

By: Huffman

S.B. No. 2192

A BILL TO BE ENTITLED

AN ACT

relating to state fiscal matters.

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

ARTICLE 1. STATE FISCAL MATTERS RELATED TO HEALTH AND HUMAN
SERVICES AGENCIES AND STATE AGENCIES ADMINISTERING HEALTH AND HUMAN
SERVICES PROGRAMS

SECTION 1.01. (a) This section applies to any state agency
that receives an appropriation under Article II of the General
Appropriations Act and to any program administered by any of those
agencies.

(b) Notwithstanding any other statute of this state, each
state agency to which this section applies is authorized to reduce
or recover expenditures by:

(1) consolidating any reports or publications the
agency is required to make and filing or delivering any of those
reports or publications exclusively by electronic means;

(2) extending the effective period of any license,
permit, or registration the agency grants or administers;

(3) entering into a contract with another governmental
entity or with a private vendor to carry out any of the agency's
duties;

(4) adopting additional eligibility requirements
consistent with federal law for persons who receive benefits under
any law the agency administers to ensure that those benefits are

received by the most deserving persons consistent with the purposes for which the benefits are provided, including under the following laws:

(A) Chapter 62, Health and Safety Code (child health plan program);

(B) Chapter 31, Human Resources Code (Temporary Assistance for Needy Families program);

(C) Chapter 32, Human Resources Code (Medicaid program);

(D) Chapter 33, Human Resources Code (supplemental nutrition assistance and other nutritional assistance programs);

(E) Chapter 540, Government Code, as effective April 1, 2025 (Medicaid managed care); and

(F) Chapter 540A, Government Code, as effective April 1, 2025 (Medicaid Managed Transportation Services);

(5) providing that any communication between the agency and another person and any document required to be delivered to or by the agency, including any application, notice, billing statement, receipt, or certificate, may be made or delivered by e-mail or through the Internet; and

(6) modifying and streamlining processes used in:

(A) the conduct of eligibility determinations for programs listed in Subdivision (4) of this subsection by or under the direction of the Health and Human Services Commission;

(B) the provision of child and adult protective services by the Department of Family and Protective Services;

(C) the provision of community health services, consumer protection services, and mental health services by the Department of State Health Services; and

(D) the provision or administration of other services provided or programs operated by the Health and Human Services Commission or a health and human services agency, as defined by Section 521.0001, Government Code, as effective April 1, 2025.

SECTION 1.02. Subchapter O, Chapter 540, Government Code, as effective April 1, 2025, is amended by adding Sections 540.0715, 540.0716, and 540.0717 to read as follows:

Sec. 540.0715. CARE COORDINATION BENEFITS. (a) In this section, "care coordination" means assisting recipients to develop a plan of care, including a service plan, that meets the recipient's needs and coordinating the provision of Medicaid benefits in a manner that is consistent with the plan of care. The term is synonymous with "case management," "service coordination," and "service management."

(b) The commission shall streamline and clarify the provision of care coordination benefits across Medicaid programs and services for recipients receiving benefits under a managed care delivery model. In streamlining and clarifying the provision of care coordination benefits under this section, the commission shall at a minimum:

(1) subject to Subsection (c), establish a process for determining and designating a single entity as the primary entity responsible for a recipient's care coordination;

1 (2) evaluate and eliminate duplicative services
2 intended to achieve recipient care coordination, including care
3 coordination or related benefits provided:

4 (A) by a Medicaid managed care organization;

5 (B) by a recipient's medical or health home;

6 (C) through a disease management program
7 provided by a Medicaid managed care organization;

8 (D) by a provider of targeted case management and
9 psychiatric rehabilitation services; and

10 (E) through a program of case management for
11 high-risk pregnant women and high-risk children established under
12 Section 22.0031, Human Resources Code;

13 (3) evaluate and, if the commission determines it
14 appropriate, modify the capitation rate paid to Medicaid managed
15 care organizations to account for the provision of care
16 coordination benefits by a person not affiliated with the
17 organization; and

18 (4) establish and use a consistent set of terms for
19 care coordination provided under a managed care delivery model.

