government Code, which concerns the issuance of an Attorney General decision, to require all state agencies to comply with an Attorney General Opinion regarding whether public information request is to be withheld or exempted within a reasonable time after the opinion is issued. Based on the final decision, a state agency may comply with such a request by:

- 1. Providing the requestor an itemized cost to produce responsive information;
- 2. Producing the responsive information. If production cannot be done in a reasonable time due to the volume of information requested, the agency must certify that fact in writing to both the Office of the Attorney General and the requestor and give a date and time for when the first batch of information will be made available. The agency must certify in writing to both the Office of the Attorney General and the requestor a date and time for each subsequent batch of information will be made available. Each release cannot be in excess of 15 business days after the date the notice is sent;
- 3. Informing the requestor that the entity is withholding the responsive information pursuant to the decision; or
- 4. Informing the requestor that it is suing the Attorney General to avoid releasing the responsive information. In the event the information being produced is voluminous.

HB 3033 makes minor changes to Section 552.308, Government Code, which concerns deadlines and timing under the law, by specifying that submissions of requested information are considered timely if made through the U.S. First Class mail or an alternative contract delivery carrier on the date the deadline ends, except with regards to requesting an Attorney General opinion through the online portal.

HB 3033 adds new Section 552.310, Government Code to require the Office of the Attorney General to create a publicly accessible, searchable online database and search that shows open records requests made by members of the public for which the Attorney General issued a decision and the final decision on the request. At a minimum, a person must be able to search for: (1) the name of the governmental body that made the request for opinion; and (2) exceptions to disclosure that were raised for the request. Finally, the database must show the status of every request for opinion made and an estimated timeline for completion of the review. The Office of the Attorney General must develop and implement the database by January 1, 2024.

Impact on TxDOT

The Texas Department of Transportation (TxDOT) anticipates that numerous changes must be made to the internal administration of public information requests and responses given changes to the requirements of the Public Information Act made under HB 3033.

HB 3033 clarifies the meaning of the term "business day," which has been previously disputed at the state level. While the Office of the Attorney General had permitted "skeleton crew" days, or optional holidays, to be excluded, the Texas Third Court of Appeals recently ruled that only weekends and holidays designated by state law count as non-business days. By clarifying these administrative expectations, HB 3033 provides TxDOT the opportunity to designate up to ten additional skeleton crew days or optional holidays as non-business days. In the event of inclement weather, TxDOT can utilize this provision so long as it does not extend beyond ten days in any given year. TxDOT will also work internally with its Public Information Act coordinators to ensure that optional holidays observed by the coordinator is considered when calculating business days. TxDOT currently calculates business days when preparing information and responding to open records requests, however, HB 3033 will change the methodology by which TxDOT calculates the business days. All changes in practice may be done with minimal operational impact and using existing resources and staffing.

HB 3033 will require that TxDOT ensure its public information officers complete open records training when required by the Office of the Attorney General, which could result in multiple training sessions within a given year.

HB 3033 also requires that TxDOT submit all requests for opinions related to Public Information Act requests through an online portal designated by the Office of the Attorney General or by hand delivery. TxDOT currently utilizes the Office of the Attorney General's existing online portal and will anticipate any changes to its format or requirement as prompted by HB 3033. HB 3033 eliminates the option for TxDOT to submit the request via postal mail, which has been a necessity in some circumstances given time restraints and other factors.

Additionally, under HB 3033, TxDOT must notify all requestors of its respective decision (cost to release, release information, withholding information, or bringing suit) following the issuance and receipt of an Attorney General Opinion. Currently, TxDOT is only required to notify the requestor if the agency brings a lawsuit regarding the request. HB 3033 requires TxDOT to communicate its decision on every opinion received. Additionally, when producing large quantities of information, TxDOT must provide certified, written notice to both the requestor and the Office of the Attorney General and produce the information accordingly.

Finally, HB 3033 provides TxDOT a remedy for vexatious requestors -- a person who abuses the Public Information Act by sending frequent or burdensome requests to a governmental entity. While TxDOT currently maintains the authority to establish reasonable personnel time limitations to respond to public information requests, this bill permits TxDOT to require photo identification whenever a requestor exceeds the allotted personnel time. TxDOT may adopt internal rules and policies and provide training would be required to ensure TxDOT complies with requirements associated with calculating time.

