



TEXAS CRANE OWNERS ASSOCIATION

Legislative & Political Update

Interim activity · Stakeholder priorities · 2027 session outlook · Election 2026

Fall 2026

ERIC WOOMER
Policy Solutions



Today's Agenda

What happened this interim, and what it means for the crane industry in 2027

- 1 Introduction & the Big Picture
- 2 Interim Activities
- 3 Stakeholder Priorities
- 4 Legislative Tracking
- 5 Election Update
- 6 TCOA PAC Update
- 7 Key Dates & Contact

Setting the Table for 2027

\$24B

Projected surplus

Down from ~\$40B last session

3%

Budget-cut starting point

Directed by Abbott, Patrick & Burrows

\$3.5B

Medicaid shortfall

Needs a supplemental by spring

Jan. 12

90th Session convenes

Revenue estimate released day one

What it means for TCOA: Less money chasing more priorities. Transportation dollars will have to be defended, not assumed, and new members will need to learn our industry fast.

01

Interim Activities

What lawmakers are studying before the 90th Session, and which hearings have already happened



Charges We Are Watching: Transportation & Trucking



House Transportation - Subcommittee on Funding

TxDOT funding formulas, adequacy of revenue, County Transportation Infrastructure Fund

Heard Sept. 2



Senate Finance

Transportation funding from all sources and long-term needs of Texas drivers

Heard July 27



House Transportation

Non-domiciled / foreign CDL holders and English-proficiency standards

Heard Aug. 17



Senate Transportation

CDL standards and third-party testing; autonomous vehicles

Heard Aug. 25



Senate Homeland & Border Security

Oversize/overweight routes and overweight hazmat fuel trucks in the border region

Heard Aug. 13

Charges We Are Watching: Workforce, Fees & Liability



Local permit & inspection fees

House Land & Resource Mgmt. · Senate Local Government

Heard July 20 / Sept. 2



Texas Tort Claims Act

House Select Governmental Oversight: governmental immunity

Heard June 4



Supply chain resilience

House Trade, Workforce & Economic Development: skilled-trades gap

Heard Aug. 26



Preparing the workforce for AI

Senate Economic Development

Heard Sept. 22



Workforce development; TSTC capital

House TWED Subcommittee on Workforce · House Appropriations

Not yet scheduled

The CDL Crackdown: Fewer Drivers, Tighter Rules

Mar. 16

Federal rule limits non-domiciled CDLs to H-2A, H-2B & E-2 visa holders

June 1

Texas CDL knowledge tests English-only; no interpreters

~49%

Of sampled Texas non-domiciled CDL records failed a federal audit

26,000+

Drivers placed out of service nationwide for English proficiency

What it means for crane companies

- Tighter supply of licensed drivers to haul cranes, counterweights and rigging
- Roadside English checks can put a driver, and a load, out of service
- Expect several separate CDL bills in 2027, not one package

Other Hearing Takeaways



Autonomous Trucks

Senate Transportation · Aug. 25

- DPS: no crashes involving driverless tractor-trailers
- DPS wants remote-driven trucks treated separately in law
- Industry: AVs target long-haul, humans keep regional work



Oversize / Overweight Routes

Senate Border Security · Aug. 13

- Focus: overloaded fuel trucks in the border region
- Watch for new OS/OW penalties and permit rules