20 (c) In establishing a process under Subsection (b)(1), the
21 commission shall ensure that:

22 (1) for a recipient who receives targeted case
23 management and psychiatric rehabilitation services, the default
24 entity to act as the primary entity responsible for the recipient's
25 care coordination under Subsection (b)(1) is the provider of
26 targeted case management and psychiatric rehabilitation services;
27 and

1 (2) for recipients other than those described by
2 Subdivision (1), the process includes an evaluation process
3 designed to identify the provider that would best meet the care
4 coordination needs of a recipient and that the commission
5 incorporates into Medicaid managed care program contracts.

6 Sec. 540.0716. CARE COORDINATOR CASELOAD STANDARDS. (a)
7 In this section:

8 (1) "Care coordination" has the meaning assigned by
9 Section 540.0715.

10 (2) "Care coordinator" means a person, including a
11 case manager, engaged by a Medicaid managed care organization to
12 provide care coordination benefits.

13 (b) The executive commissioner by rule shall establish
14 caseload standards for care coordinators providing care
15 coordination under the STAR+PLUS home and community-based services
16 supports (HCBS) program.

17 (c) The executive commissioner by rule may, if the executive
18 commissioner determines it appropriate, establish caseload
19 standards for care coordinators providing care coordination under
20 Medicaid programs other than the STAR+PLUS home and community-based
21 services supports (HCBS) program.

22 (d) In determining whether to establish caseload standards
23 for a Medicaid program under Subsection (c), the executive
24 commissioner shall consider whether implementing the standards
25 would improve:

26 (1) Medicaid managed care organization contract
27 compliance;

1 (2) the quality of care coordination provided under
2 the program;

3 (3) recipient health outcomes; and

4 (4) transparency regarding the availability of care
5 coordination benefits to recipients and interested stakeholders.

6 Sec. 540.0717. INFORMATION SHARING. (a) In this section:

7 (1) "Care coordination" has the meaning assigned by
8 Section 540.0715.

9 (2) "Care coordinator" has the meaning assigned by
10 Section 540.0716.

11 (b) To the extent permitted under applicable federal and
12 state law enacted to protect the confidentiality and privacy of
13 patients' health information, Medicaid managed care organizations
14 shall ensure the sharing of information, including recipient
15 medical records, among care coordinators and health care providers
16 as appropriate to provide care coordination benefits. For purposes
17 of implementing this section, a Medicaid managed care organization
18 may allow a care coordinator to share a recipient's service plan
19 with health care providers, subject to the limitations of this
20 section.

21 SECTION 1.03. Subchapter B, Chapter 137, Human Resources
22 Code, is amended by adding Section 137.061 to read as follows:

23 Sec. 137.061. GEOGRAPHIC RISK MAPPING FOR PREVENTION AND
24 EARLY INTERVENTION SERVICES. (a) The commission shall use
25 existing risk terrain modeling systems, predictive analytics, or
26 geographic risk assessments to:

27 (1) identify geographic areas that have high risk

indicators of child maltreatment and child fatalities resulting from abuse or neglect; and

(2) target the implementation and use of prevention and early intervention services to those geographic areas.

(b) The commission may not use data gathered under this section to identify a specific family or individual.

SECTION 1.04. If before implementing any provision of this article a state agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.

SECTION 1.05. This article takes effect September 1, 2025.

ARTICLE 2. FISCAL MATTERS RELATED TO PUBLIC EDUCATION

SECTION 2.01. (a) This section applies to the Texas Education Agency, the Texas School for the Blind and Visually Impaired, the Texas School for the Deaf, and the Teacher Retirement System of Texas.

(b) Notwithstanding any other statute of this state, each entity to which this section applies is authorized to reduce or recover expenditures by:

(1) consolidating any reports or publications the entity is required to make and filing or delivering any of those reports or publications exclusively by electronic means;

(2) extending the effective period of any license, permit, or registration the entity grants or administers;

(3) entering into a contract with another governmental

entity or with a private vendor to carry out any of the entity's duties;

(4) modifying the services provided to and the eligibility requirements, including the procedures to determine eligibility, for persons who receive benefits under any federal or state law the entity administers to ensure that those benefits are received by the most deserving persons consistent with the purposes for which the benefits are provided; and

(5) providing that any communication between the entity and another person and any document required to be delivered to or by the entity, including any application, notice, billing statement, receipt, or certificate, may be made or delivered by e-mail or through the Internet.

