

BILL ANALYSIS

Senate Research Center
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S.B. 777
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Local Government
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In March 2023, the Texas Supreme Court struck down a city charter amendment passed by Houston voters, which set a floor for fire fighter pay, ruling that the city charter was inconsistent with Chapter 174.

The Texas Supreme Court acknowledged in the opinion that Chapter 174's standards "may prove infeasible."

This Texas Supreme Court decision has called into question provisions that voters, cities, and fire fighters have agreed on to address that infeasibility, which is harming at least seven firefighter groups, including Austin, Corpus Christi, El Paso, Grove, Port Neches, San Antonio, and Texarkana. These groups are simply trying to restore the bargaining impasse tools they had before the Texas Supreme Court ruling.

Chapter 174 of the Texas Local Government Code allows collective bargaining for police and fire fighters only in localities where voters choose to allow it. In some of those localities, like Austin, voters have amended city charters to declare how bargaining impasses should be resolved. In others, the employers and employee associations have included provisions in their collective bargaining agreements (CBAs) about resolution of impasses.

This decision has created uncertainty about the viability of the city charter amendments and CBA provisions structuring dispute resolution procedures to meet particular local needs.

S.B. 777 would end that uncertainty. It applies only to localities that have adopted Chapter 174 and that have enacted city charter provisions or agreed on CBA provisions governing resolution of bargaining impasses.

S.B. 777 makes clear that those local measures are effective even if they have provisions that add to or change the default Chapter 174 procedures, so that voters have freedom to structure those processes to meet their local needs.

As proposed, S.B. 777 amends current law relating to compensation and employment condition standards by municipal charter or collective bargaining agreement and to impasse resolution in collective bargaining with certain political subdivisions.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 174.005, Local Government Code, to create an exception under Chapter 174 (Fire and Police Employee Relations), Local Government Code.

SECTION 2. Amends Section 174.021, Local Government Code, as follows:

Sec. 174.021. New heading: PREVAILING WAGE AND WORKING CONDITIONS REQUIRED; EXCEPTION. (a) Creates this subsection from existing text and creates an exception under Subsection (b).

(b) Provides that a political subdivision that employs fire fighters is considered to be in compliance with the requirements of Subsection (a) (relating to required compensation and employment conditions for firefighters and police officers) if the political subdivision provides those fire fighters with compensation and other conditions of employment that comply with the standards for compensation and other conditions of employment contained in:

(1) except as provided by Subdivision (2), if the political subdivision is a municipality, the municipality's charter; or

(2) if a collective bargaining agreement under this chapter is in effect, that agreement.

SECTION 3. Amends the heading to Subchapter E, Chapter 174, Local Government Code, to read as follows:

SUBCHAPTER E. MEDIATION; IMPASSE RESOLUTION

SECTION 4. Amends Section 174.153(a), Local Government Code, to create an exception under Sections 174.1535 (Mandatory Arbitration) and 174.165, rather than under Section 174.1535.

SECTION 5. Amends Section 174.1535(b), Local Government Code, to create an exception under Section 174.165.

SECTION 6. Amends Section 174.156(b), Local Government Code, as follows:

(b) Requires an arbitration board, in settling disputes relating to compensation, hours, and other conditions of employment, to consider certain factors, including, to the extent applicable, a municipality's charter or a collective bargaining agreement. Makes a nonsubstantive change.

SECTION 7. Amends Section 174.158, Local Government Code, by adding Subsection (e) to require that an award rendered under Section 174.158 (Arbitration Award) be made effective for the period for which the public employer and the association are bargaining and to authorize the period to exceed one year.

SECTION 8. Amends Section 174.163, Local Government Code, as follows:

Sec. 174.163. New heading: COMPULSORY ARBITRATION NOT REQUIRED; EXCEPTIONS. Creates exceptions under Sections 174.1535 and 174.165.

SECTION 9. Amends Subchapter E, Chapter 174, Local Government Code, by adding Section 174.165, as follows:

Sec. 174.165. OTHER IMPASSE RESOLUTION FOR FIRE FIGHTERS UNDER MUNICIPAL CHARTER OR COLLECTIVE BARGAINING AGREEMENT. (a) Provides that this section applies only to:

(1) except as provided by Subdivision (2), if a municipality has a charter that provides for the resolution of an impasse in a collective bargaining process governed by this chapter involving a public employer of the municipality and an association that is a bargaining agent for employees of the public employer, that public employer and bargaining agent; or

(2) if a collective bargaining agreement under this chapter is in effect and provides for the resolution of an impasse in a collective bargaining process

governed by this chapter involving a public employer of a political subdivision and an association that is the bargaining agent for the fire fighters of the public employer, that public employer and bargaining agent.

(b) Requires a public employer and an association that is a bargaining agent for fire fighters to submit to the impasse resolution mechanism contained in the charter or agreement described by Subsection (a), as applicable, if the parties reach an impasse in collective bargaining or are unable to settle after the 61st day after the date the appropriate lawmaking body fails to approve a contract reached through collective bargaining.

(c) Provides that a provision of this subchapter relating to arbitration does not apply to the impasse resolution mechanism described by Subsection (b), unless the charter or agreement described by Subsection (a), as applicable, specifically provides otherwise. Provides that, to the extent of any conflict, the charter or agreement, as applicable, prevails over any provision of this subchapter.

SECTION 10. Makes application of this Act prospective.

SECTION 11. Effective date: upon passage or September 1, 2025.