NOTICE OF MEETING
CITY COUNCIL
OF THE CITY OF GALVESTON
THURSDAY, OCTOBER 23, 2025 - 9:00 AM
ROOM 204 - CITY HALL
823 ROSENBERG, GALVESTON, TEXAS
TELEPHONE: (409) 797-3510

During the meeting, Council reserves the option to take short comfort breaks and/or a lunch break as their schedule and workload demands.

WORKSHOP AGENDA

1 DECLARATION OF A QUORUM AND CALL MEETING TO ORDER

2 ROLL CALL

3 DISCUSSION ITEMS

3.A Presentation of a Community Plan to Develop a Juneteenth Museum (D Jones/S Lewis/C Brown - 20 min)

3.B Clarification Of Consent And Regular City Council Agenda Items - This Is An Opportunity For City Council To Ask Questions Of Staff On Consent And Regular Agenda Items (1 Hour)

3.C Legislative Update (S. Bakko - 20 min)

3.D Update and discuss South Shore Pump Station (Porretto/Rawlins - 15 min)

3.E Discussion of the Findings of the Park Board Hotel Occupancy Tax Audit (G Bulgherini - 20 min)

3.F Discussion of the Ad Hoc Short Term Rental Committee and Staff recommendations for updates to STR ordinance and STR policies (B. Brown/C. Brown - 30 min)

3.G Discussion of the creation of a single board to make recommendations to council on the use of Hotel Occupancy Taxes and Structure as it relates to the current functions, maintenance, and administration of the Arts and Historic Preservation Board and the Cultural Arts Commission (A Lynch, Mehran Jadidi - 20 min)

3.H Discussion of the Status of the Comprehensive Plan (B Brown/C Brown - 15 min)

3.I Discussion of the potential consolidation of dispatch operations (B. Maxwell - 10 min)

3.J Presentation from Sustainable Equipment Technologies on potential fleet services for efficiency and sustainability measures (Porretto/Rawlins - 15 min)

4 EXECUTIVE SESSION

4.A Pursuant to Texas Gov’t Code§551.087 and §551.071, the Council will conduct an executive session to:
(1) to discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body

seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or
(2) to deliberate the offer of a financial or other incentive to a business prospect described by Subdivision (1).

Related to the Project Bounty development in the City of Galveston
Related to the Project Juno development in the City of Galveston

4.B Pursuant To Texas Gov't Code 551.071- Consultation With Attorney, An Executive Session Will Be Conducted To Discuss And Receive Legal Advice Concerning Pending Litigation And/Or A Settlement Offer, Or On A Matter In Which The Duty Of The Attorney To The Governmental Body Under The Texas Disciplinary Rules Of Professional Conduct Of The State Bar Of Texas Clearly Conflicts With This Chapter, Related To The Following:

1. Discussion of the status of the new Pelican island Bridge

5 ADJOURNMENT

I certify that the above Notice of Meeting was posted in a place convenient to the public in compliance with Chapter 551 of the Texas Government Code on 10/18/2025 at 12:10 PM.

Janelle Williams
Janelle Williams, City Secretary

In accordance with the provisions of Americans With Disabilities Act (ADA), persons in need f a special accommodation to participate in this proceeding shall, within three (3) days prior to any proceeding, contact the City Secretary's Office, Suite 201, 823 Rosenberg, Galveston, Texas 77550 (409-797-3510).

One or more members of the City Council may attend the meeting by videoconference. A quorum of the members of the City Council will be physically present at the meeting location.

MEMORANDUM

TO: Mayor Craig Brown and Members of Council

CC: City Manager Office, Executive Leadership Team, City Attorney Office

FROM: Sally Bakko, Director of Policy and Governmental Relations

DATE: July 3, 2025

RE: 89th Texas Legislature Regular Session Wrap-up Report

The 89th Texas Legislature enacted the following bills of interest for the City of Galveston.

SECTION 1: LEGISLATION RELATED TO CITY OF GALVESTON AGENDA PRIORITIES

H.B. 30 (Troxclair/Bettencourt) – Property Taxes Following a Disaster: restructures the existing natural disaster exception to the 3.5 precent property tax revenue limitation by creating a "Disaster relief rate" that is used when calculating the voter approval rate. "Disaster relief cost" includes debris or wreckage removal costs as determined by an estimate under 42 USC 5173, and "essential emergency assistance" that includes emergency shelter, overtime and hazardous duty compensation for police, fire and emergency medical service personnel, water testing and treatment, essential supplies, search and rescue, evacuation services, medical care and transport, and security services; and (2) for any part of a taxing unit located in an area declared to be a disaster area by the governor or the president of the United States and at least one person is granted a property tax exemption for qualified property damaged by a disaster, the governing body of the taxing unit other than a school district or a special taxing unit may direct the designated officer or employee to calculate the voter-approval tax rate of the taxing unit as the lesser of: (a) the voter-approval tax rate calculated in the manner provided for a special taxing unit; or (b) the voter- approval tax rate calculated according to a specific formula using the "disaster relief rate" that accounts for the taxing unit's share of the estimated disaster relief costs associated with the disaster. The taxing unit shall forward the disaster relief cost estimate to the Texas Division of Emergency Management. ***(Effective January 1, 2026.)***

H.B. 1089 (Paul) – Gulf Coast Protection Account (GCPA): creates a a dedicated account in the general revenue fund administered by the General Land Office (GLO) with rules adopted by the GLO. The account consists of money from gifts, donations, and grants, and money appropriated, credited, or transferred to the account by the Legislature. GCPA funds are used only to pay expenditures that: 1) are necessary to fulfill nonfederal sponsor obligations under agreements with the U.S. Army Corps of Engineers for implementing projects included in the plan recommended by the Coastal Texas Protection and Restoration Feasibility Study Final Report and Final Environmental Impact Statement dated August 2021 issued by the Galveston District, Southwestern Division, of the U.S. Army Corps of Engineers and the GLO; 2) comply with the terms of a local cooperation agreement executed by the GLO and the Gulf Coast Protection District (GCPD); and 3) are for projects that are necessary or useful for the protection of the portion of the Gulf Coast located within the territory of the GCPD or that would benefit the GCPD and were designated as Coastal Storm Risk Management Projects within the Coastal Texas Study. ***(Effective Immediately.)***

H.B. 3595 (Barry/Perry) – Assisted Living Facilities by January 1, 2026, requires assisted living facilities to adopt and implement an emergency preparedness and contingency operations plan to provide in the event of a power outage: 1) a climate-controlled area of refuge with at least 15 square feet per resident for each resident other than a bedfast resident; 2) a climate-controlled room for each bedfast resident who was unable to transfer out of bed, turn and position themselves in bed, and be transported by another person during an emergency; and 3) notice to the Health and Human Services Commission (HHSC) of an unplanned interruption or loss for more than 12 hours of electric utility service. An emergency preparedness and contingency operations plan requires an assisted living facility to maintain a temperature between 68 and 82 degrees Fahrenheit for each climate-controlled area included in the plan. An assisted living facility is required to submit the emergency preparedness and contingency operations plan to HHSC. On request, a facility must provide a summary of its plan to a resident or a resident's family member. HHSC is required to establish construction and licensure standards for assisted living facilities that address: 1) backup power systems, such as the integration of multiple backup power sources or the use of a generator connection box to connect a building of the facility to a backup power source; and 2) the evacuation of assisted living facility residents to an area of refuge or a climate-controlled room in emergencies. Facilities must comply with construction and licensure standards by the later of January 1, 2027, or the first date that the facility was issued a new or renewal license on or after September 1, 2026. HHSC can assess penalties against an assisted living facility found in violation of the bill. To the extent of conflict, the bill preempts any ordinance, resolution, rule, or other regulation adopted by a political subdivision relating to emergency preparedness and contingency operations planning for assisted living facility residents during an emergency. ***(Effective September 1, 2025.)***

H.B. 2517 **(Barry/Leo Wilson)**, exempts TWIA and the Texas FAIR Plan Association from the property and casualty insurance premium tax and the fire and allied lines insurance maintenance tax. Exempting these entities from those taxes would reduce the need for purchase of reinsurance, increase the ability to pay claims, and reduce other operating expenses. (***Effective September 1, 2025.)***

H.B. 3474 **(Lambert/Huffman) – Public Retirement Systems**: among other things, provides that: (1) in accordance with a schedule of deadlines prescribed by the pension review board, a public retirement system shall conduct an evaluation: (a) once every three years, if the total assets of the system are at least $100 million; or (b) once every six years, if the total assets of the system are at least 30 million and less than $100 million; (2) for a public retirement system described by (1)(b), above, if the public retirement system's total pension liability increases to at least $100 million during a fiscal year, the system shall complete the evaluation by the next appropriate due date specified in the schedule established by the pension review board; and (3) a public retirement system that has completed an evaluation pursuant to the requirements of (1), above, remains subject to the same requirement unless both the total assets and the total pension liability of the system decrease to an amount that is below the minimum amount prescribed by the applicable requirement. ***(Effective September 1, 2025.)***

H.B. 3689 **(Hunter) – TWIA Funding Structure Reform:** amends the Insurance Code and Government Code to allow the Texas Windstorm Insurance Association (TWIA) to enter a financial arrangement with the Comptroller of Public Accounts and authorize the use of up to $1.0 billion from the Economic Stabilization Fund to be used for the financing of excess losses of TWIA. Such funds would be repaid through the order of a catastrophe surcharge on all policy holders of property insurance policies. Lowers statutorily required minimum funding level from 1-in-100 to a 1-in-50 probable maximum loss. ***(Effective September 1, 2025, except certain conforming amendments included in bill Sections 1.17, 2.01(b), 2.02(b), 2.03(b), 2.04(b), 2.05(b), 2.06(b), and 2.07(b) take effect September 1, 2027.)***

HCR 6 **(Leo Wilson/Middleton) – Galveston Juneteenth:** designates the City of Galveston as the official Juneteenth Capital of Texas for a 10-year period ending in 2035. ***Signed by the Governor.***

S.B. 745 **(Kolkhorst/Gerdes) –Intoxication Manslaughter:** amends the Penal Code to enhance the penalty for intoxication manslaughter from a second-degree felony to a first-degree felony for defendants who are found to have caused the death of more than one individual. ***(Effective September 1, 2025.)***

FY 2026-27 Biennium Funding Highlights

- **$7 million** – Juneteenth Museum of Galveston, Texas Historical Commission, Budget Rider 33 – Historic Preservation Project Grants

- **$46 million** – General Revenue dedicated funding for the Coastal Erosion Planning and Response Act (CEPRA) program to expand erosion response projects and studies
- **$311,000** – Galveston Park Board of Trustees for Beach Patrol Services, Texas General Land Office, Budget Rider 21 (recurring budget rider since the biennium budget adopted by the 87th Legislature).
- **$75.7 million** – Local Park Grants – ($20.8 million is designated for specific parks) Texas Parks and Wildlife Department
- **$288.9 million** – Public Transportation, Texas Department of Transportation
- **$2.5 billion –** Water Infrastructure and Grants, Texas Water Development Board (included in HB 500 supplemental appropriations bill for FY 2025).

SECTION 2: SUMMARIES OF ADDITIONAL ENACTED BILLS OF INTEREST

FINANCE

- **Property Tax**

H.B. 9 (Meyer/Bettencourt) – Personal Property Tax: provides, among other things: (1) that a person is entitled to an exemption from taxation of $125,000 of the appraised value of income- producing tangible personal property; and (2) that a person is required to file a rendition statement concerning tangible personal property only if, in the person's opinion, the aggregate market value of the property in at least one taxing unit is greater than the amount exempted under (1), above. ***(Effective January 1, 2026, but only if H.J.R. 1 is approved at the election on November 4, 2025.)***

H.B. 22 (Noble/A. Hinojosa) – Property Tax Exemption: exempts from the property tax all intangible personal property. (Effective January 1, 2026.)

