

To: Capital Metro Board of Directors  
From: Leroy Alloway, Vice President, Government Affairs  
Date: March 23, 2023  
Re: 88<sup>th</sup> Regular Session Legislative Update

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On March 10, 2023, the deadline to file legislation for consideration by the 88<sup>th</sup> Regular Session of the Texas Legislature, passed. As of this writing, the Legislature has seen 6,266 pieces filed in the Texas House and 3,053 pieces filed in the Texas Senate. These totals include bills, joint resolutions, and ceremonial resolutions in each chamber.

CapMetro is currently monitoring and tracking key pieces of legislation within the process. The list reflected in this memo is not exhaustive of all the pieces of legislation being tracked, and Government Affairs is prepared to provide more in-depth analysis of these and other pieces of legislation upon request.

**HB 485 by Representative Gervin-Hawkins** – This legislation would elevate penalties for offenses committed on public transit vehicles up one level, to the next highest category of offense, if it is able to be shown that the offense occurred on a vehicle operated by an authority operating under Texas Transportation Code Chapter 451, 452, 453, 457, 458, or 460. (CapMetro operates under Chapter 451 of the Tex. Trans. Code.) If the offense would be punishable by a Class A misdemeanor, the minimum term of confinement would be increased to 180 days. If the offense is already punishable as a felony of the first degree, the punishment would not be increased under this section.

This legislation has been carried in past sessions by Representative Gervin-Hawkins and has been referred to the House Committee on Criminal Jurisprudence.

*Potential Impact on CapMetro:* It is hoped that passage of this bill would provide an additional deterrent factor, with awareness of increased penalties, to such actions occurring onboard vehicles. Regardless, CapMetro will continue to take a proactive community focused approach to public safety, including the usage of public safety ambassadors, community intervention specialists and transit police to provide a modern approach to public safety.

**HB 560 by Representative Raymond** – This legislation would require the Texas Department of Public Safety to conduct an analysis of emerging and potential future threats to transportation security in the state. The analysis must include emerging and potential future threats posed by: 1) evolving tactics by terrorist organizations that may pose a catastrophic risk to an aviation or surface transportation entity; 2) explosive devices or attacks involving the use of explosives; 3) the release of chemical or biological agents; 4) cyberthreat actors seeking to undermine confidence or cause service disruptions; 5) unmanned aerial attacks with the capability of inflicting harm; 6) individuals or groups seeking to attack soft targets, public areas, or crowded spaces of transportation systems – including attacks against transportation security personnel; 7) foreign actors seeking to exploit vulnerabilities; 8) information-sharing challenges within state government and between state

government and private and governmental entities; and 9) growth in passenger volume in both the aviation and surface transportation sectors in this state. The analysis would be required to be completed by June 1, 2024, and provided to the Director of Public Safety and the Public Safety Commission. By no later than October 1, 2024, the Director would be required to develop a threat mitigation strategy for each of the threats examined in the analysis; and assign appropriate department resources to address those threats or provide recommendations to the appropriate governmental entity responsible for addressing those threats. By December 1, 2024, in advance of the 89<sup>th</sup> Regular Session of the Texas Legislature, the Director shall provide a written report to each legislative committee with primary jurisdiction over transportation on the results of the analysis and the relevant mitigation strategies developed.

This legislation has been referred to the House Committee on Homeland Security and Public Safety and was left pending in committee after being heard on March 14, 2023.

*Potential Impact on CapMetro:* CapMetro, as a surface transportation provider, continually evaluates and responds to potential threats which could impact operations. This legislation would provide an additional evaluation and analysis and is in line with other regulatory structures that seek to harden critical infrastructure in an interconnected world.

**HB 3234 by Representative Troxclair** – This legislation would amend Texas Transportation Code Chapter 451 to: 1) remove the five year time period between elections for units wishing to consider withdrawing from the CapMetro service area – and allow for an election to be held every year if so ordered by the governing body of the member unit; 2) reword the ballot question asked to read “Shall (unit of election) withdraw from the (name of the authority).” Today the language reads “Shall (name of the authority) be continued in (unit of election)”; 3) require the Comptroller of Public Accounts to determine the net financial obligation owed, if a withdrawal is passed, and require the Comptroller to provide for a “reasonable credit in an amount determined by the comptroller if the comptroller finds a disparity in transit services provided by the authority to the unit”; 4) removes any calculations related to inclusion of rail service in the net financial obligation if rail service is not provided to the unit of election and; 5) requires the authority to annually make a good faith estimate of each member unit’s net financial obligations to be reported not later than July 1 of each year.

This legislation is similar in design to legislation introduced on behalf of the City of Lago Vista in the 2017 Legislative Session. At this time, the bill has been referred to the House Committee on Transportation.

