

By: Hughes

S.B. No. 777

A BILL TO BE ENTITLED

1 AN ACT
2 relating to compensation and employment condition standards by
3 municipal charter or collective bargaining agreement and to impasse
4 resolution in collective bargaining with certain political
5 subdivisions.

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

7 SECTION 1. Section 174.005, Local Government Code, is
8 amended to read as follows:

9 Sec. 174.005. PREEMPTION OF OTHER LAW. Except as provided
10 by this chapter, this [~~This~~] chapter preempts all contrary local
11 ordinances, executive orders, legislation, or rules adopted by the
12 state or by a political subdivision or agent of the state, including
13 a personnel board, civil service commission, or home-rule
14 municipality.

15 SECTION 2. Section 174.021, Local Government Code, is
16 amended to read as follows:

17 Sec. 174.021. PREVAILING WAGE AND WORKING CONDITIONS
18 REQUIRED; EXCEPTION. (a) Except as provided by Subsection (b), a
19 [A] political subdivision that employs fire fighters, police
20 officers, or both, shall provide those employees with compensation
21 and other conditions of employment that are:

22 (1) substantially equal to compensation and other
23 conditions of employment that prevail in comparable employment in
24 the private sector; and

1 (2) based on prevailing private sector compensation
2 and conditions of employment in the labor market area in other jobs
3 that require the same or similar skills, ability, and training and
4 may be performed under the same or similar conditions.

5 (b) A political subdivision that employs fire fighters is
6 considered to be in compliance with the requirements of Subsection
7 (a) if the political subdivision provides those fire fighters with
8 compensation and other conditions of employment that comply with
9 the standards for compensation and other conditions of employment
10 contained in:

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

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

16 SECTION 3. The heading to Subchapter E, Chapter 174, Local
17 Government Code, is amended to read as follows:

18 SUBCHAPTER E. MEDIATION; IMPASSE RESOLUTION [~~ARBITRATION~~]

19 SECTION 4. Section 174.153(a), Local Government Code, is
20 amended to read as follows:

21 (a) Except as provided by Sections [~~Section~~] 174.1535 and
22 174.165, a public employer or an association that is a bargaining
23 agent may request the appointment of an arbitration board if:

- 24 (1) the parties:
- 25 (A) reach an impasse in collective bargaining; or
- 26 (B) are unable to settle after the appropriate
- 27 lawmaking body fails to approve a contract reached through

1 collective bargaining;

2 (2) the parties made every reasonable effort,
3 including mediation, to settle the dispute through good-faith
4 collective bargaining; and

5 (3) the public employer or association gives written
6 notice to the other party, specifying the issue in dispute.

7 SECTION 5. Section 174.1535(b), Local Government Code, is
8 amended to read as follows:

9 (b) Except as provided by Section 174.165, a [A] public
10 employer and an association that is a bargaining agent shall submit
11 to binding interest arbitration if the parties:

12 (1) reach an impasse in collective bargaining; or

13 (2) are unable to settle after the 61st day after the
14 date the appropriate lawmaking body fails to approve a contract
15 reached through collective bargaining.

16 SECTION 6. Section 174.156(b), Local Government Code, is
17 amended to read as follows:

18 (b) An arbitration board shall render an award in accordance
19 with the requirements of Section 174.021. In settling disputes
20 relating to compensation, hours, and other conditions of
21 employment, the board shall consider:

22 (1) hazards of employment;

23 (2) physical qualifications;

24 (3) educational qualifications;

25 (4) mental qualifications;

26 (5) job training;

27 (6) skills;

1 (7) to the extent applicable, a municipality's charter
2 or a collective bargaining agreement; and

3 (8) [~~7~~] other factors.

4 SECTION 7. Section 174.158, Local Government Code, is
5 amended by adding Subsection (e) to read as follows:

6 (e) An award rendered under this section must be made
7 effective for the period for which the public employer and the
8 association are bargaining. The period may exceed one year.

9 SECTION 8. Section 174.163, Local Government Code, is
10 amended to read as follows:

11 Sec. 174.163. COMPULSORY ARBITRATION NOT REQUIRED;
12 EXCEPTIONS. Except as provided by Sections 174.1535 and 174.165,
13 this [~~This~~] chapter does not require compulsory arbitration.

14 SECTION 9. Subchapter E, Chapter 174, Local Government
15 Code, is amended by adding Section 174.165 to read as follows:

16 Sec. 174.165. OTHER IMPASSE RESOLUTION FOR FIRE FIGHTERS
17 UNDER MUNICIPAL CHARTER OR COLLECTIVE BARGAINING AGREEMENT. (a)
18 This section applies only to:

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

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

1 involving a public employer of a political subdivision and an
2 association that is the bargaining agent for the fire fighters of
3 the public employer, that public employer and bargaining agent.

4 (b) A public employer and an association that is a
5 bargaining agent for fire fighters shall submit to the impasse
6 resolution mechanism contained in the charter or agreement
7 described by Subsection (a), as applicable, if the parties:

8 (1) reach an impasse in collective bargaining; or

9 (2) are unable to settle after the 61st day after the
10 date the appropriate lawmaking body fails to approve a contract
11 reached through collective bargaining.

12 (c) A provision of this subchapter relating to arbitration
13 does not apply to the impasse resolution mechanism described by
14 Subsection (b), unless the charter or agreement described by
15 Subsection (a), as applicable, specifically provides otherwise. To
16 the extent of any conflict, the charter or agreement, as
17 applicable, prevails over any provision of this subchapter.

18 SECTION 10. The change in law made by this Act applies only
19 to a municipal charter, collective bargaining agreement, or
20 arbitration award that is in effect on or after the effective date
21 of this Act.

22 SECTION 11. This Act takes effect immediately if it
23 receives a vote of two-thirds of all the members elected to each
24 house, as provided by Section 39, Article III, Texas Constitution.
25 If this Act does not receive the vote necessary for immediate
26 effect, this Act takes effect September 1, 2025.