

# Legislative Update October 2024

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The background of the right side of the slide features a large, stylized five-pointed star in light blue and white, set against a dark blue background. To the right of the star, there is a red triangular shape pointing towards the top right corner.

**Texas  
Crane  
Owners  
Association**

# Presentation Overview

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# Political Landscape

- Tensions between Chamber leadership remains high and there's continued GOP infighting.
- **Speaker Phelan's Future:**
  - Initially, 6 candidates filed their intent to run.
  - On September 20<sup>th</sup>, Republicans met behind closed doors to get behind one candidate to challenge Phelan.
  - Rep. David Cook (R-Mansfield) prevailed with support of 44 Republicans.
  - *Traditionally*, it takes a simple majority of the full House (76 votes) to be elected speaker.
    - *More recently*, GOP Caucus instructed members to vote for Caucus-endorsed candidate.
    - *Therefore*, Cook will need to garner 3/5 of 86 members, making that threshold closer to 52, not 76.
- **New Members:** 32 new Representatives, 2 new Senators
- **House Committees:** No Democratic chairs.
- **November Elections:**
  - ~100 contested seats
  - Senate: 19 Rs, 12 Ds expected
  - House: 86 Rs, 64 Ds presently – perhaps 3-5 "swing" districts could flip between parties

# Political Landscape

- Senate is more stable but could still see changes.

## **Recent Announcements:**

- Rep. Charles "Doc" Anderson (HD-56) Retired: *Special Election set for November 5<sup>th</sup>*
- Governor Abbott names Robert Black as Chief of Staff
- Speaker Phelan names Mike Toomey as Chief of Staff

## **Sunset Commission Appointments:**

- August 5<sup>th</sup>, Speaker Phelan appointments: Rep. Keith Bell was appointed Chair for the House; Representatives Terry Canales, Lacey Hull, Stan Kitzman, Matt Shaheen, and Jeff Austin, III as the Public Member.
- In June, Lt. Governor Patrick made his appointments: Sen. Tan Parker, R-Flower Mound, as Vice Chair; Senators Cesar Blanco, Mayes Middleton, Kevin Sparks, and Roger Elswick as the Public Member.



# Political Landscape

## What to Expect in the 89<sup>th</sup> Legislative Session

- New Members & Learning Curve
- New Committee Chairs & Staff
- Revenue Surplus & Rainy-Day Fund
- Public School Vouchers
- Property Tax Relief
- Border Security
- Electricity Reforms
- Workforce Development
- Infrastructure – Electricity, Water
- Cybersecurity, Artificial Intelligence

# Interim Activities

- On September 18<sup>th</sup>, Senate Transportation Committee met to hear charges on transportation planning, autonomous vehicles, and electric vehicles' impact on the ERCOT grid.
  - TxDOT testified on the Unified Transportation Program, the agency's 10-year forecast which today stands at \$104 billion and accounts for 40% of overall funding at the agency.
  - There is currently \$53 billion in projected construction projects.
  - The cap on local letting has risen from \$300,000 to \$1 million.
  - The 2050 long-range transportation plan anticipates the UTP to be \$215 billion.
  - **Construction Costs and Inflation:**
    - Construction cost per mile can be up to \$50 million in urban areas.
    - Highway construction cost inflation ranges from 5% - 10% due to labor costs, fuel costs, raw materials (rock and steel), and the Buy America requirement.
  - The agency's next Sunset review is in 2028-29.

# Interim Activities

- During the hearing, Chairman Robert Nichols (R-Jacksonville) and Sen. Sarah Eckhardt (D-Austin) discussed the timeline, if any, for supplanting the gas tax with a vehicle miles traveled (VMT) solution.
  - Chairman Nichols expressed his concerns over VMT especially as it relates to consumer data and privacy because of location data.
  - He indicated that there isn't support for raising the gas tax or registration fee because both hit consumer pocketbooks.
    - Nichols noted Colorado's registration fee is +/- \$600 while Texas is on average \$60.
- We have seen bills filed in the past on VMT, and it likely these will be filed again in 2025.

# Interim Activities

House Transportation met on October 10<sup>th</sup> to consider several charges, including bridge safety and alleviating road traffic.