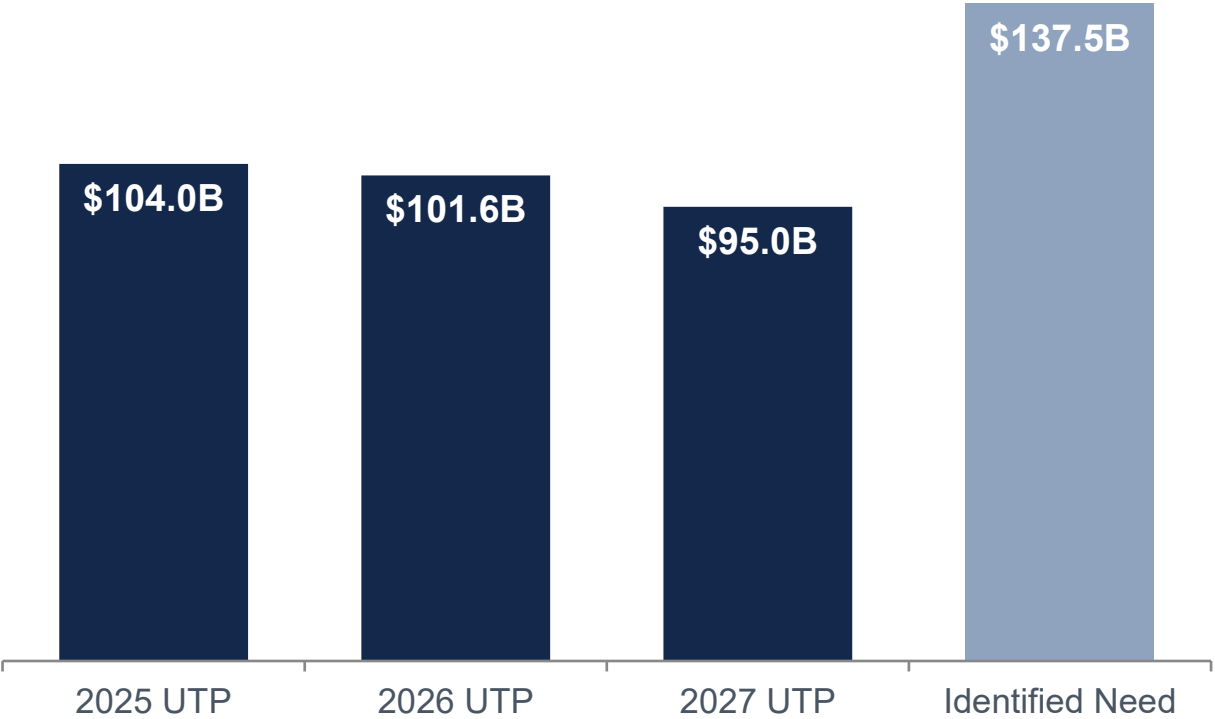
Skilled-Trades Shortage

House TWED · Aug. 26

- Trades headcount flat for 10 years, workforce aging
- Shortage expected to worsen before it improves
- Builds the case for apprenticeship and CTE funding

Transportation Funding Outlook for 2027

TxDOT 10-Year Program (\$ billions)



\$42.5B gap

between the 2027 plan and identified need

Federal cliff

Federal highway law expired Sept. 30; stopgap runs to mid-December

\$27B still owed

on \$60B of projects already under contract

2027 fight

Expanding Prop 7, and who pays for oversize/overweight road wear

02

Stakeholder Priorities

Where our construction and transportation allies are headed in 2027



Texas Construction Association: 2027 Priorities



1

Cut the retainage rate from 10% to 5%

Statutory reserved funds only, not contract retainage.

2025: new approach

2

Faster release of reserved funds

Earlier of 30 days after completion, or 60 days after certificate of occupancy / first use.

2025: HB 3290 died on House Calendar

3

Close the "cross-default" Prompt Pay loophole

A dispute on one contract cannot justify withholding pay on another. Public Prompt Pay Act added for 2027.

2025: HB 3289 heard, no vote

4

Incorporation by reference

No relying on a referenced document in a dispute unless it was actually provided to the other party.

2025: HB 3874 died in Calendars

Transportation Advocates of Texas: Grow Prop 7

PROP 7 TODAY

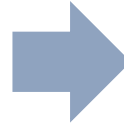
\$2.5B

per year from state sales tax, above the first \$28B collected

35%

of motor vehicle sales tax above \$5B goes to the State Highway Fund

Both are dedicated to non-tolled roads.