SECTION 2.02. An employee of an entity described by Section 2.01 of this Act is not entitled to an amount from the state for expenses, including office expenses or reimbursement of office expenses, per diem, travel, or a salary or salary supplement that exceeds the amount authorized for those purposes by the General Appropriations Act.

SECTION 2.03. Section 21.4021(a), Education Code, is amended to read as follows:

(a) Notwithstanding Section 21.401 and subject to Section 21.4022, the board of trustees of a school district may, in accordance with district policy, implement a furlough program and reduce the number of days of service otherwise required under Section 21.401 by not more than seven ~~six~~ days of service during a school year if the commissioner certifies in accordance with

1 Section 48.010 that the district will be provided with less state
2 and local funding for that year than was provided to the district
3 for the 2024-2025 [~~2010-2011~~] school year.

4 SECTION 2.04. Section 25.112(a), Education Code, is amended
5 to read as follows:

6 (a) Except as otherwise authorized by this section, a school
7 district may not enroll more than a district-wide average of 23 [~~22~~]
8 students in [~~a~~] prekindergarten, kindergarten, first, second,
9 third, and [~~or~~] fourth grade classes [~~class~~]. That limitation does
10 not apply during:

11 (1) any 12-week period of the school year selected by
12 the district, in the case of a district whose average daily
13 attendance is adjusted under Section 48.005(c); or

14 (2) the last 12 weeks of any school year in the case of
15 any other district.

16 SECTION 2.05. Section 28.053(i), Education Code, is amended
17 to read as follows:

18 (i) The commissioner shall analyze and adjust, as needed,
19 the sum of and number of awards to ensure that the purpose of the
20 program is realized and to account for any budgetary constraints.

21 SECTION 2.06. Section 48.010, Education Code, is amended to
22 read as follows:

23 Sec. 48.010. DETERMINATION OF FUNDING LEVELS. (a) Not
24 later than July 1 of each year, the commissioner shall determine for
25 each school district whether the estimated amount of state and
26 local funding per student in weighted average daily attendance to
27 be provided to the district under the Foundation School Program for

1 maintenance and operations for the following school year is less
2 than the amount provided to the district for the 2024-2025
3 [~~2010-2011~~] school year. If the amount estimated to be provided is
4 less, the commissioner shall certify the percentage decrease in
5 funding to be provided to the district.

6 (b) In making the determinations regarding funding levels
7 required by Subsection (a), the commissioner shall:

8 (1) make adjustments as necessary to reflect changes
9 in a school district's maintenance and operations tax rate;

10 (2) for a district required to reduce its local
11 revenue level under Section 48.257, base the determinations on the
12 district's net funding levels after deducting any amounts required
13 to be expended by the district to comply with Chapter 49; and

14 (3) determine a district's weighted average daily
15 attendance in accordance with this chapter as it existed on January
16 1, 2025 [~~2011~~].

17 SECTION 2.07. Section 825.404(b), Government Code, is
18 amended to read as follows:

19 (b) Before November 15 [~~2~~] of each even-numbered year, the
20 board of trustees, in coordination with the Legislative Budget
21 Board, shall certify to the comptroller of public accounts for
22 review and adoption an estimate of the amount necessary to pay the
23 state's contributions to the retirement system for the following
24 biennium. For qualifying employees under Subsection (a-1)(1), the
25 board of trustees shall include only the amount payable by the state
26 under Subsection (a-1)(1) in determining the amount to be
27 certified.

SECTION 2.08. Section 1575.202(a), Insurance Code, is amended to read as follows:

(a) Each state fiscal year, the state shall contribute to the fund an amount equal to 1.23 [~~1.25~~] percent of the salary of each active employee.

SECTION 2.09. Section 21.402(c-1), Education Code, is repealed.

SECTION 2.10. (a) Sections 2.03, 2.04, 2.05, and 2.06 of this article apply beginning with the 2025-2026 school year.

(b) Sections 2.07 and 2.08 of this article apply beginning with the state fiscal year that begins September 1, 2025.