H.B. 4809 (Meyer/West) – Historic Property Tax Exemption: allows an owner of property that qualifies for an exemption as a historic or archaeological site to protest the allocation of the appraised value of the property between the land and the improvements to the land. The bill seeks to ensure that appraisals of historic sites for property tax purposes reflect the real-world effect of historic preservation restrictions on market value. ***(Effective immediately.)***

S.B. 1023 (Bettencourt/Troxclair) – Property Tax Rate Calculation: requires: (1) the tax rate calculation forms prescribed by the comptroller to be capable of including for each entry other than a mathematical calculation a hyperlink to a document that evidences the accuracy of the entry; and (2) a taxing unit to calculate adjustments made to the value of taxable property due to tax revenue the taxing unit pays into a tax increment reinvestment zone fund separately for each reinvestment zone in which the taxing unit participates. ***(Effective January 1, 2026.)***

S.B. 1453 (Bettencourt/Meyer) – Tax Rate Calculation: among other things: (1) defines "current debt service" for purposes of tax rate calculation to mean the minimum dollar amount required to be expended for debt service in the current year; and (2) permits the governing body of a taxing unit, including a city council, to adopt a debt service tax rate that exceeds the debt service tax rate calculated with the current debt service described in (1), above, only if the rate is proposed by a motion that: (a) states the calculated debt service tax rate; (b) states the proposed debt service tax rate; (c) states the difference between the proposed rate and the calculated debt service tax rate; (d) describes the purpose for which the excess debt revenue collected will be used; and (e) is approved by at least 60 percent of the members of the governing body. ***(Effective January 1, 2026.)***

- **Debt**

H.B. 103 (Troxclair/Bettencourt) – Bonds and Tax Database: this bill: (1) requires the comptroller to consult and coordinate with the Bond Review Board to develop and maintain a database that includes current and historical information regarding taxing unit bonds, taxes, and bond-related projects; (2) requires a taxing unit, including a city, to provide the comptroller with information for the purpose of maintaining the database; (3) prohibits the comptroller from charging a fee to the public to access the database; and (4) provides a civil penalty of $1,000 for a taxing unit that does not provide the required information to the comptroller. ***(Effective September 1, 2025.)***

H.B. 3526 (Capriglione/Parker) – Bond Obligations Database: this bill, among other things:

1. requires the bond review board to develop and maintain on its website a publicly accessible and searchable database that provides, in a table format that is easy to read and understand, information on each bond proposed or issued by a local government;
2. requires the database to include for each proposed and issued bond listed in the database: a) the amount of the principal of the bond; b) the estimated amount of interest on the bond; c) the estimated total amount to pay the principal of and interest on the bond; and d) the estimated minimum dollar amount required to be annually expended for debt service;
3. provides that, not later than the 20th day before election day for an election to authorize a local government to issue bonds, the local government shall submit a report to the bond review board that includes: (a) the date of the election; (b) the proposition number for each bond proposition; (c) the total estimated cost of the issuance of each proposed bond; (d) the estimated minimum dollar amount required to be annually expended for debt service; (e) a description of the purpose of each bond proposition; and (f) any other information the board determines necessary;
4. provides that, not later than the 20th day after election day for an election to authorize a local government to issue bonds, the local government shall submit a report to the bond review board that includes: (a) the total number of votes cast for each bond proposition; (b) the total number of votes in support of the bond proposition; (c) the total number of votes against the bond proposition; (d) any updated information different from the information provided to the bond review board under (3), above, if applicable; and (e) any other information the board determines necessary;
5. provides that, not later than September 30 of each year, a local government with voter- approved but unissued bonds shall submit a report to the bond review board regarding the amount of voter-approved but unissued bonds authorized by the local government during the most recent fiscal year that includes: (a) the total amount of voter-approved but unissued bonds authorized by the local government; (b) the specific statute or law authorizing the issuance of bonds; (c) the number of the propositions that authorized the issuance of the bonds, as applicable; (d) the estimated cost of the issuance of the bonds on the bond proposition, as applicable; (e) the estimated minimum dollar amount required to be annually expended for debt service after the issuance of the bonds; and (f) any other information the board determines necessary; and
6. requires the bond review board, not later than December 31 of each even-numbered year, to prepare and submit to each standing committee of the legislature with primary jurisdiction over matters relating to finance a report on each voter-approved bond issued by a local government.

(Bill effective September 1, 2025.)

- **Other Finance and Annual Audit**

H.B. 3611 (Curry/Miles) – Unauthorized "Bandit" Signs: provides for a civil penalty of up to $5,000 to be collected from a person who places or commissions the placement of, or whose commercial advertisement is placed on, an unauthorized sign on the right-of-way of a public road, provided that for a person's first violation: (1) the applicable political subdivision provides written notice to the person that the person may be liable for a civil penalty if the person fails to remove the sign within a specified period; and (2) the person fails to remove the sign within the specified period. ***(Effective September 1, 2025.)***

S.B. 924 (Hancock/Geren) – Cable or Video Services: provides, for purposes of state-issued cable and video franchise authority, that: (1) "video service" does not include: (a) direct-to-home satellite services that are transmitted from a satellite directly to a customer's premises without using or accessing a portion of the public right-of-way; or (b) any video programming accessed via a service that enables users to access content, information, e-mail, or other services offered over the Internet, including streaming content; (2) the change in definition does not affect the obligation of a person who holds a state-issued certificate of franchise authority on September 1, 2025, to provide the compensation required for use of a public right-of-way; and (3) the change in definition does not affect the application of state law to compensation with respect to services provided before September 1, 2025, by a person who was involved in litigation regarding video services on January 1, 2025. ***(Effective September 1, 2025.)***

S.B. 1851 (Nichols/Harris) – Annual Audits: provides that if the attorney general determines that a city has not had its records and accounts audited and an annual financial statement prepared based on the audit or has not filed the financial statement and the auditor's opinion on the statement in the office of the city secretary or clerk before the 180th day after the last day of the city's fiscal year, the city may not adopt a property tax rate that exceeds the city's no-new-revenue tax rate for a tax year until the city has complied with those requirements. ***(Effective September 1, 2025.)***

PUBLIC SAFETY

H.B. 33 (McLaughlin/Flores) – Uvalde Strong Act: provides, among other things, that:

1. no later than December 1, 2025, the Advanced Law Enforcement Rapid Response Training Center at Texas State University – San Marcos shall create a template for use by a local law enforcement agency or emergency medical services provider in evaluating and reporting on the agency's or provider's response to an active shooter incident at a primary or secondary school facility;
2. the template must include: (a) prompts for reporting on the following items: (i) a brief description and outcome of the active shooter incident; (ii) a statement of personnel and equipment deployed during the incident; (iii) a cost analysis, including salaries, equipment, and incidentals; (iv) a copy of appropriate incident logs and reports; (v) any maps, forms, or related documentation used in responding to or evaluating the agency's or provider's response to the incident; (vi) a summary of any deaths or injuries that occurred as a result of the incident; (v) any information relating to the status of criminal investigations and subsequent prosecutions arising out of the incident; (vi) a final evaluation including conclusions relating to the agency's or provider's response to the incident; (vii) problems encountered during the response regarding personnel, equipment, resources, or multiagency response; (viii) suggestions for revising policy, such as improving training and equipment; and (ix) any additional considerations that would improve the agency's or provider's response to active shooter incidents at primary or secondary school facilities in the future; and (b) any other content the center considers appropriate;
3. the center shall develop a training program for peace officers and emergency medical services personnel for responding to active shooter incidents at primary and secondary school facilities;
4. in developing the training program, the center: (a) shall incorporate the findings of at least one final report submitted in Number 3, above, regarding a local law enforcement agency's or EMS's response to an active shooter incident at a primary or secondary school facility; and (b) may collaborate with TDEM, the Texas Commission on Law Enforcement (TCOLE), DPS, or the Department of State Health Services (DSHS);
5. each city police department shall employ or appoint a public information officer who must obtain certification in emergency communications from TDEM, and complete continuing education on emergency communications;
6. the chief administrative officer of an agency may be appointed or employed as a public information officer;
7. TDEM in coordination with the Emergency Management Council shall: (a) develop a guide in collaboration with DPS on preparing for and responding to an active shooter incident at a primary or secondary school facility for civic, volunteer, and community organizations; (b) post the guide on its

website for public use and must provide a comprehensive approach to preparing for and responding to active shooter incidents at primary and secondary school facilities;

8. each local law enforcement agency and emergency medical services provider that responds to an active shooter event by providing law enforcement services or emergency medical services, or both, shall: (a) not later than the 45th day after the date of the event, initiate an evaluation of the agency's or provider's response to the event and submit a preliminary report to TDEM, DPS, and the center regarding, at minimum, the items required in the template; and (b) not later than the 90th day after the date of the event, or as soon as practicable thereafter, finalize and submit the report to TDEM, DPS, and the center;
9. a local law enforcement agency or emergency medical services provider that complies with Number 9, above, regarding an active shooter event is not required to conduct a post disaster evaluation or report;
10. information obtained or created by TDEM or DPS in carrying out their obligations are confidential and are not subject to disclosure under the Public Information Act, and any meetings between a law enforcement agency or emergency medical services provider and TDEM or DPS are not subject to open meetings requirements under the Open Meetings Act;
11. TDEM by rule shall require the peace officers of each local law enforcement agency to complete a training program for responding to active shooter incidents at primary and secondary school facilities developed by the center;
12. TDEM by rule shall require emergency medical services personnel of each emergency medical services provider developed by TDEM that involves reviewing at least one final evaluation and report required by Number 9, above;
13. a public information officer in Number 6, above, shall: (a) obtain certification from TDEM in emergency communications not later than the first anniversary of the date the public information officer was hired or appointed; and (b) complete a continuing education program on emergency communications approved by TDEM once during each 12-month period beginning on the date the public information officer obtained certification;
14. TDEM shall establish minimum education and training requirements for initial certification and continuing education by designating courses approved by FEMA, and the minimum requirements must include courses on: (a) the National Incident Management System; (b) the Incident Command System; and (c) the basic skills and principles necessary to fulfill the role of a public information officer with respect to emergency communications;
15. each entity shall: (a) maintain records that demonstrate the compliance of each public information officer employed or appointed by that entity with the certification and continuing education requirements; and (b) submit to TDEM the compliance records required to be maintained;
16. to prepare for complex response to and investigations of emergencies that require mutual aid and support from more than one governmental entity, DPS shall consult with the sheriff of each county in which a primary or secondary school facility is located to determine which governmental entities that employ a first responder are reasonably likely, in the sheriff's opinion, to respond to an active shooter incident at one of those facilities;
17. DPS, each sheriff, and each governmental entity identified by the sheriff shall collectively participate in: (a) multiagency tabletop exercises at least once each odd-numbered year; and (b) an in-person drill at least once each even-numbered year;
18. DPS and each governmental entity identified by a sheriff shall enter into a mutual aid agreement not later than January 1, 2026, that establishes procedures for the provision of resources, personnel, facilities, equipment, and supplies in responses to critical incidents in a vertically integrated fashion;
19. in establishing the procedures, DPS and local law enforcement agencies shall: (a) give priority to establishing the interoperability of communications equipment among the parties to the agreement; (b) establish procedures for interagency coordination in activities arising from critical incidents, including evidence collection; (c) set jurisdictional boundaries; and (d) determine the capabilities, process, and expectations among the parties to the agreement;
20. each council of governments shall develop a mental health resources plan to address the mental health

needs of first responders following a critical incident and provide the plan to each local emergency management director in the state;