THE 2027 ASK

Step up the motor vehicle sales tax share

- 5% or 10% annual step-up toward the State Highway Fund
- Requires a constitutional amendment: 2/3 of both chambers plus voter approval
- More highway dollars = more lifts, more jobs for crane industry



Texans for Lawsuit Reform – Rein in litigation calculations

Trucking insurance & litigation reform: the 2027 plan

TOP PRIORITY

Rein in inflated medical damages

Refile the House version of SB 30. Juries would get to see:

- What Medicare, workers' comp and private insurance actually pay for the same care
- Letters of protection between the plaintiff's lawyer and doctor
- Two years of lawyer-doctor referrals and payments

Why: inflated medical bills are where "nuclear verdicts" start, and they drive your insurance costs.



Venue reform

Trucking crash lawsuits filed in the county where the crash happened, not Harris County. Led by the Trucking Association; TLR will help.



Codify the Home Depot ruling

Texas Supreme Court: a shipper is not liable for an independent carrier's crash it did not control. TLR wants it in statute.



Pain & suffering: in court, not the Capitol

Dropped from the bill. TLR will seek guidance through briefs in pending appellate cases.

TLR's read: Putting the business coalition back together, so more information should be forthcoming. Favorable legislative landscape is critical to success – Good news is that GOP House incumbents are generally polling ahead of the top of the ticket. BOTTOM LINE: Expect some losses, but not a wipeout, so reform bills still have a path.

Other Issues on the Horizon



Data Center Freeze

Governor halted new grid hookups and TCEQ permits pending audits. A major source of construction work is on pause.



Federal Highway Bill

Federal law expired Sept. 30. TxDOT is planning on conservative federal revenue until Congress acts.



Local Permit Fees

Two committees studied permit, inspection and connection fees. Transparency bills are likely.



Liability Reform

Nuclear-verdict and commercial-vehicle liability bills (SB 30 / SB 39) expected back in 2027.



Labor Standards

Wage, heat-safety and workers' comp mandates could be cost drivers for construction interests.



Driver & Operator Supply

CDL limits and a flat skilled-trades pipeline squeeze the workforce crane owners rely on.

Data Centers: From "Epicenter" to Moratorium

2025	SB 6 sets new grid rules for large power users
June	Governor: data centers must pay full cost of grid hookups
July 27	Senate Finance studies the data center sales tax break
Aug. 3	Freeze on new data center grid connections pending audit
Sept. 21	TCEQ ordered to halt all data center permits
Sept. 30	Senate Business & Commerce hearing on data center growth

\$3.3B

projected 2028-29 cost of the data center sales tax exemption, up from \$14.6M in 2014-15

What it means for crane owners

- New data center starts are on hold until at least December
- Governor wants to end data center incentives in 2027
- A big source of heavy-lift work could shrink; protect projects already permitted

765-kV Transmission Lines: Approved, But Not Settled

160 ft

tower height, about 15 stories

200 ft

right-of-way width

30+

counties crossed by the first two approved lines

The fight heading into 2027

- AG Paxton: statute never mentions 765 kV; PUC should wait for lawmakers
- GOP legislators from rural districts are pushing back
- Expect bills on eminent domain, notice and line limits, landowner rights, increased transparency

2023

HB 5066 orders a Permian Basin reliability plan

July 30

Senate Business & Commerce: landowners ask for a pause

Aug. 28

PUC unanimously approves the first two 765-kV lines

Now

Central Texas route contested; landowners want the Legislature to weigh in

What it means for crane owners

- Hundreds of miles of the largest towers ever built in ERCOT
- Major heavy-lift opportunity, if the Legislature does not slow or stop it

