

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 7, 2025

TO: Honorable Brandon Creighton, Chair, Senate Committee on Education K-16

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB2623 by Creighton (Relating to establishment and enforcement of school safety zones; providing a civil penalty.), **As Introduced**

Passage of the bill would prohibit the provision of homeless services within 1.5 miles of a school safety zone, as defined by the bill. It is unknown if the provisions of the bill would apply to homeless services provided to students and their families at schools by non-governmental entities through state funding. As a result, the fiscal impact of the bill cannot be determined.

The bill would define a "school safety zone" as the premises of an institution of higher education, playground, or school. The bill would define "homeless services" to mean services intended primarily to benefit individuals experiencing homelessness, including: services for shelter, medical care, meals, drug rehabilitation, job training, financial assistance, and mental health treatment.

The bill would establish the School Safety Zones Task Force, consisting of four members appointed by the Governor. The task force would be responsible for identifying each facility in this state providing homeless services within 1.5 miles of a school safety zone and notify the municipality in which the facility is operating, or the county in which the facility is operating if it is in an unincorporated area of the county. The task force would be required to, in consultation with the Texas Department of Licensing and Regulation (TDLR), develop recommendations on legislation to require a facility providing homeless services to obtain a license from TDLR.

The bill would prohibit the provision of homeless services within 1.5 miles of a school safety zone by a municipality, county, or provider entity. The bill defines a "provider entity" as a nongovernmental entity providing homeless services. A municipality or county that receives notice from the task force that a provider organization is violating this prohibition would be required to stop providing homeless services at the facility if the provider is the municipality or county; or if the facility is operated by a provider organization, direct the police or sheriff's department to order the provider organization to stop providing homeless services at the facility.

A provider organization that the task force determines to be violating this prohibition that does not stop providing homeless services would be liable to the state for civil penalty not to exceed \$50,000 for each day after the date the organization receives an order to stop providing homeless services. The Attorney General would be authorized to bring an action to recover a civil penalty and direct the Secretary of State to revoke or terminate the organization's registration or certificate of formation.

If the Attorney General determines that a municipality or county has violated the prohibition and has not stopped or ordered the provider organization to stop providing homeless services, the municipality or county would be prohibited from adopting a property tax rate above the no-new-revenue rate as provided by Chapter 26 of the Tax Code and the Comptroller would be directed to withhold the municipality or county's local sales tax distribution until the Comptroller receives notice that the violation has been resolved.

It is anticipated that any administrative costs associated with implementing the provisions of the bill could be absorbed within existing resources.

According to the Comptroller's office, the number of violations resulting in penalties that may occur is unknown, and the revenue impact of the bill cannot be determined.

Senate Bill 1, as engrossed, includes appropriations in the Texas Education Agency's bill pattern for a non-governmental entity to provide services, including services defined as homeless services under provisions of the bill, to students and their families at school facilities. It is unclear if the provision of these services would violate the prohibition in the bill against providing homeless services in a school safety zone.

Local Government Impact

A county or municipality that is determined to be in violation of the provisions would be prohibited from adopting a property tax rate above the no-new-revenue rate as provided by Chapter 26 of the Tax Code and would not receive its local sales tax distribution until the county or municipality was found to be in compliance with the provisions of the bill.

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Source Agencies: 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 405 Department of Public Safety, 452 Department of Licensing and Regulation, 701 Texas Education Agency

LBB Staff: JMc, JPE, SD, BRI