- Over the last 10 years, 3,800 new bridges have been constructed. In FY24, \$487 million in bridge contracts were let, and in FY25, \$540 million will be let. 695 or 1.2% of the state's bridges are in poor condition with the vast majority needing to be replaced or repaired. Texas is ranked third nationally with the fewest bridges in poor conditions.
- TxDOT stated there will be a 42% increase in vehicle miles traveled by 2050. \$500 billion is needed over the next 22 years to meet the minimum targeted needs, and if maintenance and development is included, \$740 billion is necessary.
- Discussions regarding solutions included an increase in railway investments for consumers and goods, aviation mobility, autonomous vehicles



# TCOA 2025 Advocacy

Engage with the Lone Star Economic Alliance on revisions to Texas Truck litigation legislation (HB 19)

## Texas Construction Association 89<sup>th</sup> Priorities:

- **Securing Retainage** – Increase security for reserved funds to statutorily classify reserved funds as trust funds.
- **Incorporation by Reference** – Contract provisions that incorporates documents by reference voidable if, upon request, the owner/GC/sub fails to provide incorporated documents to the requesting GC/sub within 10 days prior to execution.
- **Cross Default** – Clarify that a “good faith dispute” does not include a dispute relating to another contract.
- **Retainage Prompt Pay** – Add statutory language to provide conditions and timing for the release of reserved funds and retainage. Presently, there is no statutory definition of “completed,” but the Prompt Pay Act references a 30-day deadline for releasing retainage upon “completion.”

# TCOA 2025 Advocacy

## Associated General Contractors and Texas Association of Builders' 89<sup>th</sup> Priorities:

- **Venue** - Require that suits on Texas construction projects must be filed in Texas. (*Refile of Vetoed Legislation*)
- **Owner Delay** - Make owners, not contractors, responsible for delays on public projects caused by owners. (*Refile*)
- **Time to Sue** - Shorten statute of repose on private projects. (*New Legislation*)
- **ISDs CMAR** - Fix issues with some ISDs regarding lopsided change orders and open-ended audits on K-12 CMAR projects. (*New Legislation*)
- **TSTC Funding** - Establish first-ever endowment for Texas State Technical College for training workers in construction and other Texas vocational fields that are experiencing dramatic shortages. (*Refile*)
- **Office Conversions** - Increase incentives to convert older, underused office to high density residential in urban areas. (*New Legislation*)
- **E-Verify** - Overly broad E-Verify. (*New Legislation*)

# Regulatory Update

## Texas Department of Motor Vehicles 89<sup>th</sup> Legislative Proposals

### *Oversize/Overweight Permit Items*

- Previous Board Recommendation.
- Clarify fee references for certain oversize/overweight permits
  - Oversize/overweight permits must be obtained by governmental entities, including the military, for moving oversize/overweight equipment or loads. The vehicle moving the load must have either state or federal exempt license plates and the governmental entity does not currently pay permit fees.
  - The proposed statute clarifies that the department can waive the permit fee and surety bond requirements in such cases by rule.

# Regulatory Update

## *Envelope Permit Fees*

- The annual envelope permit described by Section 623.071, Transportation Code can be issued to either a vehicle or a company. The highway maintenance fee in Section 623.077 is not charged to either permit under current operations.
- The proposed amendment clarifies that the fee does not apply to either annual envelope permit.

# Regulatory Update

## TxDMV Legislative Appropriations Request:

- *Exceptional Item Requests (2) Total \$131.8M*
  - \$125M for Registration and Title System (RTS) modernization
  - \$6.8M to enhance and improve core services and customer support

## TXDOT Legislative Appropriations Request:

- *Exceptional Item Requests*
  - Requesting 301 new FTEs support TXDOT's increased letting, programs, and workload.



# Key Dates of Interest

## **Elections (2024):**

- November 5<sup>th</sup>: General Election and Special Election for HD 56

## **89<sup>th</sup> Legislature (2025):**

- November 11<sup>th</sup>: Prefiling of Legislation Begins
- January 14, 2025: Session Commences (140 days)
- March 14, 2025: Bill Filing Deadline (60<sup>th</sup> day)
- June 2, 2025: Sine Die (Session End)
- June 21, 2025: Governor's Veto Period Ends (20<sup>th</sup> day following adjournment)

# TCOA PAC Giving

- TCOA PAC contributes to candidate for state office as well as officeholders running for re-election;
- Target contributions to those who generally support TCOA legislative priorities, serve on key legislative committees, or have a special connection to the construction industry;
- Contributions are often bundled with other industry PACs or additional resources;
- PAC funds are a **CRITICAL** resource for effective advocacy;
  - Many of our legislative opponents contribute significantly – we need the level playing field that PAC contributions provide;
- For 2024, TCOA contributions have totaled **\$24,000** to House candidates and **\$14,000** to Senate candidates'
  - Some contributions are delivered prior to the March primary; Others prior to the November general election; Still others immediately prior to session.
  - Texas imposes a fundraising moratorium 30 days prior to session;
- Most effect means to contribute is regular monthly **PERSONAL** contributions, NOT corporate;
- **EVERY DOLLAR HELPS PROMOTE YOUR INDUSTRY!**



Katy Cramer



Eric Woomer



Gertie Wilson

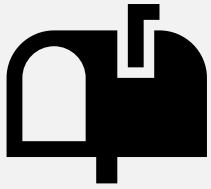


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Questions?