

Memorandum

Memorandum No: 25-109

Date: March 19, 2025
To: Honorable Mayor and City Council
From: Ryan Henderson, City Manager 
Re: 89th State of Texas Legislative Session Update

Bill filing has closed and committee meetings have increased as city related bills are being considered by our legislators. City staff along with the Texas Municipal League (TML) will continue to monitor legislative activity in Austin and provide updates to this body. Weekly updates are sent by TML on Fridays in a standing [“Bills on the Move” article](#).

Last week, the Senate Local Government Committee (Senator Paxton is a member) heard the following bills related to **Land Use** that the City of Anna is actively watching and is concerned with:

- **SB 15 (Tiny Homes on 5 Acres or More)**: This bill would allow tiny lots to be built anywhere if they are on 5 acres or more and in areas zoned for single family homes and limits the city’s ability to regulate the lot be any larger than 1,400 square feet, wider than 20 feet, or deeper than 60 feet. The city also wouldn’t be able to require more than 1 parking spot per home. This could be 31 units per acre, which is 155 homes on a 5-acre lot. This bill would require significantly more water and wastewater infrastructure to serve these units. The bill was left pending in committee.
- **SB 840 (Multifamily Everywhere)**: This bill allows multifamily apartments to go in any zoning category, including commercial, industrial, and warehouse. It would prohibit much of the city’s ability to regulate the size or setbacks of these units and doesn’t allow the city to require more than one parking spot per unit. The bill was left pending in committee.
- **SB 854 (Religious Land Multi-Family)**: This bill would allow any land owned by a religious entity (including all faiths as described by the IRS) to build multifamily, supportive, and group housing, with no zoning hearing and no city regulations on the design of the buildings or parking requirements other than ADA parking. This bill does not prevent a religious entity from signing a 100-year lease agreement with a developer to develop for profit apartments, with no requirements for low-income individuals or Texas Department of Housing and Community Affairs (TDHCA) tax credits. The bill was left pending in committee.
- **SB 673 (Accessory Dwelling Units with no City regulations)**: This bill would allow Accessory Dwelling Units (ADUs) for everyone, without city regulations on size, height, or parking. This would impact surrounding neighbor’s property rights, available street parking, and could impact water and

wastewater service in neighborhoods as more people rent these units. The bill was left pending in committee.

- HB 23 (Third Party Review of Development): This bill is a priority of the Speaker that requires cities to allow for a third-party review and inspections for developments. This bill was left pending in House State Affairs.

Related to **Economic Development**, Anna EDC is in support of SB 2297 (Companion HB 3066 by Leach) to address cities' ability to utilize hotel occupancy tax revenues for hotel and convention centers. SB 2297 expands the definition of a "qualified project" to include facilities such as convention centers, hotels, restaurants, bars, retail establishments, spas, and parking areas or structures.

The city is represented by the Texas Coalition of Affordable Power (TCAP) and TCAP supports H.B. 2962 by Barry to extend the Miscellaneous Gross Receipts Tax. The Miscellaneous Gross Receipts Tax is paid by political subdivisions for their electricity usage. School districts were exempted in the last legislative session, however, cities were not exempted at that time. The City of Anna would benefit between \$15,000 to \$20,000 in taxes paid to GCEC and Gexa. The amount that the city paid in 2024 to Gexa alone was \$14,711.64.

This week we are watching the following bills scheduled for public hearings:

Monday 3/17

- SB 878 (Economic Development Agreements): This bill was scheduled for public hearing in Senate Economic and Industrial Development. The bill prohibits the city from granting exemption or other relief from property taxation in a Chapter 380 agreement. Loans or grants may not exceed a period of ten years and may not be renewed more than three times, and each renewal period may not exceed five years. The bill was left pending in committee.
- S.B. 414 (Bond proposition language must include interest and payout amount): This bill was scheduled for public hearing in Senate Local Government. Left pending in committee.
- SB 785 (Prohibits city from regulating HUD-code manufactured housing): This bill was scheduled for public hearing in Senate Local Government. The bill would prohibit a city from stopping a mobile home being built in an existing residential neighborhood, with no protections for HOA or deed restricted community. A manufactured home could go on any land in a neighborhood and requires the city to create a place for manufactured housing in some zoning category. The bill was left pending in committee.
- SB 779 (Common Law Public Nuisance Claims): This bill was scheduled for public hearing in Senate State Affairs. The bill would make it harder for neighbors (especially those in the ETJ or county) to take legal action to protect their property rights and quality of life in the case of a bad neighbor causing noise or light pollution, contamination of water sources (like creeks or streams near your property) or a business that is impacting their property rights and quality of life. This bill erodes established legal protections, leaving citizens vulnerable to uncompensated damages and unable to safeguard their property and livelihoods. The bill was left pending in committee.

