

By: Cain

H.B. No. 274

A BILL TO BE ENTITLED

AN ACT

relating to the establishment of the District of Austin as the seat of state government.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Title 1, Local Government Code, is amended by adding Chapter 2 to read as follows:

CHAPTER 2. DISTRICT OF AUSTIN

Sec. 2.001. DISTRICT ESTABLISHED. (a) The District of Austin is created from the City of Austin in Travis County as the seat of state government.

(b) In this chapter, "district" means the District of Austin.

(c) A reference in law to the City of Austin means the district.

Sec. 2.002. DISTRICT TERRITORY. (a) The territory of the district is initially composed of the territory in the boundaries of the City of Austin as those boundaries existed on January 1, 2025.

(b) The boundaries of the district may be modified by the governing body of the district in the manner provided by law for a home-rule municipality.

Sec. 2.003. GOVERNANCE AND POWERS. (a) The charter of the City of Austin and all ordinances adopted by the city and in effect as of January 1, 2026, are adopted as the initial laws of the

1 district.

2 (b) The district has the powers of a home-rule municipality.
3 The district charter has the same force and effect and shall be
4 treated the same in all respects as the charter of a home-rule
5 municipality.

6 Sec. 2.004. TRANSFERS AND ASSUMPTIONS. (a) Any action or
7 proceeding before the City of Austin as of January 1, 2026, is
8 transferred without change in status to the district, and the
9 district assumes, without a change in status, the position of the
10 city in any action or proceeding to which the city is a party.

11 (b) All money, contracts, leases, and rights of the City of
12 Austin held as of January 1, 2026, are transferred to the district.

13 (c) All property, including records, in the custody of the
14 City of Austin as of January 1, 2026, becomes the property of the
15 district.

16 (d) The district assumes all outstanding debts of the City
17 of Austin as of January 1, 2026.

18 Sec. 2.005. LEGISLATIVE OVERSIGHT. The governing body of
19 the district shall submit to the lieutenant governor and the
20 speaker of the house of representatives notice of each action taken
21 by the governing body that adopts or amends the district's charter
22 or an ordinance of the district.

23 SECTION 2. This Act takes effect January 1, 2026, but only
24 if the constitutional amendment proposed by the 89th Legislature,
25 Regular Session, 2025, allowing the legislature to establish from
26 all or part of Travis County the District of Austin to be the seat of
27 state government is approved by the voters. If that amendment is

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1 not approved by the voters, this Act has no effect.