21. DPS and each local law enforcement agency located wholly or partly within the geographic boundaries of a council of governments shall collectively enter into a mutual aid agreement that establishes the procedures for the provision of resources, personnel, facilities, equipment, and supplies in responses to critical incidents in a vertically integrated fashion;
22. a political subdivision that elects, appoints, or employs first responders shall develop a resilient emergency management system to coordinate the political subdivision's response to an emergency, and the system must provide for the establishment of: (a) a shared emergency response plan across each department or agency of the political subdivision with a first responder; and (b) a multi-department and agency coordination group to support resource prioritization and allocation for the political subdivision during an emergency;
23. the governing body of a political subdivision by official action must approve the resilient emergency management system for the political subdivision;
24. each political subdivision and interjurisdictional agency with an operations plan for emergency response shall adopt and implement measures for the prompt recovery of services provided by the political subdivision or agency after an active shooter emergency;
25. a law enforcement agency shall make available for use by the agency's peace officers sufficient tactical equipment to allow the peace officers to effectively respond to a critical incident and may satisfy this requirement by providing tactical equipment to equip the greater of: (a) at least 20 percent of the agency's peace officers; or (b) five of the agency's peace officers;
26. a law enforcement agency may enter into a mutual aid agreement with a law enforcement agency with overlapping or adjacent jurisdiction to share tactical equipment during a critical incident in the quantity that allows the agency to meet the equipment requirement;
27. each council of governments shall develop a mental health resources plan to address the mental health needs of a first responder following a critical incident that occurs within the territory of the council;
28. a plan: (a) must identify and provide for Education and training to a first responder prior to a critical incident on topics including the potential psychological impact that being involved in an accident may have on the first responder and resources available to the first responder to address the psychological impact of an incident, including mental health counseling, peer support programs, and stress management practices or a list of recommended providers located within the territory of the council of governments who can provide the education and training; (b) may recommend that an employer of a first responder create a process to conduct a critical incident stress debriefing following an incident and create a peer support program to support the first responder following an incident; and (c) may include any other recommendation the council of governments considers appropriate to address the mental health needs of a first responder following a critical incident;
29. each political subdivision that receives a plan shall implement the plan and share the plan with each council of governments that has jurisdiction over the political subdivision to ensure regional plan integration and awareness;
30. TCOLE, with input from an advisory committee, shall by rule establish minimum standards with respect to the creation or continued operation of a law enforcement agency based on the function, size, and jurisdiction of the agency including: (a) the physical resources available to officers, including access to at least one breaching tool and one ballistic shield; and (b) the policies of the agency including policies on active shooters, including a detailed written policy based on current best practices for responding to an active shooter incident at a primary or secondary school facility and a recommendation for the frequency at which simulated emergency drills should be conducted;
31. a law enforcement agency may enter into a mutual aid agreement with a law enforcement agency with overlapping or adjacent jurisdiction to share protective equipment during a critical incident to meet the requirements related to the physical resources available to officers;
32. as part of the minimum curriculum requirements, TCOLE shall require peace officers to complete, as

part of the minimum curriculum requirements, the following emergency response management training courses, or a substantially similar successor course as determined by TCOLE, in collaboration with TDEM: (a) Introduction to Incident Command System; and (b) National Incident Management, An Introduction; and

33. TCOLE shall require a peace officer whose duties involve the supervision of officers in an incident response to complete, as part of the continuing education programs, an advanced incident response and command course, in collaboration with TDEM as determined by TCOLE rule.

(Bill effective September 1, 2025.)

H.B. 1261 (Cunningham/Flores) – Disposition of Abandoned or Unclaimed Personal Property: provides, among other things, that: (1) for purposes of any unclaimed or abandoned personal property, a person designated by the city to dispose of the property may, instead of sending a notice to the last known address of the owner of the property by certified mail, place a one-time notice on the internet website and social networking website of the law enforcement agency that seized the property; and (2) the notice described in (1), above, shall state that if the owner does not claim the property before the 90th day after the date of the notice, the property shall be disposed of, and the proceeds placed in the city treasury. ***(Effective September 1, 2025.)***

H.B. 3732 (A. Martinez/Alvarado) – Fire Department Standards: provides that: (1) a fire department may request an extension from the Texas Commission on Fire Protection (TCFP) to comply with minimum standards related to protective clothing, self-contained breathing apparatuses, personal alert safety systems, incident management systems, personnel accountability systems, and fire protection personnel operating procedures; (2) TCFP shall grant a request foran extension if the fire department provides evidence TCFP finds sufficient to justify the extension; (3) TCFP must adopt rules necessary to implement (2), above; and (4) this extension authority expires on September 1, 2027. ***(Effective immediately.)***

S.B. 305 (Perry/King) – Unlawful Vehicle Passing: creates a criminal offense for unlawfully passing a vehicle operated by: (1) an animal control officer or other individual for the purpose of removing an animal or animal carcass from a roadway and using certain prescribed visual signals; or (2) an employee of a local authority for the purpose of issuing a parking citation and using certain prescribed visual signals. ***(Effective September 1, 2025.)***

- **Public Safety - Personnel**

H.B. 35 (Thompson/West) – First Responder Peer Support Network: among other things: (1) establishes a peer support network program for emergency medical services personnel and firefighter first responders; (2) tasks the Texas Division of Emergency Management to develop and administer the network described in (1), above, for certain personnel in urban and rural jurisdictions, including peer-to-peer support, suicide prevention training, technical assistance, and identifying, retaining, and screening participating licensed mental health professionals, and connecting first responders with clinical resources at no cost to the first responders; and (3) provides that information relating to a first responder's participation in the peer support network program or services is confidential and not subject to disclosure under the Public Information Act. ***(Effective September 1, 2025.)***

H.B. 198 (Bumgarner/Parker) – Cancer Screenings: provides, among other things, that: (1) a city that employs firefighters shall offer an occupational cancer screening to each firefighter atno cost in the fifth year of the firefighter's employment, and once every year following the initial screening; (2) the occupational cancer screening must be confidential, and in addition to testing for cancer, include: (a) a urine test; (b) a pulmonary function test; (c) an electrocardiogram; (d) an infectious disease screening; (e) a breast cancer screening; (f) a blood test; and (g) subject to (3) below, a chest x-ray; (3) a firefighter is eligible to receive a chest x-ray during the screening once every five years; (4) the Texas Commission on Fire Protection (TCFP) shall adopt rules establishing minimum standards for the screening using standards developed by the National Fire Protection Association (NFPA); and (5) a city that employs firefighters is not required to offer a screening in (1) above, if the city offers an annual occupational medical examination under a plan submitted to the TCFP no later than February 1 of each year that is endorsed by a physician and is in substantial compliance with standards developed by the NFPA. ***(Effective June 1, 2026.)***

H.B. 331 (Patterson/J. Hinojosa) – Disease Presumption: this bill: (1) removes the requirement that a firefighter, peace officer, or emergency medical technician who suffers an acute myocardial infarction or stroke must have been engaging in a situation or participating in a training exercise that involved "nonroutine" stressful or strenuous physical activity involving fire suppression, rescue, hazardous material response, emergency medical services, or other emergency response activity for the disease presumption to apply; (2) adds law enforcement to the list of emergency response activities listed in (1), above; and (3) expands the duration from which the acute myocardial infarction or stroke must have occurred to not later than eight hours after the end of a shift in which the firefighter, peace officer, or emergency medical technician was engaging in the activity described in (1), above. ***(Effective immediately.)***

H.B. 4144 (Turner/Middleton) – Supplemental Income Benefits: provides that: (1) a governmental entity shall provide to a firefighter or peace officer who retires from a fire department or law enforcement agency with at least 50 firefighters or peace officers, a critical- illness supplemental income benefit or comparable health benefit plan coverage if the firefighter or peace officer is diagnosed with certain types of cancer or acute myocardial infraction or stroke not later than the third anniversary of the date the firefighter or peace officer retires; (2) the value of the supplemental income benefit shall be the lesser of: (a) the firefighter's or peace officer's final year salary; or (b) $100,000; (3) a governmental entity providing a supplemental income benefit may provide the benefit in a lump sum payment or equal payments over three consecutive months; (4) not later than September 1 of each year ending in a five, the commissioner of insurance by rule shall adjust the amount described in (2), above, by an amount equal to the percentage increase, if any, in the consumer price index for the preceding ten years; and (5) the above provisions do not apply to a political subdivision that provides a firefighter or peace officer who retires from the political subdivision a health benefit plan that is comparable in coverage and cost to the retiree as the health benefit plan the political subdivision provided to the retiree on the day before the date the retiree retired. ***(Effective September 1, 2025.)***

S.B. 777 (Hughes/Lujan) – Collective Bargaining: provides that: (1) in settling disputes relating to compensation, hours, and other conditions of employment, an arbitration board shall consider, to the extent applicable, a city's charter or collective bargaining agreement; (2) an arbitration award rendered by an arbitration board must be made effective for the period for which the public employer and the employee association are bargaining, and may exceed one year; (3) if a city has a charter or a collective bargaining agreement that provides for the resolution of an impasse in a collective bargaining process, the city and the employee association that is the bargaining agent for the city's firefighters shall submit to the impasse resolution mechanism contained in the charter or the agreement if the parties: (a) reach an impasse in collective bargaining; or (b) are unable to settle after the 61st day after the date the city council fails to approve a contract reached through collective bargaining; and (4) a provision in state law relating to collective bargaining arbitration does not apply to the impasse resolution mechanism described in (3), above, unless the charter or agreement, as applicable, provides otherwise. ***(Effective September 1, 2025.)***

- **Public Safety – Code Enforcement**

H.B. 4765 (Phelan/Zaffirini) – Code Enforcement Officers: among other things, provides that: (1) a city may only engage in code enforcement without employing an individual registered as a code enforcement official if the individual engaging in code enforcement is exempt from state registration requirements; and (2) that an individual is not required to be registered as a code enforcement officer if the individual is required to be licensed or is registered under another state law and engages in code enforcement under that license or registration. ***(Effective September 1, 2025.)***

S.B. 304 (Perry/Darby) – Code Enforcement: allows a city, by ordinance, to provide its municipal court with: (1) civil jurisdiction for the purpose of enforcing certain code enforcement ordinances; (2) concurrent jurisdiction with a district court or county court of law within the city's territorial limits and property owned by the city in the city's extraterritorial jurisdiction, for enforcing health and safety nuisance abatement ordinances; (3) the authority to issue search warrants to investigate a health and safety or nuisance abatement ordinance violation, and (4) the authority to issue a seizure warrant to secure, remove, or demolish the offending property and removing debris from the premises. ***(Effective September 1, 2025.)***

S.B. 1376 (Hughes/VanDeaver) – Code Enforcement Officers: provides that a code enforcement officer in training may engage in code enforcement without supervision if the employer of the code enforcement officer does not also employ a registered code enforcement officer. ***(Effectively immediately.)***

- **Public Safety – New Funding**

H.B. 2217 (Wharton/Hagenbuch) – Bullet-Resistant Vehicle Components Grant: provides, among other things, that: (1) the governor's Criminal Justice Division shall establish and administer a grant program to provide financial assistance to a law enforcement agency to purchase and install motor vehicles used by peace officers of the law enforcement agency in discharging the officers' official duties with bullet-resistant windshields, side windows, rear windows, and door panels; and (2) a law enforcement agency receiving a grant must, as soon as practicable after spending the grant money, provide to the criminal justice division proof of purchase and installation, as applicable, of bullet-resistant windshields, side windows, rear windows, or door panels. ***(Effective September 1, 2025.)***