ARTICLE 3. MISCELLANEOUS MATTERS

SECTION 3.01. Subchapter A, Chapter 441, Government Code, is amended by adding Section 441.0135 to read as follows:

Sec. 441.0135. REPORT OF REPORTS. (a) Not later than January 1 of each odd-numbered year, the commission shall submit to the governor and the Legislative Budget Board a written report regarding all statutorily required reports prepared by and submitted to a state agency as defined by Section 441.180. The commission may consult with other state agencies in preparing the report. A state agency shall cooperate with the commission in securing the information necessary for preparing the report. The commission shall prescribe the method by which a state agency transmits to the commission information necessary to prepare the report, and may require the information to be submitted using the state electronic Internet portal. The report must include for each statutorily required report:

1 (1) the title of and the agency preparing the report;
2 (2) the statutory authority requiring the report;
3 (3) the recipient of the report;
4 (4) the deadline for submitting the report;
5 (5) a brief description of the report; and
6 (6) an assessment from each recipient of the report
7 whether the report is necessary.

8 (b) The report required by Subsection (a) must be:
9 (1) made available to the public; and
10 (2) indexed by preparing agency, title of report, and
11 report recipient.

12 SECTION 3.02. Section 466.105, Government Code, is amended
13 to read as follows:

14 Sec. 466.105. APPLICABILITY OF OTHER LAW. ~~[(a) A contract~~
15 ~~for the acquisition or provision of facilities, supplies,~~
16 ~~equipment, materials, or services related to the operation of the~~
17 ~~lottery is not subject to:~~

18 ~~[(1) Chapter 2054 or 2254, or~~
19 ~~[(2) Subtitle D, Title 10.~~

20 ~~[(b)]~~ Notwithstanding the provisions of Title 2, Utilities
21 Code, the commission may negotiate rates and execute contracts with
22 telecommunications service providers for the interexchange
23 services necessary for the operation of the lottery. The
24 commission may acquire transmission facilities by lease, purchase,
25 or lease-purchase. The acquisition of transmission facilities must
26 be done on a competitive bid basis if possible.

27 SECTION 3.03. Section 662.005(b), Government Code, as

amended by Chapters 109 (S.B. 2214), 765 (H.B. 4504), and 950 (S.B. 1727), Acts of the 88th Legislature, Regular Session, 2023, is reenacted and amended to read as follows:

(b) Except as provided by Section 662.010, and notwithstanding Section 659.015 or another law, each of the following state employees who is required to work on a national or state holiday that falls on a Saturday or Sunday is entitled to compensatory time off at the rate of one hour for each hour worked on the holiday:

(1) an employee of the Department of Family and Protective Services ~~[in the statewide intake division who receives reports of abuse or neglect];~~

(2) a peace officer commissioned or appointed, as applicable, by a state officer or state agency listed under Article 2A.001, Code of Criminal Procedure;

(3) an employee of the Department of Public Safety who:

(A) performs communications or dispatch services related to traffic law enforcement; or

(B) is a public security officer, as that term is defined by Section 1701.001, Occupations Code; ~~[or]~~

(4) an employee of the Parks and Wildlife Department who performs communications and dispatch services to assist law enforcement officers commissioned by the Parks and Wildlife Commission in performing law enforcement duties;

(5) an employee of ~~[, or who is employed by]~~ the Texas Juvenile Justice Department who:

1 (A) performs ~~[to perform]~~ communication service
2 duties for the incident reporting center; and

3 (B) assists ~~[to assist]~~ law enforcement officers
4 appointed by the office of inspector general of the Texas Juvenile
5 Justice Department in performing investigative duties; 7 or

6 (6) [who is employed as] a security officer providing
7 security and entry searches for secure correctional facilities
8 operated by the Texas Juvenile Justice Department~~[7]~~.

9 SECTION 3.04. Subchapter A, Chapter 2176, Government Code,
10 is amended by adding Section 2176.007 to read as follows:

11 Sec. 2176.007. COMPTROLLER STUDY ON MAIL OPERATIONS. (a)
12 The comptroller shall conduct a study on the mail operations of each
13 state agency in the executive branch of state government that
14 receives an appropriation. The study must identify provisions of
15 law relating to the mailing requirements for the agency that impede
16 the efficient transmission and receipt of documents by the agency.