03

Legislative Tracking

How we tracked the 89th Session, and how we will monitor the 90th for TCOA



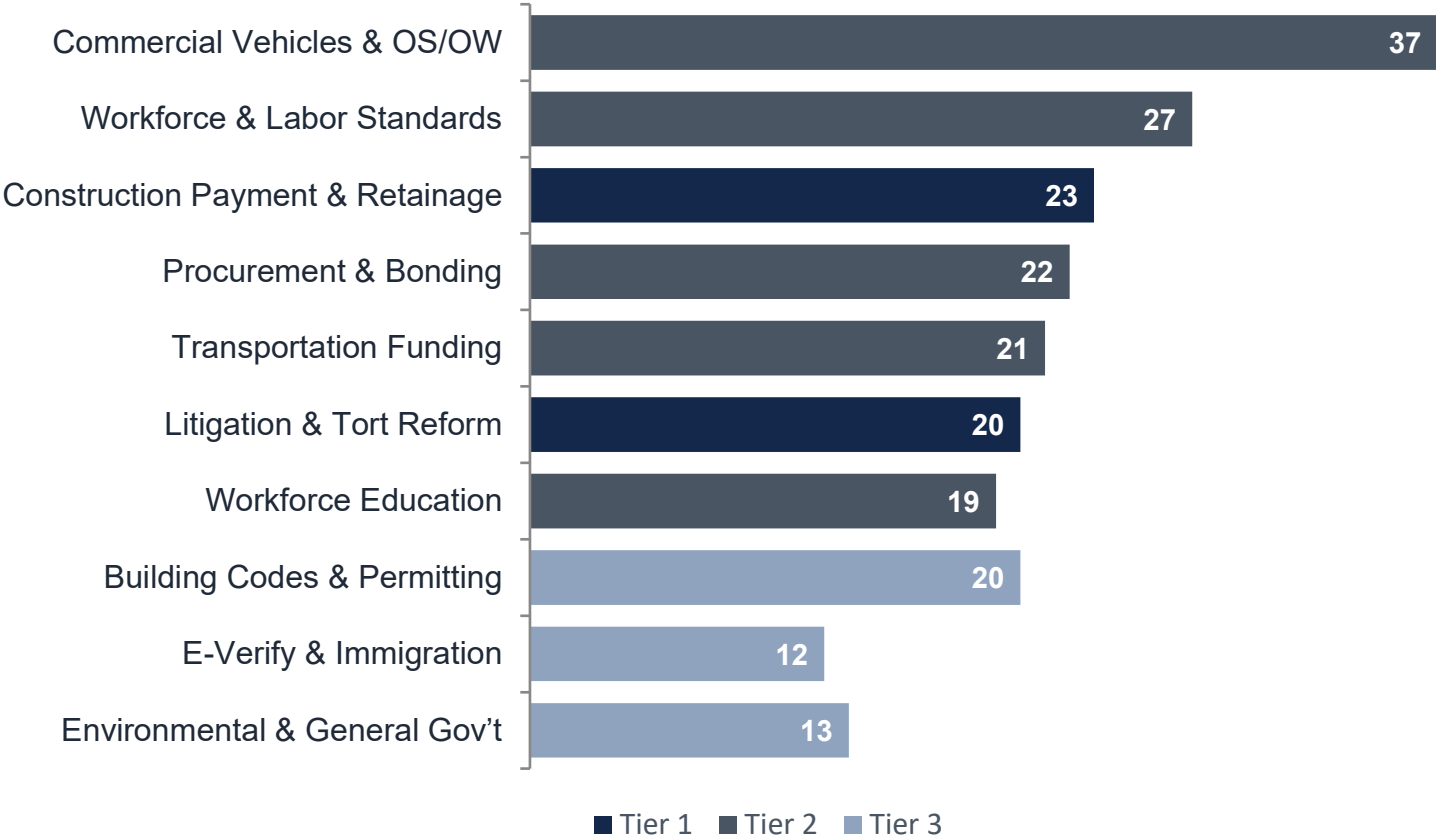
The 89th Session by the Numbers

214

bills tracked for TCOA in 2025

- 102 Favorable
- 45 Unfavorable
- 67 Mixed

Bills by category, colored by 2027 monitoring tier



Our 2027 Monitoring Plan: 3 Tiers, 14 Categories

TIER 1

43 bills in 2025

- Trucking & commercial vehicle liability
- Construction liability & statute of repose
- Retainage, liens & Prompt Pay
- Business Court

TIER 2

126 bills in 2025

- Oversize/overweight permits & routes
- CDL, safety & equipment standards
- Wage, heat safety & workers' comp
- Apprenticeship & job training
- Procurement, bonding & delivery method
- Transportation funding

TIER 3

45 bills in 2025

- E-Verify & immigration
- Building codes & permitting
- Emissions & energy
- Budget riders

04

Election Update

The most competitive Texas cycle in a generation. Early voting starts Oct. 19.



