# Texas Crane Owners Association

February 2025

Presented by:



# ERICWOOMER Policy Solutions



# OVERVIEW

- Legislative Landscape
- 88<sup>th</sup> Interim Charges
- TCOA 89<sup>th</sup> Legislative Priorities
- Stakeholder Priorities & Advocacy
- Session Outlook
- Budget Outlook
- Legislative Timeline
- · PAC
- Questions and Next Steps

# LEGISLATIVE LANDSCAPE AT A GLANCE

- To date, more than 2,800 bills have been filed in the House and Senate.
  - Prefiling saw a record-setting 1,511 bills and resolutions filed on the first day.
- Rep. Dustin Burrows (R-Lubbock) elected Speaker of the House.
  - Bipartisan coalition of 36 Republicans and 49 Democrats
  - Committee Chairs and Changes
  - Burrows and supporters could see primary challengers in 2026.
- Senate passes rules making minor changes to Senate Committees.
- 89<sup>th</sup> Legislature enjoys a budget surplus of \$23 billion.
  - \$195 billion in revenue available for general-purpose spending during the 2026-27 biennium, a
     1% decrease from the 2024-25 biennium.
- Rainy-Day fund balance estimated at \$28.5 billion at the end of the biennium.

### **TEXAS SENATE OVERVIEW**

#### HIGHLIGHTS

Lt. Governor Dan Patrick President Pro Tempore - Sen. Brandon Creighton

#### Lt. Gov. Patrick priorities:

School Choice; Ban on taxpayer-funded lobbying; Bail Reform; Election Integrity;
10 Commandments in schools; Ban Critical Race Theory in higher education; and Ban ownership of Texas land by foreign owners that are adversaries.

#### Senate Rules: Committee Changes

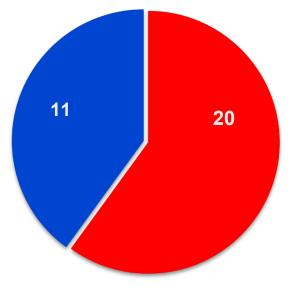
- Senate Natural Resources
- Senate Economic Development
  - Senate Education K-16

• *Reduced* membership to Finance (15); Education (11); Local Government (7)

#### New Senators:

Sen. Brent Hagenbuch (R – Denton) Sen. Molly Cook (D – Houston) Sen. Adam Hinojosa (R – Corpus Christi)

Senate Committees Announced





## TEXAS HOUSE OVERVIEW

### **HIGHLIGHTS**

Speaker Dustin Burrows (R-Lubbock)

Speaker Pro Tempore: Rep. Charlie Geren

Republican Caucus Chair: Rep. Tom Oliverson Democratic Caucus Chair: Rep. Gene Wu

#### Speaker Burrows Leadership Team:

- Chief of Staff Former State Sen. Bob Duncan
- Deputy Chief of Staff Zak Covar
- Senior Advisor/Member Relations Former State Rep. Tracy King
- District Affairs Coordinator Matt Crow
- Director of the Office of the Speaker- Paige Holzheauser
- Communications Director Cait Wittman
- General Counsel to the Speaker and Policy Director- Jimmy Skipton
- Director of Finance- Andrew Blifford



62

88

Republicans

Democrats

## SENATE KEY COMMITTEE



### **Senate Transportation**

- Sen. Robert Nichols, Chair
- Sen. Royce West, Vice Chair
- Sen. Paul Bettencourt
- Sen. Brent Hagenbuch
- Sen. Juan "Chuy" Hinojosa
- Sen. Nathan Johnson
- Sen. Phil King
- Sen. Borris Miles
- Sen. Charles Perry

## HOUSE KEY COMMITTEES



- House Rules adopted Thursday 1/23;
- No Democratic Chairs;
- Democrats exclusively can serve in Vice Chair role;
  - Historically mostly an honorary title; Now will have a staff budget, are directly consulted for hearing schedules, may designate witnesses and elevate legislation for hearing;
- Key committee changes:
  - Trade, Workforce & Eco Devo new, 11 members; (Business & Industry – abolished);
  - Intergovernmental Relations new, 11 members; (Urban Affairs & County Affairs abolished);
  - Transportation remains the same;
  - Judiciary & Civil Jurisprudence expands from 9 to 11 members;
- Committee assignments expect in this week.