*Potential Impact on CapMetro:* Similar legislation has been introduced in past sessions. With three elections on withdrawal (Lago Vista, Leander, and Manor) occurring in 2022, and all three of those ballots reaffirming the electorate wish to remain within the service area, CapMetro is able to provide for a longer-term plan for service in and around the region. Moving to a ballot question being able to be placed before voters on a yearly basis may complicate the ability to do longer-term planning and visioning for mobility in Central Texas. Prior litigation on the Net Financial Obligation calculation have affirmed that CapMetro has correctly and impartially applied the law when municipal government units have withdrawn in the past, and modifications to the process, establishing credits against the overall obligation and proportionality for services to the entire service area, and the requirement of a good faith estimate each year, need further examination in order to determine how the operational aspects may impact the agency.

**HB 820 by Representative King; HB 960 by Representative Jetton; HB 2028 by Representative Dean; HB 2199 by Representative Canales; SB 505 by Senator Nichols** – These pieces of legislation each seek to increase fees for electric vehicle and/or plug-in hybrid vehicle registration, to help offset the loss of revenue from those vehicles paying less in motor fuel taxes to maintain and expand the state roadway system. While these pieces of legislation would exempt larger scale vehicles (those with a gross weight of 10,000 pounds or more), there is a potential financial impact given the non-revenue fleet operated by CapMetro. The exact fee varies, based on the piece of legislation.

SB 505 was voted out of the Senate Transportation Committee and referred to the Local and Uncontested Calendar on March 22. HB 2199, the companion bill in the Texas House, has been referred to the House Committee on Transportation. HB 820, 960 and 2028 have been referred to the House Committee on Transportation.

*Potential Impact on CapMetro:* While the pending legislation would exclude vehicles over 10,000 pounds of gross weight or more, which would remove our battery electric buses from these fees, the non-revenue fleet utilized by CapMetro may fall under the impact of the increased initial and annual vehicle registration fees. The estimated impact would be under \$100,000 per year, but as the exact thresholds are still under discussion and consideration by the Legislature, a stable fiscal impact is unclear at this time.

**HB 3899 by Representative Troxclair** – This legislation would amend the requirements of a Local Government Corporation (LGC) to require a public vote before any debt could be issued by the LGC backed by property tax revenue, in whole or in part. This legislation would require that: 1) an election be held and that as part of that election; a) the governing body of the municipality or county shall also submit the question of whether to impose a tax on property in the municipality or county to pay interest on the bonds and to provide a sinking fund to redeem the bonds; b) the ballot language must include: i) a plain language description of the single specific purpose for which the bonds are to be authorized; the total principal amount of the bonds to be authorized; and that the principal and interest of the bonds will be wholly or partially paid from property tax revenue.

This legislation is joint authored in the House by Representatives Burrows, Bonnen, Raymond, and Meyer with Representative Dorazio signed on as a coauthor. In the Texas Senate, Senator Bettencourt is carrying the companion bill, SB 1791, which has been referred to the Senate Committee on Local Government. This legislation has been referred to the House Committee on Pensions, Investments & Financial Services.

*Potential Impact on CapMetro:* This legislation seeks to add additional steps into the process of debt issuance and funding for Project Connect activities being pursued by the Austin Transit Partnership as a result of the November 2020 tax rate election authorization. CapMetro is coordinating with the Austin Transit Partnership and other stakeholders on this piece of legislation.

**SB 827 by Senator Hall** – This legislation would allow private driver training for commercial driver's licenses to be authorized, including knowledge or skills tests, as required under Section 522 of the Texas Transportation Code. This would allow, if passed, a private facility to administer the testing for commercial driver's licenses, and issue new and renewal licenses.

This legislation has been referred to the Senate Committee on Transportation.

*Potential Impact on CapMetro:* CapMetro will continue to monitor this legislation for potential impacts as a possible mechanism to help increase available CDL holders in the state.

**SB 1546 by Senator Bettencourt** – This legislation would establish a limit on the ability of a special district to exercise a right or power outside of the district’s boundaries, after September 1, 2023. Under the legislation, as drafted, a special district is defined as a political subdivision of the state with a limited geographic area created for a special purpose by local law or general law, excluding school districts. This legislation would limit the ability of such a special district to exercise any authority outside of the geographic boundary of the district after September 1, 2023.

This legislation has been referred to the Senate Committee on Local Government and is the companion bill to HB 5171 by Representative Wilson. HB 5171, as of this writing, has not yet been referred to a House Committee.

*Potential Impact on CapMetro:* CapMetro is in contact with other transit agencies across the state regarding the potential impact this legislation could have on our ability to provide service to non-member/non-sales tax paying communities.

Aside from these pieces of legislation, staff continues to monitor closely, along with other public entities, other possible operational impact bills. These include restrictions on the use of state legislative advocates and firms, possible pre-emption of a local authority in various pending legislation, and the overall state budget process for the remainder of the current and upcoming biennium.

Government Affairs will provide updates as these bills, and others currently pending, move through the legislative process. The last day for the 88<sup>th</sup> Regular Session, per the Texas Constitution, is May 29, 2023.

If you have any questions regarding this update, please reach out to Ed Easton ([Ed.Easton@capmetro.org](mailto:Ed.Easton@capmetro.org)) and he will coordinate a response or a briefing time.