HB 3130

Author: Representative R.D. "Bobby" Guerra (D-McAllen)

Sponsor: Senator Judith Zaffirini (D-Laredo)



Relating to the protection of certain occupational licensing information regarding clients of family violence shelter centers, victims of trafficking shelter centers, and sexual assault programs and survivors of family violence, domestic violence, and sexual assault.

Summary

To reduce safety risks for survivors of family violence, sexual abuse, and trafficking living in Texas, House Bill 3130 aims to better protect survivors' identifying information by allowing survivors of such situations to request occupational licensing agencies to stop providing their personally identifiable information as part of public information requests and for sale of personal information.

HB 3130 prohibits a governmental body from selling or otherwise releasing personally identifiable information - including the name, home or business address, place of employment, telephone number, electronic mail address, social security number, date of birth, driver's license, or state identification number, passport number, emergency contact information, and numeric identifier - of a victim or survivor who holds, held, or is applying for an occupational license issued by the governmental entity and who notifies the governmental entity to restrict public access. The person must submit a form, provided by the Office of the Attorney General (OAG) or the appropriate governmental entity, and provide that they are a current or former client of a family violence shelter center, victims of trafficking shelter center, or sexual assault program. A governmental entity may redact the specified personally identifiable information, as described above, in responding to a request for a list or directory of current, former, or applying license holders without requesting a decision from the attorney general.

Impact on TxDOT

The Texas Department of Transportation (TxDOT) oversees and ensures the legal display of off-premises outdoor advertising signs along highways regulated under the Highway Beautification Act as well as all other highways and roads located outside of the corporate limits of cities, towns, and villages in Texas under the State Rural Roads Act. As part of TxDOT's Commercial Sign Program, sign owners may need to obtain an outdoor advertising license and permit through TxDOT. depending upon location and other regulations. Under HB 3130. TxDOT will be required to withhold or redact the release of certain identifiable information related to the personal information of a license holder who is a victim or survivor of domestic and sexual abuse and human trafficking if requested. TxDOT anticipates these changes and compliance with the provisions of HB 3130 can be done using existing resources and the agency's current Public Information Act processes and practices, resulting in minimal impact to TxDOT. Because TxDOT issues licenses for outdoor commercial signs, most licenses are held and listed in the name of a business entity rather than in the name of an individual as contemplated by HB 3130; therefore, TxDOT anticipates circumstances of doing so to be minimal.

HB 4510

Author: Representative John T. Smithee (R-Amarillo) Sponsor: Senator Charles Schwertner (R-Georgetown)



Relating to reporting of certain information by state agencies and counties, including information related to appropriated money, activities of certain consultants, and tax revenue.

Summary

Under current state law, state agencies must submit to the Texas Comptroller of Public Accounts (Comptroller) an annual financial report by November 20 annually and, if audited, an additional report by December 20 in the respective year.

House Bill 4510 accelerates the deadline for agencies submitting financial reports not subject to an audit from November 20 to November 1 annually. HB 4510 also accelerates the deadline for agencies that submit an audited report from December 20 to December 15. HB 4510 allows a state agency now to submit only one report on December 15, if the agency is submitting an audited financial report.

Impact on TxDOT

Currently, the Texas Department of Transportation (TxDOT) submits two versions of the required report to the Comptroller: one annual financial report and another audited financial report. By setting new accelerated timelines for reporting, HB 4510 requires TxDOT to advance its audit process by one week. Because TxDOT's audit timeframe is currently completed under an expedited timeline, TxDOT would need to accelerate the year-end close process by one week to accommodate these changes. This change would require coordination with TxDOT's auditor to ensure required information is provided for the audit within a feasible timeframe.

TxDOT anticipates the change in financial statement reporting dates to require additional resources to accelerate the close process by one week given that the current timeframe already places a considerable demand on current staff from September through December, following the close of the previous fiscal year. TxDOT's dedicated auditor might also charge additional fees to expedite the audit process.

SB 510

Author: Senator Charles Perry (R-Lubbock)
Sponsor: Representative Oscar Longoria (D-Mission)



Relating to the confidentiality of certain information maintained by state licensing agencies.