## 88<sup>th</sup> INTERIM CHARGES

#### **Senate Transportation:** *Committee recommendations included.*

- Consider ways to ensure TxDOT and municipalities & counties have the funding to **make infrastructure improvements that reduce deaths on our roadways**, including state funding sources for multimodal safety, sidewalks for on-system roadways, targeted investments on highinjury roadways, and recommendations from the Texas Statewide Active Transportation Plan.
- Leverage federal grants to modernize our state's public transportation systems, particularly for our rural transit. TxDOT requested \$25 million for rural transit agencies to use as part of the Federal Transit Administration Bus and Bus Facility discretionary grant program, which covers up to 90% of capital costs.
- **Study alternatives to the gas tax** including a vehicle miles traveled tax, weight-based vehicle registrations, and other innovative funding sources.
- Capitalize on National Electric Vehicle Infrastructure (NEVI) Formula Program (\$408 million for FYs 2022-2026 for the installation, operation, and maintenance of EV charging infrastructure in Texas.)



- Address Escalating Insurance Costs & "Nuclear Verdicts"
- Out of State Venues
- Increase Workforce
- Reduce Financial Risk for Construction
- Property Tax Relief

More than 65 bills filed to date on TCOA bill tracks

# **STAKEHOLDER PRIORITIES**



Proliferation of excessive litigation and judgements. Two root causes:

- Plaintiff lawyers **manipulating medical damages** to present vastly inflated medical bills to juries in trial.
- **Disproportionately large awards** of noneconomic damages (pain & suffering and mental anguish).

#### Proposed legislation parameters:

- **Reduce inflated medical damages** by addressing the inconsistences between Texas statute and Allstate Supreme Court Case.
- **Prohibit defendant from disputing "reasonableness" of provider charges** based on criteria in a provider's affidavit.
- **Reining in misleading medical damages evidence** by limiting medical cost evidence presented to the jury.
- **Setting standards for awarding noneconomic damages** by implementing recommendations by the Texas Supreme Court requiring a methodology/explanation for an award.

# **STAKEHOLDER PRIORITIES**



- **Time to Sue** Shorten statute of repose on private projects. (*HB* 1922 *Dean*)
- E-Verify Overly broad E-Verify. 5 bills have been filed to date related to E-Verify. (SB 324 Kolkhorst)
- Venue Require that suits on Texas projects must be filed in Texas. (HB 1139 Oliverson)
- **Owner Delay** Make owners, not contractors, responsible for delays on public projects caused by owners. *(Refile)*
- School District "Construction Manager at Risk" 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)*

# **STAKEHOLDER PRIORITIES**



#### **CROSS DEFAULT PROTECTION:**

- Clarify that a "good faith dispute" does not include a dispute relating to another contract.
- Specify that withholding funds due to a disagreement on another contract is a misapplication of trust funds.

#### **SECURING RETAINAGE:**

• Statutorily classify reserved funds as trust funds under Construction Trust Fund Act.

#### **INCORPORATION BY REFERENCE:**

• Make a contracts that incorporate documents by reference voidable if not made available to a requesting subcontractor within 10 days prior to execution.

#### **OUT OF STATE VENUES:**

• Require that suits on Texas construction projects must be filed in Texas.