H.B. 4264 (Hefner/J. Hinojosa) – Peace Officer Grant Program: provides that: (1) the governor's Criminal Justice Division may establish a grant program for the public purpose of fostering the professional development of peace officers employed in this state; (2) to be eligible for a grant, a person must: (a) hold a master proficiency certificate issued by the Texas Commission on Law Enforcement (TCOLE); (b) be employed on a full-time basis as a peace officer by a law enforcement agency; and (c) meet any other eligibility criteria established by the criminal justice division; (3) only the following persons may apply for a grant: (a) a law enforcement agency on behalf of an employee of the agency who meets the eligibility criteria for a grant; or (b) a person who meets the eligibility criteria for a grant with the consent of the person's employing law enforcement agency; (4) the criminal justice division may award a grant only to a law enforcement agency, and the law enforcement agency may use the money only to increase the compensation of the employee who applied for the grant or for whom the agency applied for the grant; (5) if the grant program is established, the criminal justice division shall establish procedures for: (a) processing grant applications in addition to any other application procedures; (b) evaluating grant applications; and (c) monitoring the use of a grant awarded under the program and ensuring compliance with any condition of a grant; (6) the criminal justice division shall award grants in an amount equal to $6,500 for each award; and (7) a grant may not be awarded to the same person more than one time. ***(Effective September 1, 2025.)***

S.B. 2177 (Hagenbuch/Little) – Law Enforcement Grant: provides, among other things, that: (1) the governor's criminal justice division shall establish and administer a grant program through which a law enforcement agency may apply for a grant designed to improve clearance rates for violent and sexual offenses; (2) grant money awarded may be used to pay for: (a) hiring, training, and retaining personnel to: (i) investigate violent and sexual offenses; (ii) collect, process, and forensically test evidence; or (iii) analyze violent and sexual offenses, including temporal and geographical trends; (b) acquiring, upgrading, or replacing technology or equipment related to evidence collection, evidence processing, or forensic testing; and (c) upgrading record management systems to achieve compliance with the reporting requirements; (4) a law enforcement agency that receives a grant under the program annually shall report: (a) the clearance rate and the percentage of the clearance rate that is clearance by arrest and the percentage that is clearance by exception for: (i) violent offenses; (ii) sexual offenses; and (iii) offenses including indecency with a child, sexual assault, aggravated sexual assault, murder, capital murder, aggravated kidnapping, aggravated assault with a deadly weapon, or aggravated robbery; (b) the average duration between the date of the offense and the date of clearance; and (c) the percentage of the grant amount used for each authorized use; (5) the criminal justice division shall periodically evaluate the practices employed by grant recipients to identify policies and procedures that have successfully improved clearance rates for violent and sexual offenses; and (6) a governmental entity may not reduce the amount of funds provided to a law enforcement agency because the agency received a grant. ***(Effective immediately.)***

LAND USE

- **Land Use - Development**

H.B. 21 (Gates/Bettencourt) – Housing Finance Corporations: provides, among other things, that:
1. meetings of housing finance corporations (HFCs) are subject to the Public Information Act and Open Meetings Act;
2. the area in which an HFC may exercise its power is limited to: (a) the jurisdictional boundaries of a sponsoring city; (b) the boundaries of a sponsoring county; or (c) for an HFC sponsored by more than one local government, the combined area of each sponsoring city and county;
3. an HFC may exercise its power outside the area described in (2), above, if a resolution or order approving that exercise of power in the outside area is adopted by the governing body of: (a) each sponsoring local government; (b) each city or county that contains any part of the outside area in which the HFC proposes to operate; and (c) any HFC sponsored by a city or county described in (a) or (b), above;
4. bonds issued by an HFC may be issued only to finance or support residential developments or homes that are located inside the boundaries of: (a) the sponsoring local government; or (b) outside the boundaries of the HFC's sponsoring local governments, if a resolution or order, approving the issuance of bonds is adopted by the governing body of: (i) each city that contains any part of the residential development or home; and (ii) for a residential development or home located in the unincorporated area of a county, each county that contains any part of the residential development or home;
5. a property-based tax exemption for a multifamily residential development developed by an HFC is available only if, among other things: (a) certain income-based occupancy requirements are met; (b) the income-restricted residential units are comparable to non- income-restricted units; (c) unit rental rates are limited by income and family size; and (d) the HFC does not discriminate against potential tenants who participate in housing voucher programs;
6. an HFC receiving a property-based tax exemption must submit certain annual audit reports exhibiting compliance with applicable laws to the Texas Department of Housing and Community Affairs and the chief appraiser of the appraisal district in which the development is located;
7. an HFC development may lose its property-based tax exemption due to noncompliance;
8. property owned by an HFC and the income derived therefrom, are exempt from license fees, recording fees, and other taxes imposed by the state or any political subdivision of the state only if: (a) all applicable audit requirements are satisfied; (b) the property is located in the area where the HFC is authorized to exercise its power; (c) a certain underwriting assessment is completed and made public; and (d) if property tax exemption is claimed, the appropriate one-time exemption application has been submitted.

(Bill effective immediately.)

H.B. 4506 (Bonnen/Hagenbuch) – Electronic Notice for Zoning Changes: this bill: (1) authorizes the electronic delivery of zoning notices by e-mail or text message if: (a) the recipient elects to receive notice electronically; and (b) the city establishes an online portal on the city's website through which a notice recipient may elect to receive notice electronically and manage their preferences; and (2) requires a city to deliver notice as otherwise provided if the recipient does not acknowledge receipt of the electronic notice. ***(Effective immediately.)***

H.B. 4753 (Gates) – Certificates of Occupancy Substitute: provides that: (1) if a city has a record of issuing a certificate of occupancy (CO), the city shall, on request of a building owner, provide a document acknowledging that a CO has been issued; (2) a city may not adopt or enforce an ordinance or other measure that requires a person who has obtained the document described in (1), above, to obtain or display an original CO; and (3) a city shall consider a document described by (1), above, sufficient to display in place of an original CO. ***(Effective immediately.)***

S.B. 783 (Menéndez/Hernandez) – Building Materials Exemptions: provides for additional exemptions to the current building materials preemption related to: (1) an energy code adopted by the State Energy Conservation Office for building energy efficiency performance standards; (2) an energy and water conservation design standard established by the State Energy Conservation Office; and (3) a high-performance building standard approved by a board of regents relating to the construction of a building, structure, or other facility owned by an institution of higher education. ***(Effective September 1, 2025.)***

S.B. 1106 (Parker/Harris) – Public Improvement Districts: requires a city to: (1) post a copy of a public improvement district (PID) service plan and certain other information on the city's website within seven days of approving, amending, or updating the plan; (2) submit an assessment roll for each city PID to each appraisal district in which property subject to assessment is located within seven days of levying the assessment; and (3) post on its website certain information about city PIDs. ***(Effective January 1, 2026.)***

- **Land Use - Zoning**

H.B. 24 (Orr/Hughes) – Zoning Amendments and Protests: provides, among other things, that:

1. a protest of a proposed change to a zoning regulation or district boundary must be written and signed by the owners of: (a) at least 20 percent of the area of the lots or land covered by the proposed change; (b) except as provided by (c), below, at least 20 percent of the area of the lots or land immediately adjoining the area covered by the proposed change and extending 200 feet from that area; or (c) at least 60 percent of the area of the lots or land immediately adjoining the area covered by the proposed change and extending 200 feet from that area if the proposed change: (i) has the effect of allowing more residential development than the existing zoning regulation or district boundary; and (ii) does not have the effect of allowing additional commercial or industrial uses, unless the additional use is limited to the first floor of any residential development and does not exceed 35 percent of the overall development;
2. in computing the percentage of land under Number 1, above: (a) the area of streets and alleys shall be included; and (b) the land area is not calculated individually for each tract of land subject to the proposed change but in the aggregate for all tracts of land subject to the change;
3. for a proposed change to a zoning regulation or district boundary that is protested under Number 1, above, the proposed change must receive, in order to take effect, the affirmative vote of at least: (a) three-fourths of all members of the governing body for a protest described by Number 1(a) or (b), above; or (b) a majority of all members of the governing body for a protest described by Number 1(c), above;
4. for a proposed zoning change, before the 15th day before the date of a required public hearing, notice of the time and place of the public hearing must be published: (a) in an official newspaper or a newspaper of general circulation in the city; and (b) on the city's internet website, if the city maintains one;
5. the term "proposed comprehensive zoning change" means a city proposal to: (a) change an existing zoning regulation that: (i) will have the effect of allowing more residential development than previously; and (ii) will apply uniformly to each parcel in one or more zoning districts; (b) adopt a new zoning code or zoning map that will apply to the entire city; or (c) adopt a zoning overlay district

that: (i) will have the effect of allowing more residential development than previously; and (ii) will include an area along a major roadway, highway, or transit corridor;

6. only certain statutory notice provisions are required for a proposed comprehensive zoning change;
7. a zoning change that has the effect of making residential development less restrictive than the previous regulation is conclusively presumed valid and to have occurred in accordance with all applicable statutes and ordinances if an action to annul or invalidate the change has not been filed before the 60th day after the effective date of the change; and
8. for a proposed change in zoning classification that does not apply to the whole city: (a) the zoning commission of a home-rule city shall post a notice sign not later than the 10th day before the date the zoning commission holds a hearing on a proposed change until the date of a final determination on the proposed change by the city's governing body; (b) the sign must be at least 24 inches long by 48 inches wide and located either on: (i) the property affected by the change; or (ii) a public right-of-way for a change initiated by the city that affects multiple properties; and (c) the zoning commission may elect to provide, maintain, and pay for a notice sign under this section or require an applicant for a change in zoning classification to provide, maintain, and pay for the sign.

(Effective September 1, 2025.)

S.B. 785 (Flores/Guillen) – Manufactured Homes: this bill: (1) prohibits a city from requiring a specific use permit or other similar permit for a new HUD-code manufactured home if: (a) the home has been constructed in accordance with state and federal law; and (b) the city does not require a specific use permit for other residential property in the same zoning classification; (2) requires a city with zoning regulations or zoning district boundaries to: (a) permit the installation, by right, of a new HUD-code manufactured home for use as a dwelling within the city limits under at least one: (i) residential zoning classification; (ii) type of residential zoning district; or (iii) dedicated zoning classification for residential HUD-code manufactured homes; and (b) ensure at least one of the zoning classifications or districts has been adopted and applies to an area within the city; (3) requires cities with a comprehensive zoning classification map to indicate on the map the areas within the city that comply with (2), above; (4) provides that (2) and (3), above, do not: (a) limit a city's historic preservation authority; (b) affect deed restrictions in place before January 2, 2025; or (c) apply to a city: (i) in which all areas zoned for residential use have deed restrictions on September 1, 2025, prohibiting the placement of manufactured homes; or (ii) that does not have any areas or districts zoned for business or industrial use. ***(Effective September 1, 2026.)***

- **Land Use – ETJ/Annexation/Disannexation**

S.B. 1844 (Paxton/Craddick) – Disannexation for Failure to Provide Services: provides, among other things, that: (1) a majority of the property owners of an area of a city, including one or more tracts, lots, or parcels, or portions thereof, may petition to disannex the area if the city fails or refuses to provide or cause to be provided certain services to the area: (a) pursuant to a statutory requirement or adopted service plan, as applicable; (b) pursuant to a written services agreement or resolution, as applicable; or (c) if any part of the area is located adjacent to a navigable waterway and the area did not become part of the municipality under the statutory provisions applicable to a non-consent annexation; (2) if a valid petition is received under (1), above, a city must disannex the area within 60 days; (3) if a city fails to disannex the area within 60 days, the signers of the petition may bring a court action to order the disannexation; (4) the court shall order the disannexation and award attorney's fees and costs if the court finds that a valid petition was filed with the city and that the city failed to: (a) perform its obligations pursuant to an applicable service plan, written services agreement, or resolution authorizing annexation; (b) perform in good faith; or (c) if the petition for disannexation covers an area described by (1)(c), above, connect a majority of the properties in the area, regardless of whether the area was annexed, to the city's water and wastewater systems, if any other area in the city is connected to the city's water and wastewater systems; (5) if an area described by (1)(c), above, is disannexed, the landowners of that area are not eligible for a refund of taxes or fees; and (6) these provisions do not apply to an area located in an area previously designated as an industrial district. ***(Effective September 1, 2025.)***

