

Legislative Affairs Update
Winter Conference 2024

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**Texas
Crane
Owners
Association**

Presentation Overview

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TCOA PAC

Legislative Update

- In October, Comptroller Hegar updated the biennium's revenue estimate:
 - 2024-2025 estimate \$194B, up 25% from 2022-23 biennium
 - Estimated balance at the end of Fiscal Year 2025 - \$18B
 - Estimated balance of Rainy-Day Fund Fiscal Year 2025 - \$234B
- November 7th, Election Day – 14 Constitutional Amendments on the Ballot:
 - Major issues on the ballot included: property tax relief (\$12.7B), broadband (\$1.5B), water (\$1B), energy (\$5B)
 - 13 of the 14 passed: *only amendment that did not pass related to raising the minimum retirement age for Texas judges.*
- Special Elections:
 - January 30th for House District 2, formerly held by Rep. Bryan Slaton
 - May 4th for Senate District 15, formerly held by Sen. John Whitmire
- Interim Committee Charges:
 - Speaker Phelan requested recommendations due January 5th
 - Lt. Gov. Patrick requested recommendation due February 15th
 - Expect release of interim charges either before the March primary or shortly thereafter
 - Hearings beginning after the March primary

Legislative Update

- Texas had four Special Sessions called by Governor Abbott, setting a record for the state.
- The Legislature was in session in a total of 246 days.
- Legislation that passed:
 - **Property Tax Relief:** \$18.6B in property tax relief for homeowners and businesses.
 - **COVID-19 Vaccine Employer Mandate:** SB 7 prohibits employers from requiring employees or contractors receive the COVID-19 vaccine. Texas Workforce Commission will oversee rulemaking and adjudicate complaints. Employer penalty is \$50,000 for each violation.
 - **Border Security:** SB 3 appropriated \$1.5B for border security infrastructure and to enhanced immigration efforts; SB 4 allows Texas police to arrest individuals who illegally cross the border from Mexico into Texas.

2023 Legislative Session

Priority Bills Sent to Governor:

- **H.B. 2518 by Rep. Keith Bell and sponsored by Sen. Robert Nichols** - Mandates that public property leases must require bonds and notice on private construction projects on public property. **SIGNED AND EFFECTIVE 9.1.23**
- **H.B. 3485 by Rep. Keith Bell and sponsored by Sen. Nathan Johnson** - Allows a contractor to choose not to perform work on an unsigned owner-directed change order that exceeds 10% of the contract amount. **SIGNED AND EFFECTIVE 9.1.23**
- **H.B. 2127 by Rep. Dustin Burrows and sponsored by Sen. Brandon Creighton** - State preemption of certain municipal and county regulations. **SIGNED AND EFFECTIVE 6.14.23**
- **H.B. 679 by Rep. Keith Bell and sponsored by Sen. Charles Schwertner** - Prohibits requiring a specific experience modifier for public work. **SIGNED AND EFFECTIVE 9.1.23**
- **H.B. 2879 by Rep. Tom Oliverson and sponsored by Sen. Paul Bettencourt** - Declares out of state venue provisions in construction contracts void as a matter of public policy. **VETOED.**

2023 Legislative Session

Oversize/Overweight Vehicles and Load: *Not many bills filed on this topic, and those that were filed & passed were for specific counties.*

- **SB 1364 by Sen. Alvarado/Rep. Lujan:** Relating to weight limitations for certain natural gas or electric vehicles.
 - 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.
 - HB 2319 (2015) was passed allowing this exemption to apply to vehicles fueled primarily by natural gas.
 - Electric vehicles were still limited by statute no to exceed 80,000-pound weight limit.
 - SB 1364 aligned state and federal statute, allowing for vehicles primarily fueled by electric and natural gas to exceed weight limitations by 2,000 pounds but gross weight could not exceed 82,000 pounds. **SIGNED AND EFFECTIVE 6.2.23**
- **SB 1741 by Sen. Zaffirini/Rep. Raymond:** Relating to the route designation for the issuance of a permit for the movement of oversize and overweight vehicles in Webb County. The bill allows the City of Laredo to designate new routes along three new sections of roadway to the current local oversize/overweight corridor in Laredo (Webb County). **SIGNED AND EFFECTIVE 9.1.23**

2023 Legislative Session

Workforce:

HB 1755 by Rep. Button/Sen. Alvarado -

- Creates the Lone Star Workforce of the Future Fund to meet the demand for a skilled workforce. It establishes a grant program to fund workforce training programs. **SIGNED AND EFFECTIVE 9.1.23**

HB 1846 by Rep. Ashby/Sen. Nichols -

- Eases the process for out-of-state students and increases the number of CDL holders by giving DPS the ability to test and issue CDLs to these students. **SIGNED AND EFFECTIVE 9.1.23**

Electric Vehicles:

SB 505 by Sen. Nichols/Rep. Canales -

- Applies registration fee to electric vehicles, with a cost of \$400 for vehicles requiring a two-year initial inspection and \$200 for those needing an annual inspection. **SIGNED AND EFFECTIVE 9.1.23**

Commercial Fleet:

HB 433 by Rep. VanDeaver/Sen. Flores -

- Redefines a "commercial fleet" in the context of vehicle registration. It reduces the minimum number of vehicles required to constitute a fleet from 25 to 12. **SIGNED AND EFFECTIVE 9.1.23**

Business Specialty Courts:

HB 19 by Rep. Murr/Sen. Hughes-

- Creates a specialized business trial court to assist businesses in dispute resolutions by streamlining the process. **SIGNED AND EFFECTIVE 9.1.23**

SB 1045 by Sen. Huffman/Rep. Murr -

- Creates the Fifteenth Court of Appeals with jurisdiction over civil cases from the business specialty court and over litigation involving the State of Texas. **SIGNED AND EFFECTIVE 9.1.23**

Environmental Social Governance/ESG:

SB 833 by Sen. King/Rep. Oliverson –

- Prohibits insurance companies from factoring in companies' environment, social and governance (ESG) scores in their underwriting and ratemaking decisions. **SIGNED AND EFFECTIVE 9.1.23**

Pandemic Response:

HB 609 by Rep. Vaust/Sen. Middleton –

- Protects businesses from liability for injury or death caused by exposure that choose not to require vaccination from a pandemic disease. **SIGNED AND EFFECTIVE 9.1.23**

Regulatory Update

Texas Department of Motor Vehicles

- *Oversize/Overweight **Adopted** Rules 2023:*
 - In late 2023, TxDMV adopted rule changes related to implement legislation, to provide the agency with additional information to help administer and enforce laws on size and weight of vehicles and loads, and to clean up language to be consistent with other statutes and sections of code.
 - Legislation included:
 - HB 2620 (2019) authorizing the agency to deny OS/OW permit applications if the Federal Motor Carrier Safety Administration issued an out of service order or if the Tx Department of Public Safety issues an order to cease an applicant; and
 - SB 1814 (2021) which amended transportation code references.
- *Oversize/Overweight **Proposed** Rules 2024:*
 - Proposed amendments to Chapter 219 as well as repeals to delete language regarding adjudicative practices and procedures as well as clean up the rule text.
 - Amendments delete language and refer to new Chapter 224 (adjudicative practice and procedure).
 - Repealing 219.122 because current subsection (a) repeats language found in statute; subsection (b) is not expressly authorized under the Transportation Code, Chapter 623; and repealing 219.124 and 219.127 because language from these sections in the new Chapter 224 (adjudicative practice and procedure).

Regulatory Update

Texas Department of Transportation:

Appropriations:

- **Rider 48 - Evaluation of Medium- and Heavy-Duty Vehicle Charging Infrastructure and Capacity:** *develop and implement an interagency task force designed to evaluate how to deploy zero-emission medium-duty and heavy-duty vehicle charging infrastructure to best support growth in that market, recognizing the unique needs of each of these diverse classes of vehicles.*
 - TxDOT hosted the first Task Force meeting December 8th.
 - Task Force heard opening remarks from Rep. Walle, and then discussed 48(a)(1-3):
 - (1) consider federal, state, and local laws and regulations that may impact the manufacturing, operations, and public and private investments in the development of medium-duty and heavy-duty vehicle charging infrastructure in Texas, including regional differences in infrastructure planning, regulation, and implementation;
 - (2) identify opportunities to facilitate the exchange of information between utilities, stakeholders, and private entities regarding fleet charging profiles and projected energy needs in the coming decade to improve load growth projections and generation allocations across Electric Reliability Council of Texas (ERCOT) regions; and
 - (3) examine how statewide oversight and collaboration can complement and coordinate existing efforts to study and expand medium-duty and heavy-duty vehicle charging infrastructure throughout the state.
 - Next meeting is March 4, 2024. More information is forthcoming from the agency.