Summary

The state's Public Information Act (PIA) provides a mechanism for the public to access and inspect or copy government records. Though all government information and records are presumed to be public, the law provides that governmental bodies may withhold government records from the public in specific instances. Currently, private information associated with occupational license holders maintained by state licensing authorities can be publicly disclosed to any person that submits a public information request. Senate Bill 510 protects certain identifying information associated with occupational licensing information by expanding the information maintained by state licensing agencies that must be kept confidential.

SB 510 adds Section 552.11765, Government Code, to make confidential and exempt from public disclosure information held by an executive or legislative branch state agency for which an individual must obtain a license to practice or engage in a particular business, occupation, or profession. Information prohibited from public disclosure includes an application for an occupational license; and any personally identifying information of an applicant from the agency or to a current or former license holder including but not limited to address, phone number, email address, social security number, birth date, driver's license number, and payment information.

SB 510 establishes that the license applicant or holder's name, license number, or license status is not made confidential or exempted from public disclosure under this protection.

Impact on TxDOT

The Texas Department of Transportation (TxDOT) oversees and ensures the legal display of off-premise outdoor advertising signs along highways regulated under the Highway Beautification Act as well as all other highways and roads located outside of the corporate limits of cities, towns, and villages in Texas under the State Rural Roads Act. As part of TxDOT's Commercial Sign Program, sign owners may need to obtain an outdoor advertising license and permit through TxDOT, depending upon location and other regulations. Under SB 510, TxDOT will be required to withhold or redact the release of certain identifying information related to a license application and the personal information of a license holder, should an individual seek to obtain such information associated with a license. TxDOT anticipates these changes and compliance with the provisions of SB 510 can be done using existing resources and the agency's current Public Information Act processes and practices, resulting in minimal impact to TxDOT.





HB 915

Author: Representative Tom Craddick (R-Midland)
Sponsor: Senator Tan Parker (R-Flower Mound)



Relating to a requirement that employers post notice of certain information regarding reporting instances of workplace violence or suspicious activity.

Summary

House Bill 915 aims to prevent workplace violence, ensure safe work environments, and prevent injury or disruption by requiring employers to post a notice displaying appropriate contact information for reporting instances of workplace violence or suspicious activity to the Texas Department of Public Safety (TxDPS) in locations that are visible and accessible to employees. The notice must be posted in English and Spanish, as appropriate, at sufficient locations to be convenient to all employees. HB 915 requires the notice to include contact information for reporting instances of workplace violence or suspicious activity to the Texas Department of Public Safety and inform employees of their right to anonymously report such instances to the Texas Department of Public Safety. HB 915 requires the Texas Workforce Commission (TWC) to consult with the Texas Department of Public Safety on the notice's format and content.

Impact on TxDOT

Under HB 915, the Texas Department of Transportation (TxDOT) must post workplace violence notices in compliance with the law. In doing so, TxDOT will ensure that the notices remain visible and accessible, as well as posted in sufficient locations to reach a breadth of employees, in alignment with HB 915. TxDOT anticipates these requirements can be fulfilled using existing resources and staff.

Effective Date: September 1, 2023; Texas Workforce Commission shall adopt rules related to the notice by March 1, 2024

HB 2157

Author: Representative Will Metcalf (R–Conroe)
Sponsor: Senator Judith Zaffirini (D–Laredo)



Relating to the salary of certain employees who transfer within a state agency.

Summary

The State of Texas Position Classification Plan and Chapter 654, Texas Government Code, govern the classification and compensation structure for most state employees to ensure the appropriate, consistent classification of state employees are classified appropriately and consistently and promote salary parity for similar positions across state agencies. Classifications and compensation levels are developed based on education, work experience, skills, work performed, and salary ranges for positions that aim to be competitive with similar positions in the public and private sectors. Currently, state law governing classifications and compensation in the Texas Government Code lacks the flexibility needed for state agencies to appropriately adjust employee salaries when qualified employees apply for a new position within their current employing agency with the same state classification title.

House Bill 2157 amends Section 659.2532, Government Code, to provide greater flexibility to state agencies to adjust the salary for an employee who transfers within the same agency to a different position if they have applied to and are competitively selected for a position within the same state classification title the employee currently occupies.