Tuesday 3/18

- H.B. 21 (HFC's can't remove property outside jurisdiction): This bill was scheduled for public hearing in House Intergovernmental Affairs. The bill was left pending in committee.
- H.B. 762 (Cap severance pay for city employees at 20 weeks' pay): This bill was scheduled for public hearing in House Intergovernmental Affairs. The bill was left pending in committee.

- S.B. 1008 (Preempt local food service, health and sound regulations): This bill was scheduled for public hearing in Senate Business and Commerce. H.B. 2156 (Harris) companion. The bill was left pending in committee.
- S.B. 1202 (Third-Party Review or Inspection of Home Power Stations): allows a qualified third-party review to review documents related to a home backup power installation without the need to submit the documents to the city for review and requires city approval or permitting to occur no later than second business day after city receives notice of the third-party approving the document or inspection. This bill was scheduled for public hearing in Senate Business and Commerce. The bill was left pending in committee.

Thursday 3/20

- HB 24 (Raises zoning threshold to 60%): Zoning Hearing in House Land & Resource Management: This bill makes it harder for homeowners and neighborhoods to request a zoning protest hearing by moving the threshold from the current 20% to 60% of affected neighbors. S.B. 844 is Senate companion.
- H.B. 950 (Disannexation of annexed areas unless city provides full municipal services by 9/1/29): This bill is schedule for a hearing in House Land and Resource Management. A city must provide full municipal services to an annexed area by a certain date. If city doesn't meet deadline, an affected landowner may bring an action seeking disannexation.
- H.B. 631 (Establishes mandatory ballot language, city or voter can ask SOS to review ballot language, and voter can file lawsuit challenging ballot language): This bill is schedule for a hearing in House Elections.

Additional bills the city is monitoring include:

- S.B. 7 (Perry) – Increasing investments in Texas water supply. Scheduled for public hearing on Monday, March 24 in Senate Committee on Water, Agriculture, and Rural Resources.
- S.B. 8 (Schwertner) – Requiring local law enforcement to assist federal deportation efforts. Left pending in committee.
- S.B. 18 (Hughes) – No public money for city libraries that host drag-related events
- S.B. 19 (Middelton) – Stopping taxpayer dollars for lobbyists. Placed on intent calendar.
- H.B. 9 (Meyer) – \$250,000 exemption for appraised value of business personal property
- H.B. 19 (Meyer) – Local debt.
- H.B. 217 (Harrison) – 60% voter approval
- H.B. 2736 (Cain) – 2/3 voter approval and November elections
- H.B. 3601 (Lowe) – Voter approval rate is no-new revenue rate and 2/3 voter approval
- H.B. 3262 (Lowe) – 2/3 voter approval
- S.B. 533 (Sparks) – All bond elections must be in November
- S.B. 414 (Middleton) – Bond proposition language must include interest and payout amount
- H.B. 1453 (Tepper)/S.B. 470 (Sparks) – Limits COs to public works necessary to comply with federal, state, or local law or address a public health emergency or natural disaster
- S.B. 1024 (Bettencourt) – Five-year waiting period for failed COs and tax notes.
- H.B. 2687 (Guillen) – Cities must send zoning change notices by certified mail and allows nearby property owners to petition for reconsideration for up to two years
- S.B. 1160 (Campbell) – Expands zoning notice requirements to 1,500 feet
- H.B. 1742 (Hickland) – Raises Zoning protest threshold to 50% and reduces supermajority requirement