Top of the Ticket: U.S. Senate & Governor

U.S. SENATE

TSU TPOR



James Talarico
Democrat

47% **49%**



Ken Paxton
Republican

46% **44%**

Open seat. Toss-up / Talarico-lean heading into early voting.

GOVERNOR

TSU TPOR



Greg Abbott (inc.)
Republican

49% **50%**

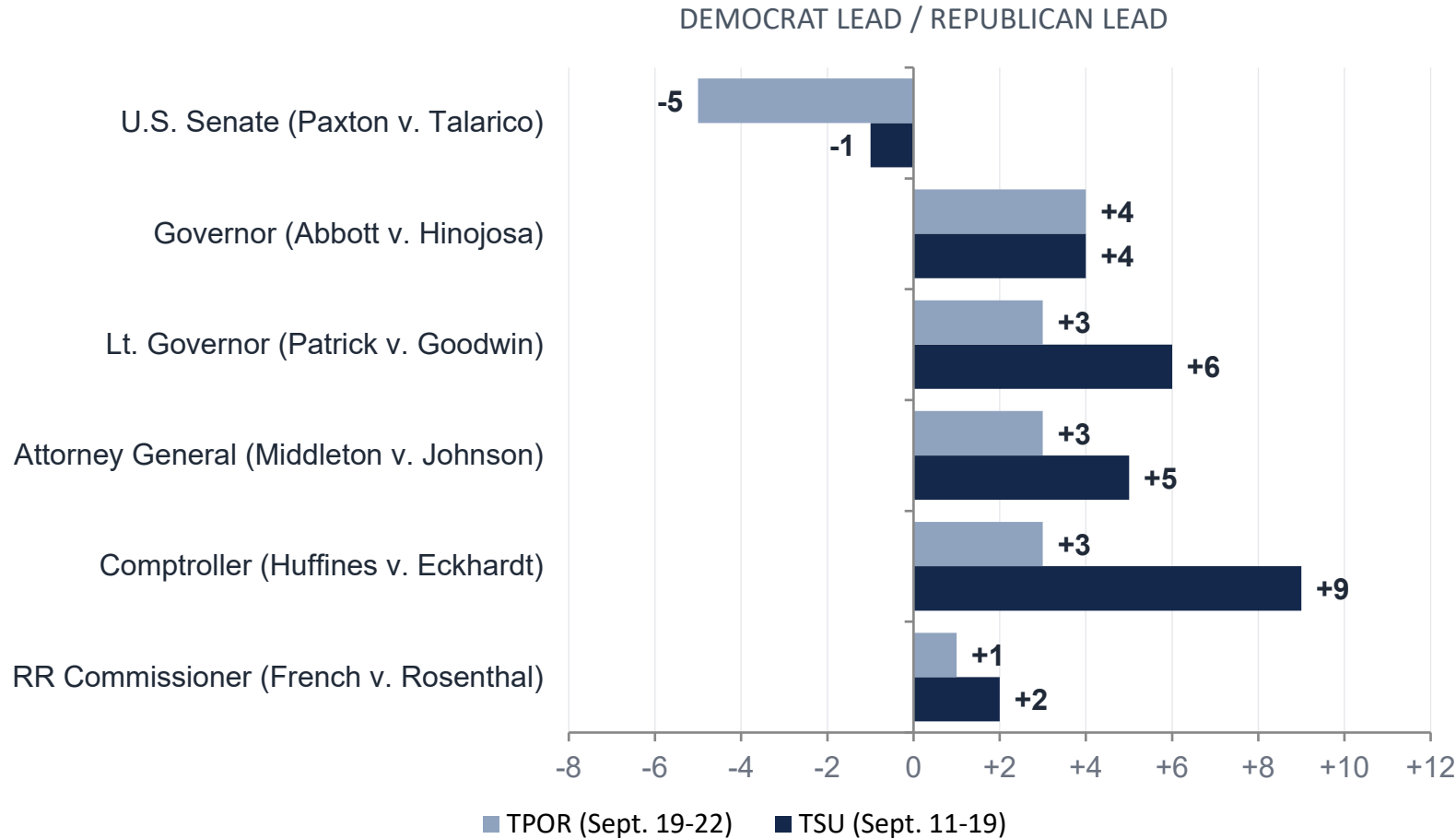


Gina Hinojosa
Democrat

45% **46%**

Abbott ahead by 2-4 in most polls, down from his 11-pt 2022 win.

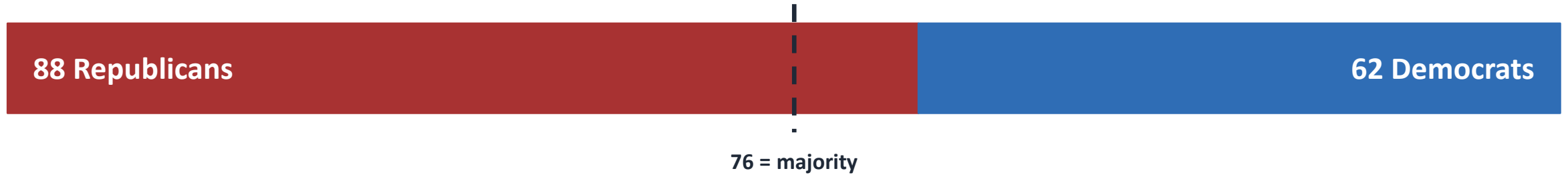
Statewide Races: Republicans Lead, But Margins Are Thin



The takeaway

- Every statewide race is within single digits
- Republicans are favored down-ballot but not safe
- Turnout, not persuasion, likely decides it

Texas House: Democrats Likely to Narrow the Majority?



Top Targets

GOP-held, Trump won by < 6 pts

HD 118 San Antonio (open, Lujan)
HD 121 San Antonio (LaHood)
HD 108 Dallas (Meyer)
HD 112 Garland (Button)
HD 34 Corpus Christi (Villalobos)
HD 37 San Benito (Lopez)

Reach Seats

GOP-held, would signal a wave

HD 61 Collin Co. (Richardson)
HD 67 Plano (Leach)
HD 94 Arlington (open)
HD 52 Round Rock (Harris Davila)
HD 138 Houston (Hull)

Democrats Defending

Seats on the GOP radar

Rep. Mihaela Plesa Dallas
Rep. Eddie Morales Jr. Eagle Pass
Open (Guerra) Mission

Texas Senate: GOP Seats Now in Play

LT. GOV. PATRICK’S READ

- He and Abbott win today "as long as everything goes right"
- Paxton “essentially tied” with Talarico
- Three GOP Senate seats in tough races, per caucus polling

Senate today: 19 R – 12 D · 16 seats on the ballot

GOP CAUCUS POLLING

SD 9

Wambsganss (R) vs. Sen. Rehmet (D)

Tarrant County · Trump +17 in 2024

D +5

SD 2

Sen. Bob Hall (R) vs. Colbert (D)

East of Dallas · incumbent trailing

D +2

SD 5

Sen. Charles Schwertner (R) vs. Thomasson (D)