Impact on TxDOT

The Texas Department of Transportation (TxDOT) anticipates no major operational or fiscal impact from HB 2157. TxDOT will update its existing human resources and hiring policies and procedures to reflect this change in law, as well as train and educate those who are involved in the hiring and selection process to ensure alignment with new requirements.

SB 222

Author: Senator Robert Nichols (R-Jacksonville)
Sponsor: Representative Will Metcalf (R-Conroe)



Relating to paid leave by certain state employees for the birth or adoption of a child.

Summary

Current state and federal laws, guided by the U.S. Family and Medical Leave Act (FMLA), entitle state employees to up to 12 weeks of unpaid leave annually for certain medical and family circumstances. To use this leave, the employee must first use all available accrued paid vacation and sick leave, at which time the remainder of the 12-week maximum leave is unpaid. When taken for the birth or adoption of a child, the authorized leave must begin on the employee's natural child's date of birth or the date of adoption or foster care placement with the employee for a child younger than three years of age.

Senate Bill 222 establishes a state-paid parental leave benefit for state employees with at least 12 months of state service and who worked at least 1,250 hours during the 12-month period prior to the leave, and who is a member of the Employee Retirement System (ERS) of Texas or employed by an entity within the state's executive branch, except for an institution of higher education. SB 222 provides an employee paid leave for the birth of a child, birth of a spouse's child, birth of a child via gestational surrogacy, or adoption.

Under SB 222, an employee who takes leave for a child's birth is entitled to 40 days of paid leave. An employee who takes leave for the remaining three situations – birth of a child by the employee's spouse, the birth of a child by a gestational surrogate, or the adoption of a child – is entitled to 20 days of paid leave. Unlike previous policy, a state employee is not required to use all available paid vacation and sick leave before using paid family leave. SB 222 specifies that the paid family leave provided under this statute may not be construed as creating a new employment right, conferring protected status, or creating a new cause of action against the state.

Impact on TxDOT

The Texas Department of Transportation (TxDOT) anticipates that the new family leave policy created under SB 222 will require TxDOT to update internal human resources policies and procedures, including the Family and Medical Leave subsection in the agencywide Human Resources Policy Manual, in addition to supervisory and administrative processes and forms associated with granting and documenting the leave. TxDOT will also need to add a new leave category to its internal timesheet and payroll system. Finally, TxDOT and the Texas Transportation Commission (Commission) will need to review the Family Leave Pool Program rules, policies, and procedures and, if necessary, align them with state law. TxDOT anticipates all necessary changes can be made using existing resources.

SB 1376

Author: Senator Tan Parker (R–Flower Mound)
Sponsor: Representative Terry Wilson (R–Georgetown)



Relating to an employment preference for members of the military and their spouses for positions at state agencies.

Summary

Current state law entitles veterans and certain family members to employment-related preference over other applicants for the same position with equal or lesser qualifications when seeking employment at a state agency. Eligible individuals entitled to employment preference, in the order of priority, are as follows: (1) a veteran with a disability; (2) a veteran; (3) a veteran's surviving spouse who has not remarried; and (4) an orphan of a veteran if the veteran was killed while on active duty.

Senate Bill 1376 aims to expand opportunities for veterans and military families by expanding the state's existing policies around employment preference for veterans. SB 1376 amends the Government Code to provide employment preference for employment at or appointment to an applicable state agency to (1) the spouse of a member of the U.S. armed forces or Texas National Guard serving on active duty; and (2) the spouse of a veteran in cases where the spouse provides the household's primary source of income and the veteran has a total disability condition based on federal disability criteria. SB 1376 grants the spouse employment preference priority after a veteran with or without a disability and before a qualifying surviving spouse or qualifying orphan of a veteran.

SB 1376 also makes conforming changes to the statute to reflect the new law by replacing references to a "veteran's employment preference" with references to "military employment preference," and includes military members and their dependents among the persons eligible to be served by the designated veteran's liaison at each applicable state agency.

Impact on TxDOT

The Texas Department of Transportation (TxDOT) anticipates that all changes necessary to align with the hiring policies created under SB 1376 will be administrative. To align and comply with the law, TxDOT will update its Veteran's Employment Preference policy and procedures, publish information on TxDOT's internet and intranet, and educate those who are making hiring decisions and are involved with the hiring process. TxDOT anticipates all changes and internal training necessary to implement these changes may be done using existing resources.