17 (b) In conducting the study, the comptroller shall
18 collaborate with other state agencies to consider the needs or
19 concerns specific to those agencies.

20 (c) Not later than November 1, 2026, the comptroller shall
21 post the findings of the study conducted under this section on the
22 comptroller's Internet website.

23 (d) This section expires September 1, 2027.

24 SECTION 3.05. Section 1951.003(a), Occupations Code, is
25 amended to read as follows:

26 (a) In this chapter, a person is engaged in the "business of
27 structural pest control" if the person performs, offers to perform,

1 or advertises for or solicits the person's performance of any of the
2 following services [~~for—compensation~~], including services
3 performed as a part of the person's employment:

4 (1) identifying infestations or making inspections
5 for the purpose of identifying or attempting to identify
6 infestations of:

7 (A) arthropods, including insects, spiders,
8 mites, ticks, and related pests, wood-infesting organisms,
9 rodents, weeds, nuisance birds, and any other obnoxious or
10 undesirable animals that may infest households, railroad cars,
11 ships, docks, trucks, airplanes, or other structures or their
12 contents; or

13 (B) pests or diseases of trees, shrubs, or other
14 plantings in a park or adjacent to a residence, business
15 establishment, industrial plant, institutional building, or
16 street;

17 (2) making oral or written inspection reports,
18 recommendations, estimates, or bids with respect to an infestation
19 described by Subdivision (1); or

20 (3) making contracts, or submitting bids based on an
21 inspection for services or performing services designed to prevent,
22 control, or eliminate an infestation described by Subdivision (1)
23 by the use of insecticides, pesticides, rodenticides, fumigants,
24 allied chemicals or substances, or mechanical devices.

25 SECTION 3.06. Sections [23.1241](#)(a)(1), (2), (7), and (9),
26 Tax Code, are amended to read as follows:

27 (1) "Dealer" means a person engaged in the business in

1 this state of selling~~[, leasing, or renting]~~ heavy equipment. The
 2 term does not include a bank, savings bank, savings and loan
 3 association, credit union, or other finance company. In addition,
 4 for purposes of taxation of a person's inventory of heavy equipment
 5 in a tax year, the term does not include a person who renders the
 6 person's inventory of heavy equipment for taxation in that tax year
 7 by filing a rendition statement or property report in accordance
 8 with Chapter 22.

9 (2) "Dealer's heavy equipment inventory" means all
 10 items of heavy equipment that a dealer holds for sale at retail ~~[,~~
 11 ~~lease, or rent]~~ in this state ~~[during a 12-month period]~~.

12 (7) "Sales price" means:

13 (A) the total amount of money paid or to be paid
 14 to a dealer for the purchase of an item of heavy equipment; or

15 (B) for a purchase pursuant to a lease or rental
 16 with an option to purchase, the total amount of the lease or rental
 17 payments paid during the tax year in which the purchase occurs plus
 18 any final consideration paid or to be paid to the dealer for the
 19 purchase, excluding interest.

20 (9) "Total annual sales" means the total of the~~+~~
 21 ~~[(A)]~~ sales price for each sale from a dealer's
 22 heavy equipment inventory in a 12-month period~~+, and~~

23 ~~[(B)] lease and rental payments received for each~~
 24 ~~lease or rental of heavy equipment inventory in a 12-month period]~~.

25 SECTION 3.07. Section 23.1241, Tax Code, is amended by
 26 adding Subsection (a-1) and amending Subsection (e) to read as
 27 follows:

1 (a-1) For purposes of this section, an item of heavy
2 equipment is not included in a dealer's heavy equipment inventory
3 if:

4 (1) the item was included in the dealer's heavy
5 equipment inventory on January 1 of the preceding tax year and was
6 not sold by the dealer in that tax year; and

7 (2) for 30 days or more during the preceding tax year
8 the item was either leased or rented by the dealer to one or more
9 persons or used by any person for its intended purposes not related
10 to demonstrating or testing the equipment for sale, lease, or rent.

11 (e) A dealer is presumed to be an owner of a dealer's heavy
12 equipment inventory on January 1 if, in the 12-month period ending
13 on December 31 of the preceding year, the dealer sold~~[, leased, or~~
14 ~~rented]~~ an item of heavy equipment to a person other than a dealer.
15 The presumption is not rebutted by the fact that a dealer has no
16 item of heavy equipment physically on hand for sale from the
17 dealer's heavy equipment inventory on January 1.