Central Texas · committee chairman

R +1

SD 11

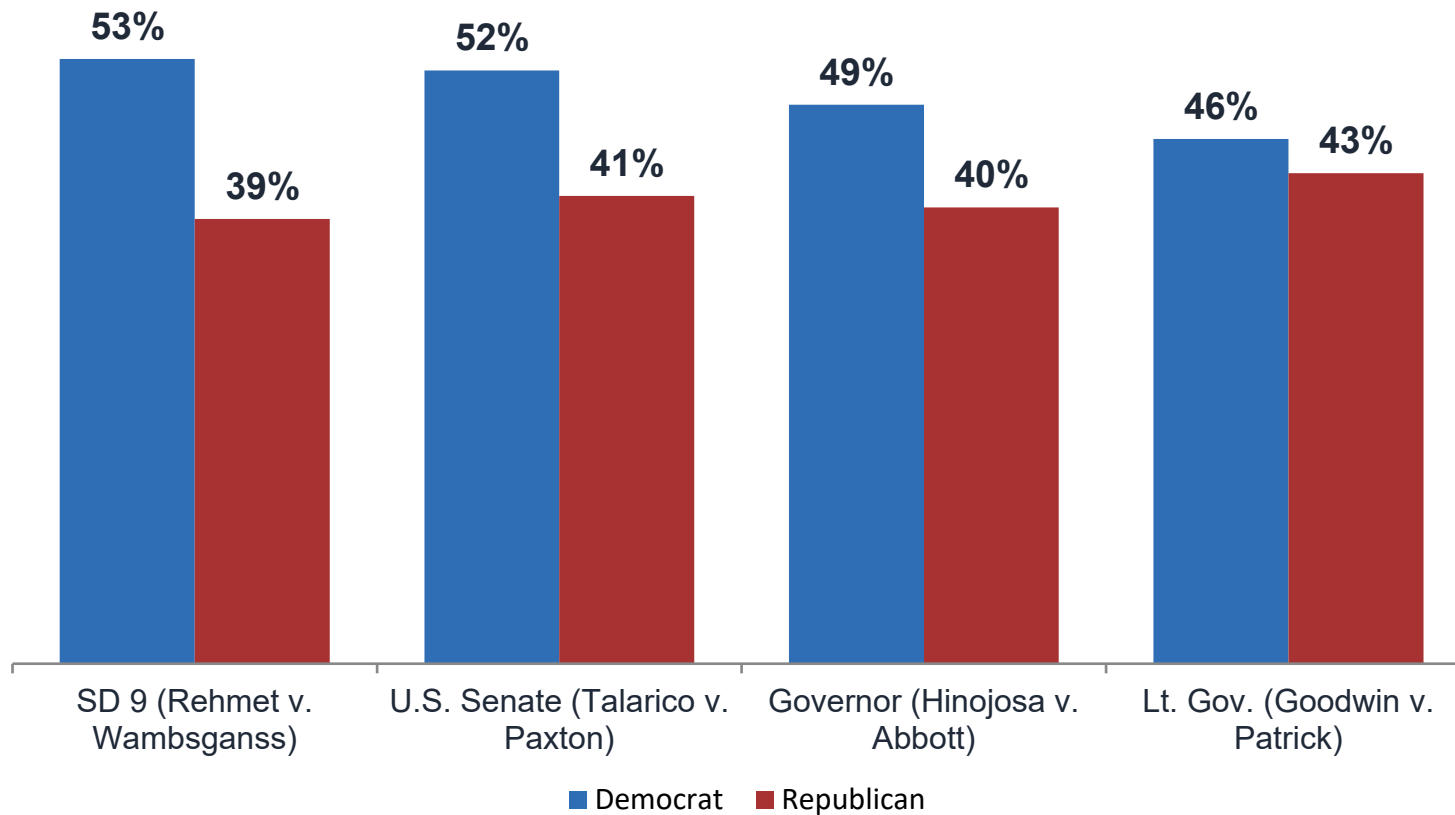
Rep. Dennis Paul (R) vs. Dicely (D)

Southeast Texas · open (Middleton)

R +6

Tarrant County Warning Signs: SD 9 Poll

Senate District 9 likely voters (n=600, Sept. 10–15)



2024: Trump +17

Today Democrats lead every race tested.

Why it matters

- Abbott down 9 points in a GOP-drawn district
- Conducted by a Republican pollster
- Tarrant County is ground zero for November

November Outlook: What It Means for TCOA



A wave of new members

26 open House seats, 5 open Senate seats. Could be another 5-10-15 House members + 2-3 Senators.