STATE CONTRACTING

HB 1817

Author: Representative Giovanni Capriglione (R-Southlake)
Sponsor: Senator Kelly Hancock (R-North Richland Hills)



Relating to the validity of a contract for which a disclosure of interested parties is required.

Summary

Section 2252.908, Texas Government Code, requires business entities entering into a contract with a governmental entity, including a state agency, to disclose interested parties – defined as those with a controlling interest in a business that contracts directly with a governmental entity such as a broker, adviser, or attorney for the business – to that governmental entity when submitting their signed contract when the contract award:

- Requires an action or vote by the governing body of the entity before signing the contract;
- 2. Is valued at least \$1 million: or
- Is for services that would require a person to register as a lobbyist under Chapter 305, Texas Government Code.

This requires governmental entities to file a statutorily mandated disclosure of interested parties, known as Form 1295, with the Texas Ethics Commission for certain contracts.

House Bill 1817 addresses compliance with this law and clarifies when failure to comply may result in a void contract by specifying that the contract between the governmental entity and business is voidable for the business's failure to provide the disclosure only if:

 The governmental entity submits to the business written notice of the business's failure to disclose required information; and The business entity fails to submit to the governmental entity the required disclosure at least ten business days after the business receives written notice.

Impact on TxDOT

The Texas Department of Transportation (TxDOT) provides oversight for construction contracting including TxDOT's low-bid construction program – as well as for professional services, private consultants, and other governmental and business entities. TxDOT staff play an active role in establishing policy, developing contract templates, delivering internal contract training, reporting contract-related information, and maintaining records related to TxDOT's active contracts, as well as providing contract support to personnel who are involved in managing those contracts. In accordance with new provisions created under HB 1817, TxDOT will modify business contract policies and procedures to ensure the provision of written notice to a business in cases where that business fails to provide the disclosure of interested parties. TxDOT anticipates these changes may be absorbed given existing resources and personnel.

Effective Date: June 9, 2023

STATE CONTRACTING

HB 3013

Author: Representative Shelby Slawson (R-Stephenville) Sponsor: Senator Pete Flores (R-Pleasanton)



Relating to exempting certain contracts from procurement notice requirements.

Summary

During the 87th Regular Legislative Session (2021), the legislature enacted statutory changes to streamline procurement processes for state agencies – among those, the Texas Comptroller of Public Accounts (Comptroller) must require in its Contract Management Guide that state agencies must notify interested parties at least two months before the agency issues a solicitation for a procurement of more than \$20 million. This, however, posed challenges for agencies dealing with disaster and emergency response given the often-limited ability to predict disaster response needs two months ahead of time.

House Bill 3013 seeks to address this obstacle and further streamline procurement by amending Section 2262.051, Government Code, requiring a state agency to notify interested parties at least two months before the date the agency issues the solicitation for a procurement exceeding \$20 million, unless the procurement is for a contract entered into by the comptroller under Section 2155.061 or for a contract for services necessary to respond to a natural disaster.

Impact on TxDOT

The Texas Department of Transportation (TxDOT) maintains readiness for all-hazards and natural disaster response. During such events, TxDOT assists the public in staying out of harm's way and maintaining the traveling public's safety. In addition, TxDOT performs state highway facility repairs and debris removal to stabilize emergency and disaster situations. During these events, TxDOT may need to procure materials and services to assist in its statewide or regional response.

In doing so, TxDOT remains subject to state statute and rules related to state agency procurement processes, including the Comptroller's Contract Management Guide. By removing notice requirements for procurements over \$20 million for a natural disaster response, this would allow TxDOT to immediately procure contracts for services over \$20 million in response to a natural disaster without having to rely on an emergency declaration. While HB 3013 provides added flexibility in natural disaster response efforts, TxDOT anticipates these situations to be relatively uncommon as such procurement rules have been waived via a proclamation by the Governor in the past.

To ensure internal policies and procedures align with changes made by HB 3013, TxDOT will document the exception and update procurement policies and training materials accordingly.





HB 2060

Author: Representative Giovanni Capriglione (R-Southlake) Sponsor: Senator Tan Parker (R-Flower Mound)



Relating to the creation of the artificial intelligence advisory council.