<u>OPEN GOVERNMENT</u>

H.B. 1522 **(Gerdes/Kolkhorst) – Open Meetings Notice**: among other things, provides that, with the exception of a notice of an emergency meeting: (1) the notice of a meeting of a governmental body must be posted in a place readily accessible to the general public at all times for at least three business days before the scheduled date of the meeting; and (2) the notice of the meeting required under (1), above, at which a governmental body will discuss or adopt a budget for the governmental body must include: (a) a physical copy of the proposed budget unless the governmental body has made the proposed budget clearly accessible on the home page of the governmental body's Internet website; and (b) a taxpayer impact statement showing, for the median-valued homestead property, a comparison of the property tax bill in dollars pertaining to the property for the current fiscal year to an estimate of the property tax bill in dollars for the same property for the upcoming fiscal year if the proposed budget is adopted and a balanced budget funded at the no-new-revenue tax rate is adopted. ***(Effective September 1, 2025.)***

H.B. 3711 **(Capriglione/Sparks)** – **Open Meetings Act Offenses**: among other things, provides that: (1) a law enforcement agency that submits a report stating there is probable cause to believe someone has committed an Open Meetings Act (OMA) violation shall simultaneously submit the report to the open records division of the Office of the Attorney General (OAG); (2) on request of the OAG, a law enforcement entity shall provide all requested information that has not been made publicly available regarding an OMA violation investigation to the open records division of the OAG; and (3) if a district attorney, criminal district attorney, or county attorney who receives a report under (1), above, or represents the state in the prosecution of a criminal offense of an OMA violation, decides not to prosecute or to terminate the investigation of a case regarding an OMA offense, the attorney shall publish notice of the attorney's decision to not prosecute or to terminate the investigation of the case, and the attorney's reason for not prosecuting and terminating the investigation of the case, on any Internet website maintained by the attorney's office for a period of not less than one year. ***(Effective September 1, 2025.)***

H.B. 4214 **(Curry/Middleton) – Public Information Act**: provides that: (1) on or before October 1 of each year, a governmental body subject to the Public Information Act must notify the attorney general of the mailing address and electronic mail address designated by the governmental body for receiving written requests for public information; and (2) the attorney general shall create and maintain on its public website a publicly accessible database of the mailing address and electronic mail address provided by each governmental body for receiving written requests for public information. ***(Effective immediately.)***

H.B. 4219 **(Capriglione/Zaffirini) – Public Information**: provides that: (1) if a governmental body determines it has no information responsive to a request for information, the officer for public information shall notify the requestor in writing not later than the tenth business day after the date the request is received; (2) if a governmental body determines the requested information is subject to a previous determination that permits or requires the governmental body to withhold the requested information, the officer for public information shall, not later than the tenth business day after the date the request is received: (a) notify the requestor in writing that the information is being withheld; and (b) identify in the notice the specific previous determination the governmental body is relying on to withhold the requested information; (3) a governmental body that asks for an attorney general's decision in response to a request for public information must state the specific exceptions that apply to the request within a reasonable time but not later than the tenth business day after the date of receiving the written request; (4) if a governmental body fails to respond to a requestor as required by the Public Information Act (PIA), the requestor may send a written complaint to the attorney general that must include: (a) the original request for information; and any correspondence received from the governmental body in response to the request; and (5) if the attorney general determines the governmental body improperly failed to comply with the PIA in connection with a request for which a complaint is made: (a) the attorney general shall notify the governmental body in writing and require the governmental body's public information officer or the officer's designee to complete open records training not later than six months after receiving the notification; (b) the governmental body may not assess costs to the requestor for producing information in response to the request; and (c) if the governmental body seeks to withhold information in response to the request, the governmental body must: (i) request an attorney general decision not later than the fifth business day after the date the governmental body receives the notification under (5)(a), above; and (ii) release the requested information unless there is a compelling reason to withhold the information. ***(Effective September 1, 2025.)***

S.B. 765 (Kolkhorst/Landgraf) – Fraud Detection Information: provides that information in the custody of a governmental body that relates to fraud detection and deterrence measures, including risk assessments, reports, data, protocols, technology specifications, manuals, instructions, investigative materials, crossmatches, mental impressions, and communications that may reveal the methods or means by which a governmental body prevents, investigates, or evaluates fraud is confidential and excepted from disclosure under the Public Information Act. (Effective September 1, 2025.)

S.B. 1062 (Kolkhorst/Smithee) – Digital Newspapers: provides that in lieu of publishing a notice in a newspaper, a governmental entity may publish a notice in a digital newspaper if that digital newspaper: (1) has an audited paid-subscriber base; (2) has been in business for at least three years;
(3) employs staff in the jurisdiction of the governmental entity; (4) reports on local events and governmental activities in the jurisdiction of the governmental entity; (5) provides news of general interest to people in the jurisdiction of the governmental entity; and (6) updates its news at least once each week. ***(Effective immediately.)***

S.B. 2145 (Perry/Tepper) – PID and TIRZ Meetings by Telecommunication Device: among other things, provides that: (1) for the advisory body of a public improvement district: (a) if one member of the body is physically present at a meeting, any number of the other members of the body may attend by use of telephone conference call, video conference call, or other similar telecommunication device; (b) members attending via telecommunication device are considered present for quorum, voting, and any form of participation in the meeting; and (c) if members attend a meeting via telecommunication device, the body must: (i) provide two-way audio communication among the members; and (ii) if two-way audio communication is disrupted, stop the meeting until the link is reestablished; and (2) for the board of directors of a tax increment reinvestment zone: (a) if the chair or vice chair of the board is physically present at a meeting of the board, any number of the other members of the body may attend the meeting by use of telephone conference call, video conference call, or other similar telecommunication device; (b) members attending via telecommunication device are considered present for quorum, voting, and any form of participation in the meeting; and (c) if members attend a board meeting via telecommunication device: (i) the meeting is still subject to the notice requirements for other meetings of the board; (ii) the board must specify in the notice the meeting location where the chair or vice chair will be physically present; (iii) the board must make the meeting open and audible to the public at the location specified under (2)(c)(ii), above; and (iv) the board must: (A) provide two-way audio communication among the members; and (B) if two-way audio communication is disrupted, stop the meeting until the link is reestablished. ***(Effective September 1, 2025.)***

ELECTIONS

H.B. 2253 (Bhojani/Paxton) – Bond Measures: provides that: (1) not later than the 74th day before election day, the authority that ordered an election on the issuance of a bond may cancel the election on the bond measure if: (a) not earlier than the 90th day before the election on the measure, the governor issues a disaster declaration, regarding a natural disaster or other disaster threatening the health, safety, or general welfare of the authority's residents; and (b) the governing body of the authority, after holding an open meeting as described in (2), below, determines that canceling the election on the measure is necessary due to damage to the authority's election system, to avoid harm to the authority's election workers, or to avoid harm to voters within the authority's jurisdiction; (2) the governing body of authority may hold an open meeting solely whether to deliberate to cancel an election on the measure to authorize the issuance of bonds due a disaster declaration issued under (1)(a), above; and (3) the governing body shall provide reasonable public notice of the meeting and allow members of the public and the press to observe the meeting described in (2), above, to the extent practicable under the circumstances. ***(Effective September 1, 2025.)***

S.B. 506 **(Bettencourt/Paul) – Ballot Propositions and Petitions:** this bill:

1. requires that a ballot proposition substantially submit a question with such definiteness and certainty that the voters are not misled;
2. provides that if a court orders a new election to be held after a contested election is declared void, a person may seek from the court a writ of mandamus to compel the governing body of a city to comply with the requirement that a ballot proposition substantially submit the question with such definiteness and certainty that the voters are not misled;
3. provides that, not later than the seventh day after the date that a home rule city publishes ballot proposition language proposing an amendment to the city charter or another city law as requested by petition, a registered voter eligible to vote in the election or an authorized representative of a home-rule city may submit the proposition for review by the secretary of state (SOS);
4. requires the SOS to review the proposition not later than the seventh day after the date the SOS receives the submission to determine whether the proposition is misleading, inaccurate, or prejudicial;
5. provides that if the SOS determines that the proposition is misleading, inaccurate, or prejudicial, the city shall draft a proposition to cure the defect and give notice of the new proposition not later than the third day after receiving notice from the secretary of state;
6. authorizes a proposition drafted by a city under Number 5, above, to be submitted to the SOS under the process outlined in Number 3, above;
7. provides that if the SOS determines that the city has drafted a proposition that is misleading or inaccurate, the SOS shall draft the ballot proposition;
8. requires, in an action in a district court seeking a writ of mandamus to compel the city to comply with the provision described in Number 1, above, the court to make a determination without delay and authorize the court to: (a) order the city to use ballot proposition language drafted by the court; and (b) award a plaintiff or relator who substantially prevails reasonable attorney's fees, expenses, and court costs, but that if the secretary of state determines that the proposition is not misleading, inaccurate, or prejudicial, or drafts the ballot proposition language, a plaintiff or relator who prevails may not be awarded the party's reasonable attorney's fees, expenses or court costs;
9. waives and abolishes governmental immunity to suit to the extent of the liability created by Number 8(b), above;
10. provides that, following a final judgment that a proposition failed to comply with the provision described in Number 1, above, a city must submit to the SOS any proposition to be voted on at any election held by the city before the fourth anniversary of the court's finding;
11. requires a city to pay fair market value for all legal services relating to a proceeding regarding ballot proposition language enforcement.
12. provides that a political subdivision may not propose a measure, including a charter amendment, that will appear on the same ballot as a petition-initiated measure if: (a) the two measures generally address the same subject matter; or (b) a provision of a proposed measure would invalidate or conflict with any portion of a petition-initiated measure; and
13. provides that a measure proposed by a political subdivision in violation of Number 12, above, is void if the measure is proposed not earlier than the 180th day before the date the political subdivision's secretary receives the petition, and a political subdivision may be enjoined from proposing the measure.

(Effective September 1, 2025, but changes in bill only apply to a petition submitted on or after January 1, 2026.)