18 SECTION 3.08. Sections [23.1242](#)(b), (e), and (f), Tax Code,
19 are amended to read as follows:

20 (b) Except for an item of heavy equipment sold to a dealer,
21 an item of heavy equipment included in a fleet transaction, an item
22 of heavy equipment that is the subject of a subsequent sale, or an
23 item of heavy equipment that is subject to a lease or rental, an
24 owner or a person who has agreed by contract to pay the owner's
25 current year property taxes levied against the owner's heavy
26 equipment inventory shall assign a unit property tax to each item of
27 heavy equipment sold from a dealer's heavy equipment inventory.

1 ~~[In the case of a lease or rental, the owner shall assign a unit~~
2 ~~property tax to each item of heavy equipment leased or rented.]~~ The
3 unit property tax of each item of heavy equipment is determined by
4 multiplying the sales price of the item ~~[or the monthly lease or~~
5 ~~rental payment received for the item, as applicable,]~~ by the unit
6 property tax factor. ~~[If the transaction is a lease or rental, the~~
7 ~~owner shall collect the unit property tax from the lessee or renter~~
8 ~~at the time the lessee or renter submits payment for the lease or~~
9 ~~rental. The owner of the equipment shall state the amount of the~~
10 ~~unit property tax assigned as a separate line item on an invoice.]~~
11 On or before the 20th day of each month the owner shall, together
12 with the statement filed by the owner as required by this section,
13 deposit with the collector an amount equal to the total of unit
14 property tax assigned to all items of heavy equipment sold~~[,~~
15 ~~leased, or rented]~~ from the dealer's heavy equipment inventory in
16 the preceding month to which a unit property tax was assigned. The
17 money shall be deposited by the collector to the credit of the
18 owner's escrow account for prepayment of property taxes as provided
19 by this section. An escrow account required by this section is used
20 to pay property taxes levied against the dealer's heavy equipment
21 inventory, and the owner shall fund the escrow account as provided
22 by this subsection.

23 (e) The comptroller by rule shall adopt a dealer's heavy
24 equipment inventory tax statement form. Each month, a dealer shall
25 complete the form regardless of whether an item of heavy equipment
26 is sold~~[,~~ ~~leased, or rented]~~. A dealer may use no other form for
27 that purpose. The statement may include the information the

1 comptroller considers appropriate but shall include at least the
2 following:

3 (1) a description of each item of heavy equipment
4 sold, ~~[leased, or rented]~~ including any unique identification or
5 serial number affixed to the item by the manufacturer;

6 (2) the sales price of ~~[or lease or rental payment~~
7 ~~received for]~~ the item of heavy equipment~~[, as applicable]~~;

8 (3) the unit property tax of the item of heavy
9 equipment, if any; and

10 (4) the reason no unit property tax is assigned if no
11 unit property tax is assigned.

12 (f) On or before the 20th day of each month, a dealer shall
13 file with the collector the statement covering the sale~~[, lease, or~~
14 ~~rental]~~ of each item of heavy equipment sold~~[, leased, or rented]~~ by
15 the dealer in the preceding month. On or before the 20th day of a
16 month following a month in which a dealer does not sell~~[, lease, or~~
17 ~~rent]~~ an item of heavy equipment, the dealer must file the statement
18 with the collector and indicate that no sales~~[, leases, or rentals]~~
19 were made in the prior month. A dealer shall file a copy of the
20 statement with the chief appraiser and retain documentation
21 relating to the disposition of each item of heavy equipment sold
22 ~~[and the lease or rental of each item of heavy equipment]~~. A chief
23 appraiser or collector may examine documents held by a dealer as
24 provided by this subsection in the same manner, and subject to the
25 same conditions, as provided by Section [23.1241](#)(g).