Summary

In 2019, the 86th Legislature passed Senate Bill 64, which added Section 2054.601, Government Code, Use of Next Generation Technology. Section 2054.601 encourages state agencies to consider artificial intelligence (AI) systems. As state agencies began adopting AI systems and applications have expanded, the legislature recognized that it lacks robust oversight to ensure the responsible use of AI technology.

House Bill 2060 addresses these issues by establishing the Artificial Intelligence Advisory Council (council), tasked with studying and monitoring artificial intelligence systems developed, employed, or procured by state agencies. The council is required to assess the need for a state code of ethics for artificial intelligence systems in state government and review automated decision systems inventory reports submitted by state agencies. The review will include the effect of the automated decision systems on the constitutional or legal rights, duties, or privileges of the residents of this state, as well as the potential benefits, liabilities, or risks that Texas could incur by implementing the automated decision systems. The council is further required to recommend administrative actions that state agencies may take without further legislative authorization and to submit a report to the Texas Legislature no later than December 1, 2024, including a summary of the council's findings after reviewing the automated decision systems inventory reports submitted by state agencies, its recommendations, and other findings.

Further, the bill requires each state agency to submit an inventory report of all automated decision systems that are developed, employed, or procured by the agency to the Department of Information Resources (DIR),

the council, and Texas Legislature committees with jurisdiction over this issue by July 1, 2024. The report must include information related to each automated decision system, including vendor information, its capabilities, purpose, data storage, and fiscal implications.

The bill has a sunset date of January 1, 2025.

Impact on TxDOT

HB 2060 tasks the Texas Department of Transportation (TxDOT), alongside all state agencies, to participate in the study of the automated decision system used by TxDOT. To provide the necessary information, TxDOT staff will need to identify impacted automated decision systems used by TxDOT and report findings. Further, staff must work alongside the Artificial Intelligence Advisory Council in this effort. TxDOT staff will also need to submit a report to the Department of Information Resources, the council, and appropriate Texas Legislature committees by July 1, 2024, in accordance with HB 2060's provisions. TxDOT anticipates all staff time and resources needed to provide an additional report and assist the council may be absorbed by TxDOT.

Effective Date: June 13, 2023

SB 271

Author: Senator Nathan Johnson (D-Dallas)
Sponsor: Representative Matt Shaheen (R-Plano)



Relating to state agency and local government security incident procedures.

Summary

As cybersecurity attacks increase among government entities, state lawmakers have sought to ensure proper reporting and record of such incidents. Current statute requires state agencies to report these incidents to the Department of Information Resources (DIR), which oversees cybersecurity for the State of Texas, however, local government entities are not currently held to such standards. Consequently, the Department of Information Resources only learns of cybersecurity incidents at the local level when local government entities choose to report them, reducing the state's ability to accurately track data and identify adequate responses. Senate Bill 271 seeks to ensure that cybersecurity incidents at all levels of government in Texas are reported to the Department of Information Resources to collect accurate data, track patterns, and mitigate damage to governmental entities that experience attacks.

SB 271 amends the Texas Government Code to add local governments to the entities required by statute to report a cybersecurity incident to the Department of Information Resources. SB 271 recodifies and transfers Section 2054.1125 (Security Breach Notification by State Agency) to Subchapter R, Texas Government Code, and renames the section to "Security Incident Notification by State Agency or Local Government." Further, the bill updates and adds definitions, defining "security incident" to mean an actual or suspected breach of system security as defined by Section 521.053, Business & Commerce Code, and "the introduction of ransomware, as defined by Section 33.023, Penal Code, into a computer, computer network, or computer system."

SB 271 requires that in the event of a security incident that includes sensitive personal information as defined in Section 521.053 of the Business & Commerce

Code, confidential information, or information the disclosure of which is regulated by law, the state agency or local government that owns licenses or maintains the computerized data must comply with the same cybersecurity incident reporting requirements as a business in Texas, as governed by the Business & Commerce Code. This includes disclosing a cybersecurity breach to those individuals impacted, including individuals whose sensitive personal information may have been acquired by a person or group not authorized to maintain such information (i.e., a bad actor, or cyber attacker).