S.B. 1494 **(Johnson/Anchia) – Date of Election**: provides that: (1) the governing body of a political subdivision, other than a county or municipal utility district, that holds its general election for officers on a date other than the November uniform election date may, not later than December 31, 2025, change the date on which it holds its general election for officers to the November uniform election date in odd-numbered years. ***(Effective immediately.)***

S.B. 1025 **(Bettencourt/Troxclair) – Tax Elections**: requires a ballot proposition for the imposition or increase of a tax to include, at the top of the proposition in capital typewritten letters of the same font size as the rest of the proposition, the statement "THIS IS A TAX INCREASE." ***(Effective immediately.)***

CITY ADMINISTRATION

- **Municipal Courts**

H.B. 1950 **(Capriglione/Hancock) – Municipal Court Building Security and Technology Funds**: for a city with a population less than 100,000: (1) consolidates the municipal court building security and municipal court technology funds into a single consolidated municipal court building security and technology fund in the municipal court treasury; and (2) allows cities to use funds in the consolidated fund described in (1), above, for purposes authorized by state law for a municipal court building security fund or a municipal court technology fund. ***(Effective immediately.)***

- **Technology**

H.B. 149 **(Capriglione/Schwertner)** – **Artificial Intelligence**: among other things: (1) provides that a government agency that makes available an artificial intelligence (AI) system that is intended to interact with consumers must disclose to each consumer, before or at the time of interaction, that the consumer is interacting with an AI system; (2) prohibits a government agency from using an AI system for certain social scoring purposes; (3) prohibits a government entity from developing or deploying an AI system with biometric identifiers of individuals and the gathering of images or other media for the purpose of uniquely identifying a specific individual, if doing so, would infringe, constrain, or otherwise chill any right guaranteed under state or federal law; (4) provides that the limitations described in (2) and (3), above, only apply to government entities using AI systems to constrain civil liberties, not any AI system developed or deployed for commercial purposes; (5) provides that state law regarding the use of AI systems supersedes and preempts any such ordinance, resolution, rule, or other regulation adopted by a political subdivision; (6) establishes the Texas Artificial Intelligence Council (TAIC); (7) provides for the membership, powers, and duties of the TAIC; and (8) provides that the TAIC shall conduct training programs for state agencies and local governments on the use of AI systems. ***(Effective January 1, 2026.)***

H.B. 150 **(Capriglione/Parker)** – **Cyber Training**: among other things: (1) establishes the Texas Cyber Command (TCC) as a state agency; (2) directs the TCC to perform certain duties, including developing cybersecurity best practices and minimum standards for governmental entities, develop and providing cybersecurity training to state agencies and local governmental entities, and offer cybersecurity resources to state agencies and local governmental entities; (3) requires each elected or appointed official and employee of a local governmental entity who has access to the entity's information resources or information resources technologies to annually complete a state-certified cybersecurity training program; (4) requires a local governmental entity to verify and report on the entity's compliance with (3), above, to TCC, and periodically audit such compliance; and (5) allows a governmental entity or the governing body's designee to deny an employee or official access to the entity's information resources or information resources technologies who do not complete the annual training described above. (***Effective September 1, 2025.)***

H.B. 3512 (Capriglione/Blanco) – Artificial Intelligence Training: among other things, provides that: (1) local government employees and elected and appointed officials who have access to a local government computer system or database and the use of a computer to perform at least 25 percent of the employee's or official's required duties must complete a certified artificial intelligence (AI) training program; (2) the governing body of a local government may select the most appropriate certified AI training program for employees and officials to complete; (3) the Department of Information Resources, in consultation with the cybersecurity council and interested persons, shall, among other things, annually certify at least five AI training programs for state and local government employees and update standards for maintenance of certification by the AI training programs; and (4) to apply for a criminal justice related state grant, a local government must submit with the grant application a written certification of the local government's compliance with certified AI training. ***(Effective September 1, 2025.)***

S.B. 1964 (Parker/Capriglione) – Artificial Intelligence: among other things: (1) requires local governments to complete a review of the deployment and use of a heightened scrutiny artificial intelligence system and provide the review to the Department of Information Resources (DIR); (2) directs DIR to: (a) establish an artificial intelligence system code of ethics for use by state agencies and local governments that procure, develop, deploy, or use a heightened scrutiny artificial intelligence system; (b) develop minimum risk management and governance standards for the deployment, procurement, and use of heightened scrutiny artificial intelligence systems by a state agency or local government; (c) develop training materials for state and local government employees and the general public on the use of artificial intelligence systems; (d) provide resources to local governments to advise on the management of heightened scrutiny artificial intelligence system procurement and deployment, data protection measures, and employee training; and (e) establish accountability measures and risk management guidelines for state agencies and local governments; (3) requires that each state agency and local government that deploys or uses an artificial intelligence systems that the public directly accesses or that is a controlling factor in any decision that has a material legal or similarly significant effect on the provision, denial, or conditions of a person's access to a governmental service include a standardized notice on all related applications, Internet websites, and public computer systems; and (4) establishes an online complaint system on the attorney general's Internet website for people to report complaints relating to artificial intelligence systems. ***(Effective September 1, 2025.)***

- **Purchasing**

H.B. 223 (Capriglione/Middleton) – Lobbying Procurement: provides that an expenditure by a city to procure lobbying, government relations, or similar services intended to influence state or federal lawmakers on behalf of a city may not be classified as a personal, professional, or planning service for competitive procurement purposes. ***(Effective September 1, 2025.)***

H.B. 3005 (Gervin-Hawkins/Campbell) – City Construction Contracts: among other things, provides that a bona fide dispute regarding a contract for the construction of a public work does not include an audit of the public work project that continues for more than 60 days after the date of the substantial completion of the project. ***(Effective September 1, 2025.)***

S.B. 1173 (Perry/Spiller) – Competitive Bidding Threshold: among other things: (1) increases the threshold at which competitive bidding is required for city purchases from $50,000 to $100,000; and (2) increases the threshold at which a city must contact at least two historically underutilized businesses to an expenditure of more than $3,000 but less than $100,000. ***(Effective September 1, 2025.)***

- **Regulatory**

H.B. 2464 (Hefner/Middleton) – Home-Based Businesses: among other things: (1) defines a "home-based business" (HBB) as a business that is operated: (a) from a residential property; (b) by the owner or tenant of the property; and (c) for the purpose of manufacturing, providing, or selling a lawful good or providing a lawful service; (2) defines a "no-impact-home-based- business" (NIHBB) as a HBB that: (a) has at any time on the property where the business is operated a total number of employees and clients or patrons of the business that does not exceed the city's occupancy limit for the property; (b) does not generate on-street parking or a substantial increase in traffic through the area; (c) operates in a manner in which none of its activities are visible from a street; and (d) does not substantially increase noise in the area or violate a municipal noise ordinance, regulation, or rule; (3) provides that a city council may not adopt or enforce an ordinance, regulation, or other measure that: (a) prohibits the operation of a NIHBB; (b) requires a person that owns or operates a NIHBB to obtain a license, permit, or other approval to operate; or (c) requires a person that owns or operates an HBB to rezone the property for a non-residential use or install a fire sprinkler protection system if the residence where the business is operated consists only of a single-family detached residential structure or a multi-family residential structure with not more than two residential units; (4) provides that, subject to (2), above, a city may: (a) require that a HBB comply with federal, state, and local law, including a city fire and building code or city regulation related to health and sanitation, transportation or traffic control, solid or hazardous waste, or pollution and noise control; (b) require that a HBB be compatible with the residential use of the property where the business is located; (c) require that a HBB be secondary to the use of the property as a residential dwelling; and (d) limit or prohibit the operation of a HBB that sells alcohol or illegal drugs, is a structure sober living home, or is a sexually oriented business; (5) provides that a person is not prohibited from enforcing a rule or deed restriction imposed by a homeowners' association or by other private agreement; and (6) provides that a municipality is not prohibited from adopting or enforcing an ordinance regulating the operation of a short-term rental unit. ***(Effective immediately.)***

[H.B. 2844](#) **(Landgraf/Kolkhorst) – Mobile Food Vendor Regulation Preemption**: the bill:

1. preempts a city, county, or public health district from requiring certain small-scale food businesses or their employees to obtain a permit or pay a permitting fee to operate a food service establishment, temporary food service establishment, retail food establishment, temporary retail food establishment, or retail food store if the business: (a) holds a permit issued by the Texas Department of State Health Services (DSHS) for that purpose; or (b) is licensed as a food manufacturer;
2. preempt a city's authority to prohibit or regulate mobile food vending in a manner that conflicts with state law;
3. empowers the executive commissioner of the Health and Human Services Commission to adopt narrowly tailored rules for mobile food vendors to address demonstrable health and safety risks;
4. provides that the rules adopted under Number 3, above, may not: (a) limit the number of mobile food vending licenses the department may issue; (b) address the hours of operation for mobile food vendors; (c) restrict a mobile food vendor's propane capacity below the capacity state law allows for commercial vehicles; or (d) require a mobile food vendor to: (i) operate a specific distance from the perimeter of a commercial establishment or restaurant; (ii) enter into any agreement with a commercial establishment or restaurant in order to operate; (iii) have a handwashing sink in the vehicle of a mobile food vendor who sells only prepackaged food; (iv) associate with a commissary if the mobile food vendor's food vending vehicle carries the equipment necessary to comply with state law and properly disposes of grease and other cooking waste; (v) provide the vendor's fingerprints as a condition of holding a mobile food vendor license; (vi) install a global positioning system tracking device on the mobile food vendor's food vending vehicle; (vii) keep the mobile food vendor's food vending vehicle in constant motion except when serving customers; submit to an additional fire inspection a vehicle the vendor demonstrates has passed a state or local fire inspection within the preceding 12 months; or (viii) submit to health inspections other than an inspection DSHS, or a local authority under a collaborative agreement, conducts unless DSHS is investigating a reported foodborne illness;
5. requires a mobile food vendor to obtain a mobile food vending license from the state for each food vending vehicle and have each of their mobile food vehicles undergo a health inspection within 14 days of applying for a license;

6. provides that the inspection required in Number 5, above, shall ensure that: (a) an applicant's food vending vehicle is safe for preparing, handling, and selling food; and (b) an applicant is in compliance with all applicable laws and rules;
7. prohibits a city from barring a mobile food vendor from operating in its jurisdiction if: (a) the mobile food vendor holds a mobile food vending license; and (b) complies with all other state and local laws;
8. permits DSHS to charge fees related to the licensing and inspection processes;
9. requires a person who drives a food vending vehicle to hold a commercial driver's license;
10. requires a mobile food vendor to: (a) submit to and pass any required health inspection; (b) display the mobile food vendor's license and health inspection certificate in a conspicuous location for public view; (c) comply with all laws and rules regarding food safety, including any food safety and food manager certifications; and (d) comply with all state and local laws in the jurisdiction in which the mobile food vendor operates, including all fire codes, location restrictions, and zoning codes.
11. permits a local authority, on its request, to enter a collaborative agreement with the department to allow the local authority to conduct required health inspections and reclassify vendors in accordance with rules adopted by DSHS;
12. requires DSHS to reimburse the local authority acting under a collaborative agreement for the cost of conducting a health inspection using money collected for health inspection fees;
13. authorizes a city to investigate a mobile food vendor on reasonable suspicion the vendor is violating the law or on receipt of a health or safety complaint; and
14. requires a city to report suspected violations of state law to DSHS.

(Provisions described in Number 4, above, effective September 1, 2025; remaining provisions effective July 1, 2026.)