#### **RELEASING RETAINAGE:**

Amend Property Code to create certainty around the release date for retainage

# TCA Walk on the Capitol

### Tuesday, February 11<sup>th</sup>

"Under the Dome" with Political Insiders

• 230-430 at Capitol Doubletree Suites

TCA Legislator Roundup (PAC membership required)

• 530-830 at 800 Congress

### Wednesday, February 12<sup>th</sup>

- 730-9 Breakfast/Briefing at Doubletree Suite
- 9-2 Legislator meetings

## 89<sup>th</sup> Session Outlook

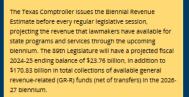
- Public School Vouchers
- Property Tax Relief
- Water Fund
- Electric Grid Resiliency
- Foreign Owned Land
- Border Security
- Critical Infrastructure Cybersecurity

- Artificial Intelligence
- Elections
- Social Media & Kids
- DEI Programs
- Workforce Development
- Affordable Housing

## **Budget Outlook**

- \$23 billion surplus.
- \$194 billion for spending.
- Spending Limit:
  - Rate of growth of Texas economy is set at 8.93%.
  - Average rate of growth of state's population is 8.93%.
  - Appropriation limit for 2026-27 is \$120.1 billion (non dedicated dollars); and \$147 billion for consolidated general revenue.





ATE REVENUE, NERAL REVENUE-RELATED Beginning Balance + \$39.43	3.76
tor Vehicle Sales & Rental Taxes Production Tax Sales Taxes nchise Tax 7.1%	0.19 sub1
6.7% B2.4% Reserve for Transfers to the	1.19
tural Gas 3.0% rduction Tax 6.1% Other to Taxes 11.9% Reduction of Reserve for Transfers of Severance Taxes to the Economic + \$0.31	i.60
TOTAL REVENUE AVAILABLE FOR GENERAL-PURPOSE SPENDING = \$196.73	.60 101/
her Revenues	

GR-R Tax Collections

Other GR-R Revenue

TOTAL GR-R REVENUE

REVENUE AVAILABLE FOR GENERAL PURPOSE SPENDING In Billions of Dollars

PROJECTED

\$155.42

\$21 01

CITC A SUBTOTA

2024-25

\$143.36

\$24.03

= \$167.38

2026-27 BIENNIUM

ST/

GEI

Oil

Frai

Insu

Tax Nat

Pro

Sta

Oth

## LEGISLATIVE TIMELINE

- 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 officeholders & candidates for state office;
- Target 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;
- For 2024, TCOA contributions 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 during the legislative session;
- Most effect means to contribute is regular monthly PERSONAL contributions, NOT corporate;
- EVERY DOLLAR HELPS PROMOTE YOUR INDUSTRY!

# Construction-Industry Lawmakers

Speaker Dustin Burrows – Construction Attorney Rep. Brian Harrison - Homebuilder Rep. Cole Hefner – Roofing Rep. Cody Harris – Real Estate Rep. Elizabeth Campos – Electrical (Family) Rep. Keresa Richards – Mechanical (Family) Rep. Armando Walle – Electrical (Family) Rep. Keith Bell – Electrical Rep. Jeff Leach – Construction Attorney Rep. Cecil Bell – Excavator & Utilities Rep. Dennis Paul – Engineering Rep. Mark Dorazio – Utilities Rep. Mando Martinez – Excavator Rep. Drew Darby – Title Attorney

Rep. Ramon Romero - Masonry Rep. Gary Gates – Developer Rep. Stan Kitzman – Mechanical Contractor Rep. James Frank – Supplier Rep. Jeff Barry – Insurance Rep. Pat Curry – Former Mechanical Contractor Rep. Jared Patterson – Precast (Family)

Sen. Phil King – Supplier Sen. Brandon Creighton – Developer Sen. Jose Menendez – Title Sen. Tan Parker – Concrete Supplier Sen. Brent Hagenbuch - Trucking



### ERIC**WOOMER** Policy Solutions



Courtney Williamson

Your TXLege Team



Gertie Wilson

### **Contact Information**







### www.ericwoomer.com



### 512-845-9552



Eric Woomer Gertie Wilson Courtney Williamson Katy Cramer eric@ericwoomer.com gertie@ericwoomer.com courtney@ericwoomer.com katy@ericwoomer.com

### Questions and Next Steps