Under SB 271, the government entity must also notify the Department of Information Resources - including the chief information security officer or the Secretary of State if the incident relates to election information - and comply with all reporting rules no later than 48 hours after the discovery of the security incident. Currently, Texas state agencies must report both: (1) "security incidents" and "security breaches" to the Department of Information Resources, pursuant to Title 1, Section 202.23 (Security Reporting), Texas Administrative Code; and (2) security breaches in compliance with Chapter 521 (Unauthorized Use of Identifying Information), Business and Commerce Code. Currently, breaches or suspected breaches are reported to the Department of Information Resources within 48 hours of notice, while security incidents are included in a monthly Security Incident Report.

The bill requires a state agency or local government to notify the Department of Information Resources, including the chief information security officer, of the details of the security incident and submit an analysis of the cause of the security incident no later than the tenth business day after the date of the eradication, closure, and recovery from a security incident.

INFORMATION TECHNOLOGY - SB 271

Impact on TxDOT

SB 271 will require the Texas Department of Transportation (TxDOT) to review and modify its cybersecurity reporting practices, ensuring alignment with the bill. As previously stated, breaches or suspected breaches are reported to the Department of Information Resources within 48 hours, while security incidents are included in a monthly Security Incident Report. TxDOT must adjust these timelines and streamline reporting practices to comply with deadlines for notification and reporting outlined in SB 271.

Due to the expanded definition of a security incident by which reporting to appropriate entities is required, SB 271 may increase the scope and types of events under which TxDOT may need to provide privacy breach notifications to individuals and the Department of Information Resources.

TxDOT may incur some costs associated with meeting the privacy notice requirements to impacted and potentially impacted individuals of a security breach. Further, TxDOT will require updates to its internal cybersecurity incident response plan and train personnel on the modified terminology and requirements.

SB 621

Author: Senator Tan Parker (R-Flower Mound)
Sponsor: Representative Giovanni Capriglione (R-Southlake)



Relating to the position of chief information security officer in the Department of Information resources

Summary

The Texas Department of Information Resources (DIR) currently employs a chief information security officer responsible for managing and protecting the state's security posture and overseeing the development and implementation of the Department of Information Resources' cybersecurity programs and services. This role, however, is not formally defined in state statute.

Senate Bill 621 codifies the chief information security position by establishing and defining the role and duties in statute within the Department of Information Resources. SB 621 specifies the chief information security officer's duties include overseeing cybersecurity matters for the state and developing a statewide security framework, statewide information security policies and procedures, and implementation of the security framework. The chief information security officer must coordinate with and provide strategic direction to state, local, and other entities to meet the requirements set forth by the chief information security officer to strengthen the state's cybersecurity. Finally, the chief information security officer is responsible for compiling and submitting an annual report on the status and effectiveness of the state's cybersecurity program.

Impact on TxDOT

SB 621 requires the Texas Department of Transportation (TxDOT) to cooperate and work with the Department of Information Resources' chief information security officer to ensure compliance with this law, including reporting on TxDOT's information security policies and implementing best practices established by the Department of Information Resources.

TxDOT will monitor standards, policies, and best practices for information security protection established by the chief information security officer to ensure compliance. TxDOT currently maintains extensive cybersecurity policies and practices to protect the state's information assets and anticipates any additional requirements set forth by the chief information security officer to align with or require minimal changes to existing TxDOT best practices.

SB 768

Author: Senator Tan Parker (R-Flower Mound)
Sponsor: Representative Giovanni Capriglione (R-Southlake)



Relating to the process for notifying the attorney general of a breach of security of computerized data by persons doing business in this state.

Summary

Current state law requires individuals and organizations, including state agencies, that handle and/or own digital data and experience a cyberbreach of such data to report the breach to the Office of the Attorney General within 60 days of the breach occurring, if the breach impacts at least 250 Texas residents. The Office of the Attorney General must maintain and regularly update a public website listing such breaches. Due to the frequency and prevalence of such breaches, however, concerns have been raised that the current requirements do not promote timely notification and responses and should be shortened to better protect Texans' information and statewide cybersecurity.

Further, current law does not specify the method or means by which that report must be provided to the Office of the Attorney General. Processing notices submitted by physical mail entail more staff time as compared to those notices received electronically, thus resulting in inconsistencies and administrative impediments to timely recordkeeping of such breaches.