Regulatory Update

Texas Department of Transportation:

Legislation:

- **SB 505 by Sen. Nichols/Rep. Canales:** *requires an electric vehicle registration fee, which will apply to registrations starting September 1st. \$400 for vehicles requiring a two-year initial inspection and \$200 for those needing an annual inspection.*
 - Imposing a fee on an electric vehicle due at the time of registration is expected to generate approximately \$1 billion for the State Highway Fund over the next five years.
 - 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 1021 by Nichols/Canales:** *Increase in TxDOT Districts Local Letting Amount*
 - Increases cap from \$300,000 to \$1 million for District Engineers to locally award projects. Adds project delivery agility and rebalances local and statewide lettings due to inflation and to help ensure that smaller highway projects are let and delivered expediently and under the control of the local TxDOT district.

Elections 2024

A total of 19 members decided not to seek re-election in 2024

- Rep. Four Price (R-Amarillo)
- Rep. Abel Herrero (D-Robstown)
- Rep. Lina Ortego (D-El Paso)
- Rep. John Raney (R-Bryan)
- Rep. Tracy King (D-Uvalde)
- Rep. Ed Thompson (R-Pearland)
- Rep. Doc Anderson (R-Waco)
- Rep. Geanie Morrison (R-Victoria)
- Rep. Andrew Murr (R-Kerrville)
- Rep. Matt Shaefer (R-Tyler)
- Rep. Victoria Neave Criado (D-Dallas)
- Rep. Jarvis Johnson (D-Houston)
- Rep. Kyle Kacal (R-Bryan)
- Rep. Bryan Slaton (R-Royse City)
- Rep. Julie Johnson (D-Carrollton) running for U.S. Congress
- Rep. Carl Sherman (D-DeSoto) running for U.S. Senate
- Rep. Craig Goldman (R-Fort Worth) running for U.S. Congress
- Sen. Drew Springer (R-Muenster)
- Sen. John Whitmire (D-Houston)

Elections 2024

- In total, 17 open seats in the Texas House and 2 open seats in the Texas Senate.
- All 150 Representatives are on the ballot, but only 16 of the 31 Senators.
- 57 state representatives will have a primary challenge, including 45 Republicans and twelve Democrats.
- 78 state representatives have a general election opponent, and 33 have neither a primary nor a general election opponent.
- 9 state senators have general election races, but only one has a primary election race - Senator Nathan Johnson (D-Dallas) drew a primary challenge from Texas House member, Rep. Victoria Neave Criado (D-Dallas).

Elections 2024

Members seeking higher offices:

- Rep. Craig Goldman (R-Fort Worth) is running to replace U.S. Congresswoman Kay Granger (R-Fort Worth) who is retiring.
- Sen. Roland Gutierrez (D-San Antonio) and Texas House member, Rep. Carl Sherman (D-DeSoto) are on the Democratic ballot looking to unseat U.S Senator Ted Cruz.
 - It is important to note that Sen. Gutierrez is not up for re-election in the Senate therefore he still holds is Senate seat despite running for the U.S. Senate.
- Sen. John Whitmire (D-Houston), won his election for Houston Mayor, and the Special Election is for serving the remaining term is May 4th.
 - Rep. Jarvis Johnson (D-Houston) is running for this open seat.
- Rep. Julie Johnson (D-Carrollton) is seeking an open congressional seat, currently occupied by U.S. Rep. Colin Allred, who is also in the race to unseat U.S Senator Ted Cruz.

Elections 2024

Special Election Runoff to replace Rep. Bryan Slaton

- Tuesday, January 30th
- Brent Money (R-Greenville) vs. Jill Dutton (R-Van Zandt)
- Widely seen as a bellwether in the GOP “civil war” that broke out after impeachment trial of AG Paxton and the school voucher debate, as well as the electoral strength of Gov. Abbott and Speaker Phelan
- Money has been supported by Paxton and Abbott and much of the far right; Dutton is supported by Phelan
- The winner will complete Slaton’s term (through January 2025), but the pair will face off again in the March 5th regular primary for a full term in the seat

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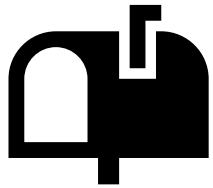


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Questions?