- S.B. 1509 (Bettencourt) – No city regulations in the ETJ
- H.B. 1901 (Cook) – Areas adjacent to city ineligible for release
- H.B. 2024 (Turner) – Areas that would make a city’s ETJ non-contiguous or where the city has spent \$1M in development are ineligible for release
- H.B. 2512 (Geren) – Areas under a development agreement or within city’s CCN ineligible for release ESD Annexations • S.B. 1503 (Bettencourt) – ESD can’t annex city territory without city consent
- H.B. 2494 (Craddick)/S.B. 1844 (Paxton) – Disannexation of most city areas unless city provides full municipal services (no deadline)
- H.B. 2225 (Buckley)/S.B. 1883 (Bettencourt) – Imposes pre-notice requirements for impact fees, supermajority vote to approve impact fee, and a waiting period for increases
- S.B. 887 (Eckhardt)/S.B. 1253 (Perry) – Expands permissible uses of impact fees Development Moratoria
- H.B. 2559 (Patterson)/S.B. 1882 (Bettencourt) – Limits city authority to adopt a development moratorium Parking Minimums
- H.B. 3275 (Richardson) – No city parking minimums for new commercial buildings Housing Finance Corporations
- S.B. 1855 (Perry) – City must deny subdivision plat if application doesn’t demonstrate adequate groundwater supply
- H.B. 3299 (Reynolds) – Building material regulation restriction no longer applies to commercial buildings
- H.B. 1645 (Leo Wilson) – Victims of crime caused by persons in country illegally can sue a city if the city doesn’t have policy to enforce or doesn’t enforce state and federal immigration laws
- H.B. 2361 (Spiller)/H.B. 2390 (Kerwin) – Local law enforcement agencies must enter into agreement w/ICE to enforce state and federal immigration laws
- H.B. 2566 (Spiller) – Local law enforcement must check for immigration status upon reasonable suspicion for immigration offense
- S.B. 932 (Hall) – Funding for local law enforcement immigration enforcement training
- H.B. 33 (McLaughlin) – Uvalde Strong bill requiring local active shooter planning and response oversight
- S.B. 241 (Flores) – Cities must enforce public camping bans
- H.B. 1677 (Canales) – Requires meet and confer requirements for fire fighter disciplinary actions in non-civil service cities
- H.B. 2098 (A. Martinez) – Mandatory civil service in cities
- H.B. 2713 (Darby)/ S.B. 1331 (Hancock) – Cities over 70,000 may not repeal civil service after it has been in effect for at least one year
- H.B. 3171 (Lujan) – Collective bargaining agreement or home rule charter provisions govern prevailing wage determinations and impasse process
- S.B. 1209 (Hughes) – Eliminates May uniform election date
- S.B. 1059 (Parker) – City council can’t put an initiative or charter amendment on the ballot if applying the provision would be contrary to state law Ballot Propositions
- H.B. 524 (Tepper) – Home rule cities must submit proposed ballot initiatives to AG to review for compliance with state law before ordering election
- S.B. 506 (Bettencourt) – Ballot proposition language must be clear, and voter may submit ballot proposition for SOS review
- H.B. 1522 (Gerdes) – Governmental bodies must provide three business days notice for all public meetings and budget meeting notice must include physical copy of budget

- H.B. 1893 (Cook) – License plate information in video is not confidential
- S.B. 824 (Middleton)/S.B. 852 (Middleton)/S.B. 919 (Zaffirini) – Omnibus PIA bills – (shortens some deadlines, in some cases, governing body must complete PIA training) S.B. 986 (Bettencourt) – Bad faith AG request penalty, expedited response program
- H.B. 2330 (Hopper) – \$200,000 damages for successful PIA challenge lawsuit
- S.B. 1130 (Middleton) – Mandatory ADR if requestor doesn't like request response
- H.B. 1715 (Cain)/S.B. 1065 (Hall) – Must include language allowing licensed carry in leases of city-owned property Preempting Local Food Service Regulations
- H.B. 520 (Goodwin)/H.B. 2588 (Hull) – Preempts local cottage food regulations
- H.B. 2844 (Landgraf)/H.B. 2683 (Harrison) – Preempts local food truck regulations City Audits
- S.B. 1851 (Nichols) – Subject to no-new-revenue rate for not conducting annual audit Economic Development Agreements
- S.B. 878 (Birdwell) – Cities can't use property tax abatements in 380 agreements

Collin County Days

On Tuesday, April 1 and Wednesday, April 2 the Mayor and Councilmember Patterson-Herndon will be traveling to Austin for Collin County Days. We will be meeting with Senator Paxton and Representatives Leach and Richardson at the Capitol.

Committee Assignments

As a reminder, Senator Paxton serves on the State Affairs, Education K-16, Finance, Local Government and Nominations Committees; Representative Jeff Leach serves on the Calendars, Judiciary and Civil Jurisprudence, and Public Education Committees; Representative Keresa Richardson serves on the Human Services and Trade, Workforce, and Economic Development Committee as well as the Standing Subcommittee on International Relations.

c: Clark McCoy, City Attorney
 Taylor Lough, Assistant City Manager
 Greg Peters, Assistant City Manager
 Management Team