Senate Bill 768 seeks to address these concerns by changing the requirement that persons required to report the breaches notify the Office of the Attorney General of a breach as soon as practicable and at most 30 days after the person determines the breach occurred. Additionally, the bill requires the Attorney General to provide an electronic notification form and requires the person reporting the breach to submit the notification electronically through the attorney general's website.

Impact on TxDOT

The Texas Department of Transportation (TxDOT) currently maintains information and data pertaining to individual residents of the state and remains subject to and in compliance with reporting any data breach impacting more than 250 state residents' personal information to the Attorney General. The new reporting requirement under SB 768 shortens the timeline under which TxDOT must report a breach to the Attorney General once a breach has been identified. To ensure compliance with the new timeline, TxDOT will update the TxDOT Incident Response Plan and update applicable controls in the TxDOT Controls Catalog, which establishes the minimum requirements for TxDOT's information security assets. TxDOT will also review any additional relevant policies and procedures that may need to be updated to reflect statutory changes. Nevertheless, TxDOT anticipates changes made in SB 768 may be implemented quickly and seamlessly using existing resources.

SB 1893

Author: Senator Brian Birdwell (R-Granbury)
Sponsor: Representative Charles "Doc" Anderson (R-Waco)



Relating to prohibiting the use of certain social media applications and services on devices owned or leased by governmental entities.

Summary

In December 2022, Texas Governor Greg Abbott issued an order that all state agencies prohibit the use of the social media platform TikTok on any government-issued devices, and in the subsequent months, Governor Abbott tightened these orders by requiring Texas state agencies to review and address cyber vulnerabilities brought by using the application and other potentially risky software on personal and state-issued devices. These orders came in the wake of state and federal officials, including the Federal Bureau of Investigation, publicly expressing concerns over the potential security risks posed by the use of TikTok.

Senate Bill 1893 responds to potential security risks posed by TikTok and applications run by its parent company ByteDance Limited and others by establishing a formal statewide policy prohibiting the use of certain services and applications on devices owned or leased by the agency, with certain exceptions, including for law enforcement purposes. SB 1893 requires all governmental entities of the state to adopt policies against the installation or use of and, if applicable, removal of an applicable social media service - TikTok or successor application, service developed or owned by ByteDance Limited, or an application or service explicitly banned by proclamation of the governor - on a government-owned or leased device. SB 1893 requires the Department of Information Resources (DIR) and the Texas Department of Public Safety (TxDPS) to jointly develop a model policy for governmental entities to use in developing the policy. Each governmental entity must adopt the policy at most 60 days after the model policy is finalized.

SB 1893 stipulates what equates as a security risk by providing that, a social media application poses a risk

if the provider of the application or service: (1) may be required by a foreign government entity or associate to provide confidential or private personal information collected through the application or service to the foreign government without substantial due process rights or similar legal protections; or (2) poses a risk to the security of state sensitive information and/or critical infrastructure.

SB 1893 provides an exception for law enforcement or for those developing security measures and requires that, in these cases where a policy allows the installation and use of a specified application, entities document and use measures to mitigate risks posed to this state during the use of such applications.

In addition to developing a policy template for state agencies, the Department of Information Resources and the Texas Department of Public Safety must jointly identify social media applications that pose a risk to this state and annually submit a list of applications and services to the governor, publish the list on the Department of Information Resources' publicly accessible website, and update that list periodically. The bill also gives the governor authority by proclamation to identify social media applications or services that pose a risk to this state.



INFORMATION TECHNOLOGY - SB 1893

Impact on TxDOT

The Texas Department of Transportation (TxDOT) currently maintains and complies with a policy prohibiting technologies based on the governor's 2022 and 2023 executive orders regarding TikTok use on state-owned devices. TxDOT will update applicable policies based on the requirements of SB 1893 and model policy developed by the Department of Information Resources and the Texas Department of Public Safety. TxDOT will monitor statewide changes and align applicable TxDOT cybersecurity and employee training and its internal lists of covered prohibited technologies when updates are provided by the Department of Information Resources. All changes to TxDOT policies, procedures, and training can be made using existing resources

Effective Date: June 14, 2023

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