S.B. 599 (West/A. Davis) – Regulation of Child-Care Facilities: prohibits a political subdivision from adopting or enforcing an ordinance, order, or other measure requiring group day-care home or family home licensed, registered, or listed in state law to comply with health and safety standards that exceed those in statute or by Texas Health and Human Services Commission rule. ***(Effective immediately.)***

S.B. 1008 (Middleton/Harris) – Regulation of Food Service Industry: the bill:

1. with respect to a food service establishment, retail food store, mobile food unit, roadside food vendor, temporary food service establishment: (a) authorizes a city to require a permit, license, certification, or other form of authority for an establishment or its employees only if the same requirement would apply to a similar entity or person who was located within the city's jurisdiction; (b) prohibits a city from charging an establishment: (i) a permit fee for the retail sale of alcoholic beverages if the establishment has already paid a fee to any county, city, or public health district; (ii) a fee, including processing fees or added costs, that exceeds the fee the establishments would be pay to the Texas Department of State Health Services, if the establishment were in its jurisdiction; and (iii) a reinspection fee except under certain circumstances; (c) authorizes a city with a population of 950,000 or more, following a public hearing, to charge up to 120 percent of the total authorized fee if the city determines the increased fee is necessary to protect public safety;
2. requires a city to establish a fee schedule and submit a copy of the schedule to the Department of State Health Services not later than 60 days after the schedule takes effect;
3. requires a city that requires permits, charges fees, or conducts inspections of food service entities to: (a) provide an opportunity for stakeholders to sign up for e-mail updates from the entity; and (b) notify by e-mail all stakeholders who have signed up for the updates at least 60 days before a fee, permit, or inspection protocol is revised;
4. prohibits a city from requiring a food service establishment to obtain a sound regulation permit, charging a sound regulation fee, or otherwise prohibiting sound-related activity at an establishment, if the establishment: (a) accepts delivery of supplies or other items, provided that if the delivery occurs between 10 p.m. and 5 a.m., then: (i) the delivery lasts for one hour or less; (ii) the delivery is only for food, nonalcoholic beverages, food service supplies, or ice; and (iii) the delivery sound level when

measured from the residential property closest in proximity to the establishment does not exceed 65 dBA, excluding traffic and other background noise that can be reasonably excluded; or (b) is a restaurant that limits the use of amplified sound for playing music or amplifying human speech within the establishment's indoor our outdoor property boundaries to ensure: (i) the amplified sound is not used after 10 p.m. on Sunday through Thursday and 11 p.m. on Friday and Saturday; and (ii) the amplified sound level does not exceed 70 dBA or 75 dBC when measured at the establishment's property perimeter, excluding traffic and other background noise that can be reasonably excluded;

5. exempts from the prohibition in Number 4(b)(ii), above, a food service establishment on property located within 300 feet of residential property that was occupied before the restaurant was located on the property;
6. provides that Number 4, above, does not restrict the authority of a city to enforce sound regulations to the extent the ordinance does not conflict with that provision; and
7. prohibits a city from requiring a permitted food service establishment or permitted mobile food unit to obtain an additional permit to transport, deliver, and serve food at the premises of a workplace under certain conditions.

(Bill effective September 1, 2025.)

S.B. 1202 (King/Dean) – Third-Party Review/ Inspection of Home Backup Power Installation: the bill:

1. defines "home backup power installation" as an electric generating facility, an energy storage facility, a standby system, and any associated infrastructure and equipment intended to provide electrical power to a one- or two-family dwelling, regardless of whether the facility or system is capable of participating in a wholesale electric market, that is connected at 600 volts or less;
2. authorizes the following people to review a development document required by a regulatory authority to install a home backup power installation without having to submit the document to the regulatory authority for review: (a) a person employed by the regulatory authority to review development documents; (b) a person employed by another political subdivision to review development documents, if the regulatory authority has approved the person to review development documents; (c) a licensed engineer; (d) an electrical inspector; or (e) a licensed master electrician;
3. authorizes the following persons to conduct a development inspection required by a regulatory authority to install a home backup power installation without having to request the inspection from the authority: (a) a certified building inspector; (b) a person employed by the regulatory authority as a building inspector; (c) a person employed by another political subdivision as a building inspector, if the regulatory authority has approved the person to perform inspections; (d) a licensed engineer; (e) an electrical inspector; or (f) a licensed master electrician;
4. requires a regulatory authority to: (a) post each law, rule, fee, standard, and other document necessary for a person to review a related development document or conduct a development inspection of a backup home power installation; (b) provide an electronic copy of the information from (a), above, to a requestor within two business days; and (c) issue each approval, permit, or certification applicable to a review or inspection not later than the third business day after the date the authority receives notice of the completed review or inspection;
5. authorizes the third party reviewer or inspector to: (a) use software designed to automate the required review without that person performing additional manual review; (b) rely on the accuracy of information provided by a regulatory authority; and (c) use applicable building code standards if the regulatory authority has not timely provided its rules, standards, and fee schedules upon request or posted them on the regulatory authority's internet website;
6. prohibits a regulatory authority from charging a fee for issuance of an approval, permit, or certification for a home backup power installation if the fee schedule has not posted or provided its as required;
7. requires a person who reviews a development document or conducts a development inspection to provide to the regulatory authority a copy of any development document or inspection-related note or report the person creates as part of the review or inspection not later than the date the person provides notice to the regulatory authority of the results of the review or inspection;

8. allows construction to commence upon submission of the notice to the city of the results of the required review or inspection; and
9. provides that: (a) a person reviewing a development document or performing a development inspection is liable for damages resulting from their negligent acts or omissions in conducting the review or inspection; and (b) a regulatory authority is not liable for a third-party review or inspection.

(Bill effective September 1, 2025.)

S.B. 1252 (Schwertner/King) – Residential Energy Backup Systems: this bill: (1) defines "residential energy backup system" to mean a backup energy system installed at a residential property that is: (a) capable of providing no more than 50 kilowatts of electricity to the residence; or (b) has a storage capacity of no more than 100 kilowatt hours; (2) prohibits a city from adopting or enforcing: (a) an amendment to the National Electrical Code that would regulate the installation or inspection of a residential energy backup system; or (b) an ordinance, rule, or other measure that would regulate the installation or inspection of a residential energy backup system; and (3) clarifies that the authority of a municipally owned utility to regulate the installation or inspection of a residential energy backup system within the utility's service area is not limited by these regulations. ***(Effective September 1, 2025.)***

PERSONNEL

H.B. 762 (Leach/Bettencourt) – Severance Pay: among other things, provides that: (1) a political subdivision, including a city, that enters into a contract or employment agreement, or renewal or renegotiation of an existing contract or employment agreement, that contains a provision for severance pay with an employee or independent contractor must include: (a) a requirement that severance pay that is paid from public money may not exceed the amount of compensation, at the rate at the termination of employment or the contract, the employee or independent contract would have been paid for 20 weeks, excluding paid time off or accrued vacation leave; and (b) a prohibition of the provision of severance pay when the employee or independent contractor is terminated for misconduct; (2) a political subdivision shall post each severance agreement in a prominent place on the political subdivision's internet website; and (3) for an action brought against a political subdivision by an employee or independent contractor of the political subdivision arising from the termination of the person's employment or contract, a court may not issue a writ of execution or mandamus in connection with a judgment in the action if the judgment does not comply with (1), above. ***(Effective September 1, 2025.)***

S.B. 777 (Hughes/Lujan) – Collective Bargaining: provides that: (1) in settling disputes relating to compensation, hours, and other conditions of employment, an arbitration board shall consider, to the extent applicable, a city's charter or collective bargaining agreement; (2) an arbitration award rendered by an arbitration board must be made effective for the period for which the public employer and the employee association are bargaining, and may exceed one year; (3) if a city has a charter or a collective bargaining agreement that provides for the resolution of an impasse in a collective bargaining process, the city and the employee association that is the bargaining agent for the city's firefighters shall submit to the impasse resolution mechanism contained in the charter or the agreement if the parties: (a) reach an impasse in collective bargaining; or (b) are unable to settle after the 61st day after the date the city council fails to approve a contract reached through collective bargaining; and (4) a provision in state law relating to collective bargaining arbitration does not apply to the impasse resolution mechanism described in (3), above, unless the charter or agreement, as applicable, provides otherwise. ***(Effective September 1, 2025.)***

S.B. 2237 (Bettencourt/C. Bell) – Severance Pay: (1) defines an executive employee as a chief executive officer of a political subdivision other than a school district, an agency or department head, or the superintendent of a school district or the chief executive officer of an open-enrollment charter school; (2) provides that a political subdivision that enters into an employment agreement, or renewal or renegotiation of an existing employment agreement, that contains a provision for severance pay with an executive employee must include: (a) a provision that severance pay that is paid from tax revenue may not exceed the amount of compensation, at the rate at the termination of employment, the executive employee would have been paid for 20 weeks, excluding paid time off or accrued vacation leave; and (b) a provision that prohibits the provision of severance pay when the executive employee is terminated for misconduct; (3) requires that a political subdivision post each severance agreement in a prominent place on its website; and (4) provides that a court may not issue a writ of execution or mandamus in connection with a judgment in an action brought against a political subdivision if the judgment does not comply with (1) and (2), above. ***(Effective September 1, 2025.)***

TRANSPORTATION

S.B. 1555 (Nichols/Patterson) – Railroad Grade Crossings: directs the Texas Department of Transportation to establish and administer a program to award grants to political subdivisions of this state or railroad companies to fund rail-roadway located at intersections of railroads and non- state highways or rail-pedestrian grade separation projects located at intersections of railroads and pedestrian crossings, subject to certain requirements. ***(Effective immediately.)***

S.B. 2366 (Hughes/Hefner) – Grants for Shortline Rail Facility Improvements: provides, among other things, that: (1) for the purpose of increasing public safety, enhancing economic development, and reducing traffic, the Texas Transportation Commission shall establish and administer a program to award grants to districts that own or operate short line railroads to fund projects that: (a) replace short line railroad tracks or bridges; (b) improve short line rail capacity; or (c) restore short line railways; and (2) the commission may not approve a grant unless the commission determines that: (a) at least ten percent of the total project costs will be provided by a source other than the state; or (b) if the grant money is being used as matching funds, at least ten percent of the amount used as matching funds will be provided by a source other than the state. ***(Effective immediately.)***

UTILITIES AND ENVIRONMENT

H.B. 1584 (Hull/Schwertner) – Priority Facilities for Electric Utilities: among other things: (1) requires an electric utility to maintain a list of priority facilities in the utility's retail service area;
(1) provides that "priority facility" means certain medical facilities or a facility for which electric service is considered crucial for the protection or maintenance of public safety, including: (a) a hospital; (b) a police station; (c) a fire station; (c) a critical water or wastewater facility; and (e) a confinement facility operated by or under a contract with any division of the Texas Department of Criminal Justice; (3) provides that on a declaration of a natural disaster or other emergency by the governor affecting the service area of the electric utility, the utility shall provide the list of priority facilities to the Texas Division of Emergency Management; and (4) provides that a priority facility list submitted to the Texas Division of Emergency Management under the bill is confidential and not subject to disclosure under the Public Information Act. ***(Effective September 1, 2025.)***

H.B. 1991 (Guillen/Gutierrez) – Service Charges for Municipally Owned Utilities: provides that a city that imposes operating, maintenance, replacement, or improvement charges for services provided by a utility system shall: (1) publish the terms and conditions of the charges on the utility system's and the city's websites; and (2) not later than the 30th day after the date the city adopts a change to the terms and conditions of the charges, update the utility system's and the city's Internet websites to reflect the change. ***(Effective September 1, 2025.)***

H.J.R. 7 (Harris/Perry) – Texas Water Fund: amends the Texas Constitution to provide, among other things, that: (1) the Texas Water Fund consists of money transferred or deposited to the credit of the fund under this constitution or by general law, including money appropriated by the legislature directly to the fund and money from any source transferred or deposited to the credit of the fund authorized by this constitution or by general law; (2) the legislature may allocate for transfer to the funds and accounts administered by the Texas Water Development Board or that board's successor the money deposited to the credit of the Texas Water Fund; (3) during a state of disaster, an allocation made under (2), above, may be suspended through the budget execution process or by adoption of a concurrent resolution approved by a record vote of a majority of the members of each house; (4) in each state fiscal year, the comptroller of public accounts shall deposit to the credit of the Texas Water Fund the first $1 billion of the net revenue derived from the imposition of the state sales and use tax on the sale, storage, use, or other consumption in this state of taxable items that exceeds the first $46.5 billion of that revenue coming into the treasury in that state fiscal year; (5) money deposited to the credit of the Texas Water Fund may not be transferred to the New Water Supply for Texas Fund for the purpose of financing the construction of infrastructure to transport groundwater that was produced from a well in this state and that, at the time of production, was not brackish, as defined by general law. ***(Effective if approved at the election on November 4, 2025.)***