26 SECTION 3.09. Section [156.251](#)(d), Tax Code, is amended to
27 read as follows:

(d) An amount equal to the amount of revenue derived from the collection of taxes imposed by this chapter at a rate of one-half of one percent shall be allocated in the general revenue fund to be used for:

(1) media advertising and other marketing activities of the ~~[Tourism Division of the]~~ Texas Economic Development and Tourism Office; and

(2) the seaport preliminary studies grant program established under Section 55.0031, Transportation Code ~~[Department of Commerce. Section 403.094(h), Government Code, does not apply to funds described in this section. This subsection takes effect October 1, 1994].~~

SECTION 3.10. Section 55.002, Transportation Code, is amended by adding Subsection (b-1) to read as follows:

(b-1) In addition to funding projects under Subsection (a), the department by rule shall establish a grant program to fund port security, transportation, or facility projects with money from the general revenue accounts, bond proceeds if allowed by other law, or any other money appropriated by the legislature.

SECTION 3.11. Chapter 55, Transportation Code, is amended by adding Section 55.0031 to read as follows:

Sec. 55.0031. SEAPORT PRELIMINARY STUDIES GRANT PROGRAM. The department by rule shall establish a program to provide grants for use in conducting preliminary studies or obtaining permits that may be required of the grant recipient to receive additional financial assistance for a port security, transportation, or facility project.

SECTION 3.12. Section 201.946(d), Transportation Code, is amended to read as follows:

(d) To the extent money is on deposit in the fund in amounts that are in excess of the money required by the proceedings authorizing the obligations and credit agreements to be retained on deposit, the commission:

(1) shall use the money to retire, before maturity, the portion of the obligations that are callable; and

(2) may use the money for any purpose for which obligations may be issued under this subchapter, other than for toll roads.

SECTION 3.13. Section 23.1241(b-1), Tax Code, is repealed.

SECTION 3.14. The changes in law made by this article that affect ad valorem taxes apply only to ad valorem taxes imposed for a tax year beginning on or after January 1, 2026.

SECTION 3.15. The changes in law made by this article relating to the method of delivery or submission of a notice or report apply only to a notice or report that is required to be delivered or submitted on or after the effective date of this Act. A notice or report required to be delivered or submitted before the effective date of this Act is governed by the law in effect on the date the notice or report was required to be delivered or submitted, and the former law is continued in effect for that purpose.

SECTION 3.16. To the extent of any conflict, this article prevails over another Act of the 89th Legislature, Regular Session, 2025, relating to nonsubstantive additions to and corrections in enacted codes.

ARTICLE 4. AMENDMENT OF SECTION 403.095, GOVERNMENT CODE

SECTION 4.01. Effective September 1, 2025, Sections 403.095(b), (d), and (f), Government Code, are amended to read as follows:

(b) Notwithstanding any law dedicating or setting aside revenue for a particular purpose or entity, dedicated revenues that on August 31, 2027 [~~2025~~], are estimated to exceed the amount appropriated by the General Appropriations Act or other laws enacted by the 89th [~~88th~~] Legislature are available for general governmental purposes and are considered available for the purpose of certification under Section 403.121.

(d) Following certification of the General Appropriations Act and other appropriations measures enacted by the 89th [~~88th~~] Legislature, the comptroller shall reduce each dedicated account as directed by the legislature by an amount that may not exceed the amount by which estimated revenues and unobligated balances exceed appropriations. The reductions may be made in the amounts and at the times necessary for cash flow considerations to allow all the dedicated accounts to maintain adequate cash balances to transact routine business. The legislature may authorize, in the General Appropriations Act, the temporary delay of the excess balance reduction required under this subsection. This subsection does not apply to revenues or balances in:

- (1) funds outside the treasury;
- (2) trust funds, which for purposes of this section include funds that may or are required to be used in whole or in part for the acquisition, development, construction, or maintenance of

1 state and local government infrastructures, recreational
2 facilities, or natural resource conservation facilities;

3 (3) funds created by the constitution or a court; or

4 (4) funds for which separate accounting is required by
5 federal law.

6 (f) This section expires September 1, 2027 [~~2025~~].

7 ARTICLE 5. EFFECTIVE DATE

8 SECTION 5.01. Except as otherwise provided by this Act,
9 this Act takes effect immediately if it receives a vote of
10 two-thirds of all the members elected to each house, as provided by
11 Section 39, Article III, Texas Constitution. If this Act does not
12 receive the vote necessary for immediate effect, this Act takes
13 effect on September 1, 2025.