IMPACT - Dozens of new House and Senate members will need to learn crane and construction issues from scratch.



New committee chairs

Retirements and primary losses mean new chairs on Sen. Transportation, Sen. Natural Resources and other key legislative panels.



Narrower margins, more coalitions

A smaller GOP majority would make bipartisan relationships even more valuable. A split House and Senate and/or Democrat Gov or Lt. Gov??



Relationships start now

Meeting candidates before November. Seeking to educate winners before bills are filed on Nov. 9.

TCOA PAC: Our Voice in the Next Legislature

\$45,000

Cycle budget

\$11,000

Contributed to date

\$34,000

Remaining to give

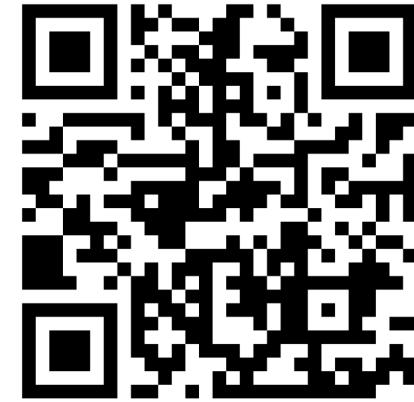
\$125,852

Current PAC balance

46 candidates (33 House, 13 Senate), both parties, focused on members of key committees

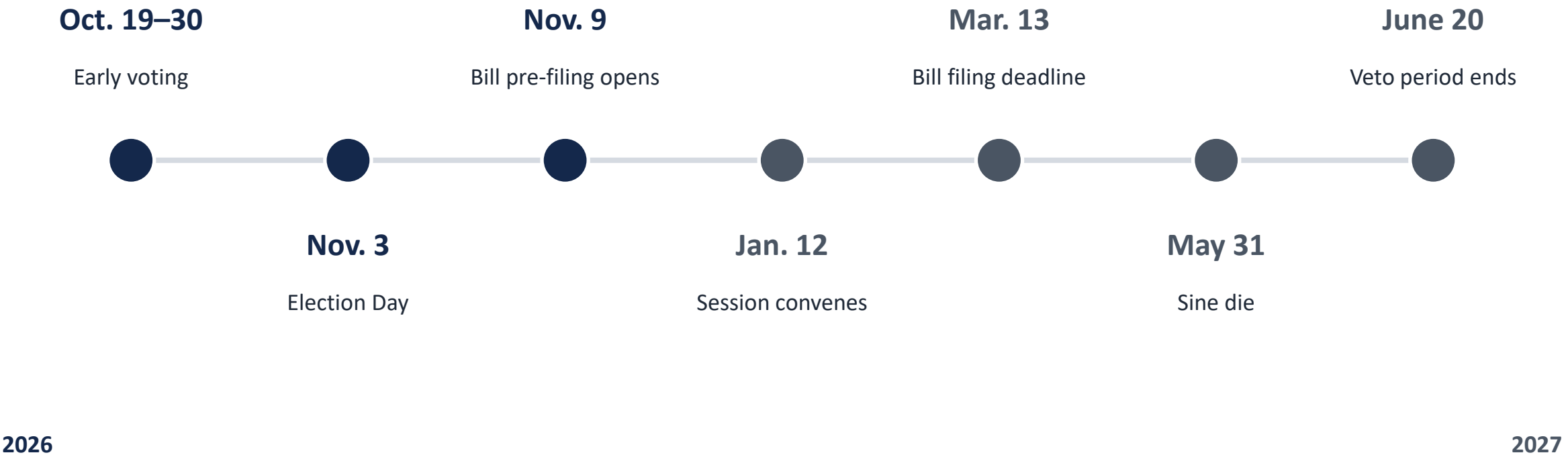
Constant turnover means constant education, and our opponents are giving heavily in the same races.

Support TCOA PAC



Scan to contribute. Every operator and owner who gives strengthens our seat at the table.

The Road to the 90th Session



Questions?

Your TXLege team is here for you



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