

By: Schatzline

H.B. No. 2770

A BILL TO BE ENTITLED

AN ACT

relating to municipal diversity, equity, and inclusion initiatives.

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

SECTION 1. Subtitle A, Title 5, Local Government Code, is amended by adding Chapter 148 to read as follows:

CHAPTER 148. PROHIBITION ON MUNICIPAL DIVERSITY, EQUITY, AND INCLUSION INITIATIVES

Sec. 148.001. DEFINITIONS. In this chapter:

(1) "Diversity, equity, and inclusion initiative" means an initiative that:

(A) is based on the belief that identity classifications are central to understanding social, professional, and political disparities;

(B) requires, encourages, or otherwise promotes organizational practices such as employee hiring and promotion, resource allocation, or policy formulation to achieve proportional representation of identity classification groups or to eliminate perceived systemic differences between them; or

(C) otherwise promotes discriminatory treatment of a person on the basis of the person's identity classification.

(2) "Identity classification" means a classification of a person based on the race, color, religion, national origin, or ethnicity of the person.

1 Sec. 148.002. PROHIBITION ON MUNICIPAL SPENDING OF PUBLIC
2 MONEY ON DIVERSITY, EQUITY, AND INCLUSION INITIATIVES. Except as
3 required by federal law, a municipality may not spend public money
4 or provide compensation in any manner to directly or indirectly:

5 (1) fund a department, program, or committee, or pay
6 compensation to a person associated with a department, program, or
7 committee, that is focused on formulating, promoting, or
8 implementing a diversity, equity, and inclusion initiative;

9 (2) hire or contract with an independent vendor or
10 contractor to formulate, promote, or implement a diversity, equity,
11 and inclusion initiative;

12 (3) promote an event, meeting, or club that excludes
13 the participation of a person on the basis of the person's identity
14 classification or that advocates for the preferential treatment of
15 the person on the basis of the person's identity classification;

16 (4) require or encourage an employee of the
17 municipality to participate in a workforce training or professional
18 development training that promotes a diversity, equity, and
19 inclusion initiative;

20 (5) provide funding to enable an employee or a member
21 of the governing body of the municipality to attend a conference
22 that promotes or teaches a diversity, equity, and inclusion
23 initiative;

24 (6) provide funding to a business, nonprofit
25 organization, association, or other similar organization if that
26 organization:

27 (A) excludes the participation of a person in the

organization on the basis of the person's identity classification;

or

(B) advocates for the preferential treatment of a person on the basis of the person's identity classification;

(7) provide funding to an education scholarship program that:

(A) promotes a diversity, equity, and inclusion initiative;

(B) awards a scholarship to a recipient on the basis of the person's identity classification; or

(C) advocates for the preferential treatment of a person on the basis of the person's identity classification;

(8) provide funding for the development or promotion of a film, advertisement, or other media that promotes a diversity, equity, and inclusion initiative, or that is made for the benefit of a certain identity classification group; or

(9) promote or seek to implement a diversity, equity, and inclusion initiative when working with a business or other organization whose purpose is to provide or attract economic development or tourism to the municipality.

Sec. 148.003. DIVERSITY, EQUITY, AND INCLUSION INITIATIVES AFFECTING MUNICIPAL OFFICERS AND EMPLOYEES. (a) To the maximum extent permitted by law, the governing body of a municipality shall promote, encourage, and implement policies that:

(1) avoid explicitly considering an identity classification in organizational decision making such as employee hiring and promotion, resource allocation, or policy formulation;

1 and

2 (2) rely on consideration of individual merit in
3 organizational decision making such as employee hiring and
4 promotion, resource allocation, or policy formulation.

5 (b) Except as required by federal law, the governing body of
6 a municipality may not:

7 (1) adopt or enforce an ordinance, regulation, or
8 other measure that:

9 (A) implements or advocates for a diversity,
10 equity, and inclusion initiative; or

11 (B) seeks to discriminate on the basis of
12 identity classification to attempt to rectify past wrongs;

13 (2) discriminate on the basis of identity
14 classification in adopting or implementing organizational
15 disciplinary procedures; or

16 (3) use alternative discipline practices, including
17 restorative practices, to address conflict or wrongdoing in the
18 workplace.

19 Sec. 148.004. ENFORCEMENT. (a) In this section:

20 (1) "No-new-revenue tax rate" means the
21 no-new-revenue tax rate calculated under Chapter 26, Tax Code.

22 (2) "Tax year" has the meaning assigned by Section
23 1.04, Tax Code.

24 (b) The attorney general may bring an action to enjoin a
25 violation under this chapter in a district court in:

26 (1) Travis County; or

27 (2) the county of the municipality in which the

1 violation occurs.

2 (c) Notwithstanding any other law, if it is determined in an
3 action under Subsection (b) that a municipality has violated a
4 provision of this chapter, the municipality may not adopt an ad
5 valorem tax rate that exceeds the municipality's no-new-revenue tax
6 rate for the three tax years that begin on or after the date of the
7 determination.

8 (d) A municipality that is determined in an action under
9 Subsection (b) to have violated this chapter may not receive state
10 grant funds for a period of two years following the date of the
11 determination. The comptroller shall adopt rules to implement this
12 subsection uniformly among the state agencies from which state
13 grant funds are distributed to municipalities.

14 SECTION 2. This Act takes effect September 1, 2025.