S.B. 7 (Perry/Harris) – Water Infrastructure Financing: this bill, among other things:

1. requires the Texas Water Development Board (TWDB) to:
   a. for the development of infrastructure to transport water that is made available by a project, facilitate joint planning and coordination between project sponsors, governmental entities, utilities, common carriers, and other entities, as applicable, to reduce the necessity of exercising the power of eminent domain to obtain interests in real property by using existing transportation and utility easements;
   b. facilitate the development of guidance and best practices for the standardization of the specifications, materials, and components used to design and construct infrastructure to transport water;
   c. facilitate the development of standards and guidance to ensure potential interconnectivity and interoperability between different systems developed to transport water from different projects;
   d. facilitate the development of mechanical and technical standards for the integration of water that is made available by a project into a water supply system or into infrastructure to transport water that is made available by a project, as applicable; and
   e. take other action the board determines necessary to facilitate interconnectivity and interoperability between different infrastructure developed to transport water from different projects;
2. TWDB may convene one or more ad hoc committees composed of representatives of current or potential project sponsors, the Texas Department of Transportation, river authorities, retail public utilities, electric utilities, counties, cities, special purpose districts, common carriers, and other entities considered appropriate by the TWDB to advise and assist the TWDB in fulfilling any purpose described by Number 1, including in drafting any guidance or best practices;
3. provides that the new water supply und for Texas may be used to:
   a. provide financial assistance to political subdivisions to develop water supply projects that create new water sources for the state, including: (i) water and wastewater reuse projects; (ii) acquisition of water or water rights originating from outside this state; (iii) reservoir projects for which: (A) the required land has already been acquired; (B) a permit for the discharge of dredged or fill material has been issued by the United States Secretary of the Army under the Federal Water Pollution Control Act; and (C) a permit for the storage, taking, or diversion of state water has been issued by the Texas Commission on Environmental Quality; or (iv) the development of infrastructure to transport or integrate into a water supply system water that is made available by a project; and
   b. make transfers from the fund to the Texas Water Development Fund II state participation account;
4. provides that money from the new water supply fund may be used to acquire another person's right acquired or authorized in accordance with state law to impound, divert, or use state water only by a water supply contract or a lease of that right from its owner;
5. provides that the TWDB may use the Texas Water Fund only to transfer money to, among other things: a) the Texas water fund administrative fund; b) the flood infrastructure fund; c) the Texas

Water Development Fund II economically distressed areas program account; and d) the agricultural water conservation fund;

6. provides that money in the fund consists of, among other things, money transferred or deposited to the credit of the fund under the Texas Constitution;
7. TWDB shall ensure a portion of the money transferred from the Texas Water Fund is used for:
   a. water and wastewater infrastructure projects, including projects to rehabilitate or replace deficient or deteriorating infrastructure, prioritized by risk or need for financial assistance, including grants, for: (A) rural political subdivisions; and (B) municipalities with a population of less than 150,000;
   b. projects for which all required state or federal permitting has been substantially completed, as determined by the board;
   c. the statewide water public awareness program;
   d. water conservation strategies;
   e. water loss mitigation projects; and
   f. technical assistance for applicants in obtaining and using financial assistance from funds and accounts administered by the TWDB;
8. creates the Texas water fund administrative fund to be administered by the TWDB and established for the payment of or reimbursement of the TWDB for the expenses incurred by the TWDB in administering the Texas water fund;
9. provides that using existing resources, the executive administrator shall conduct a study to determine:
   a. the feasibility and practicability of incorporating planning for the development of infrastructure to meet the state's current and future wastewater treatment needs into the process used to produce each state water plan beginning with the five-year state water planning period ending January 5, 2032; and
   b. the statutory changes necessary to facilitate the incorporation of the wastewater treatment planning described by Number 8(a) into the process used to produce each state water plan beginning with the five-year state water planning period ending January 5, 2032;
10. provides that not later than December 1, 2026, the executive administrator shall provide a report of the study's findings to: a) the governor; b) the lieutenant governor; c) the speaker of the house of representatives; d) each member of the Texas Water Fund Advisory Committee; and e) members of the standing senate and house committees with primary jurisdiction over water resources;
11. provides that the TWDB may take all actions necessary to operate the water bank and to facilitate the transfer of water rights from the water bank for future beneficial use, including but not limited to purchasing, holding, and transferring water or water rights in its own name, including purchasing, holding, and transferring water or water rights originating from outside this state for the purpose of providing water for the use or benefit of this state;
12. provides that the TWDB may not issue more than $100 million in bonds during a fiscal year to provide financial assistance for water supply and sewer services for assistance to economically distressed areas for water supply and sewer service projects;
13. creates the Texas Water Fund Advisory Committee, which may submit comments and recommendations to the TWDB regarding the use of money in:
    a. the state water implementation fund for Texas for use by the TWDB in adopting rules and in adopting policies and procedures;
    b. the Texas water fund for use by the TWDB in adopting rules;
    c. the flood infrastructure fund for use by the TWDB in adopting rules; and
    d. the Texas infrastructure resiliency fund for use by the TWDB in adopting rules;
14. provides the Texas Water Fund Advisory Committee may: a) provide comments and recommendations to the TWDB on any matter; b) review the overall operation, function, and structure of any fund administered by the TWDB; and c)adopt rules, procedures, and policies as needed to administer the bill and implement its responsibilities; and

15. requires TWDB to develop and maintain on its Internet website a publicly available tool by which a person may obtain information regarding:
    a. state progress toward meeting future water supply needs, including the extent to which water management strategies and projects implemented after the adoption of the preceding state water plan have affected that progress;
    b. water supply projects included in the most recently approved state water plan that received commitments of financial assistance from the board in the preceding year;
    c. the board's commitments of financial assistance for water supply projects, by program;
    d. the net amount of water projected to be developed, conserved, or reclaimed through projects that receive financial assistance from the board;
    e. the TWDB's progress toward providing financial assistance to utilities that have water losses that meet or exceed the threshold established by rule;
    f. the transfer of money from the Texas water fund to other eligible board- administered funds in the preceding year;
    g. the total estimated statewide costs of water, wastewater, and flood infrastructure needs and the estimated amount of state financial assistance required to address those needs; and
    h. the state's progress in closing the gap between total statewide water infrastructure needs and the state financial assistance required to meet those needs.

(Effective September 1, 2025; Number 6, above, is effective September 1, 2027, but only if H.J.R. 7 is approved at the election on November 4, 2025.)

S.B. 1967 **(J. Hinojosa/A. Martinez) – Flood Infrastructure Fund**: provides that: (1) the water loan assistance program fund may be used by the Texas Water Development Board (TWDB) to provide grants to drainage districts for water supply projects, including projects that contain a flood control component; (2) the TWDB may not disqualify a drainage district from receiving a grant under (1), above, because the district does not: (a) have historical data about water use; (b) provide retail water service to consumers; or (c) have a certificate of convenience and necessity under which it provides retail water or wastewater service; (3) in prioritizing projects for the State Water Implementation Fund for Texas, the TWDB must also at least consider the following criteria, among other things, whether the project is a water supply project that contains a flood control component, regardless of whether the applicant holds a certificate of convenience and necessity under which it provides retail water or wastewater service; and (4) a "flood project" for the Flood Infrastructure Fund means a drainage, flood mitigation, or flood control project, including construction of multi-purpose flood mitigation and drainage infrastructure projects that control, divert, capture, or impound floodwater, stormwater, agricultural runoff water, or treated wastewater effluent and treat and distribute the water for the purpose of creating an additional source of water supply. ***(Effective September 1, 2025.)***

MEMORANDUM

TO: Mayor Craig Brown and Members of Council

CC: City Manager Office, Executive Leadership Team, City Attorney Office

FROM: Sally Bakko, Director of Policy and Governmental Relations

DATE: September 5, 2025

RE: Legislative Report: Austin and Washington Update

Please find below an update on legislative activities in Austin and Washington. (*To access links below, control+click on link.*)

Gulf Coast Protection District (GCPD) Update

The Gulf Coast Protection District Board of Directors will meet at **10:00 am on Wednesday, September 10, 2025**, at 1150 Gemini Street, Suite 1050, Houston, Texas. Access agenda and you may watch and listen to the meeting via the live broadcast. View Live Stream

San Jacinto Region 6 Regional Flood Planning Group Update

The San Jacinto Region 6 Regional Flood Planning Group (RFPG) will meet **at 9:00 am Thursday, September 11, 2025,** at Harris-Galveston Subsidence District, Board Room, 1660 W Bay Area Blvd., Friendswood. Access agenda and virtual access to the meeting is available at sanjacintofloodplanning.org.

Austin Update

Texas Legislature Update

- Texas Legislature adjourns sine die ending the Second Special Session in the very early morning of Thursday, September 4th.
- Texas Senate creates a general investigating committee to focus on the July 4 flooding.

Second Special Session – The Texas Legislature passed the following bills of interest:

Funding

- **2S.B. 5 (Huffman/Bonnen) Supplemental Appropriations Bill:** would appropriate $200 million from the Economic Stabilization Fund (a.k.a "Rainy Day" fund) for the state's match for federal disaster response funds and other disaster needs, $50 million for flood warning sirens and rain gauges in the Central Texas flood region; $28 million to improve weather forecasting. (See Fiscal Note Bill Analysis.)
- **2H.B. Bill 20 (Darby/Perry) Charitable solicitations during declared disasters:** requires the Secretary of State to oversee a program for political subdivisions to pick a nonprofit or financial institute to receive donations after disasters. It also creates new criminal offenses related to scams during disaster, such as stealing donations meant for recovery or asking for money in exchange for promising to look for or return a missing person. (See Fiscal Note Bill Analysis)

City Administration

- **2S.B. 8 (Middleton/Orr) – Texas Women's Privacy Act (a.k.a. "Bathroom bill"):** restricts bathroom use in government-owned buildings (political subdivisions and state), public schools and universities based on sex assigned at birth and would not allow exceptions for transgender inmates' housing in prisons and jails. It would also bar those assigned male at birth from accessing women's domestic violence shelters, unless they are under 17 and the child of a woman also receiving services. A political subdivision shall take every reasonable step to ensure an individual whose sex is opposite to the sex designated for a "multiple-occupancy private space" does not enter the private space. The bill imposes fines against political subdivisions or state agencies of $25,000 for the first violation, and $125,000 for any subsequent violations. (Effective December 4, 2025)

Public Safety and Emergency Management

- **2H.B. 1 (Darby/Perry) Youth camp emergency plans and preparedness:** requires overnight youth camp operators to develop emergency plans, including evacuation procedures and locations, and would be subject to approval by the Department of State Health Services (DSHS). Camp staff would have to train children at the start of each session on actions to take during emergencies. Operators would also be required to install emergency warning systems and to tell parents if any part of the camp was in a floodplain. (See Fiscal Note Bill Analysis). Effective December 4, 2025.
- **2S.B. Bill 1 (Perry/Darby) Campground and youth camp safety:** would prohibit the state from licensing youth camps if they had cabins near the dangerous part of a river in a floodplain. Evacuation routes would be displayed in all youth camp cabins. The bill would require all campground operators to put ladders on cabins for rooftop access and be prepared to evacuate campers if they are in a floodplain any time the National Weather Service issues a flood warning or a flash flood warning. (See Bill Analysis) Effective Immediately.
- **2S.B. 3** would require the Texas Water Development Board to determine which areas in the region that flooded on July 4 should be required to have outdoor warning sirens, and then establish guidance on how to install, maintain and operate them. The Office of the Governor will establish and administer a grant program to assist with covering costs of installing outdoor warning sirens. (See Fiscal Note Bill Analysis) Effective Immediately.

Elections

- **2S.B. 12 (Hughes/Shaheen) – Election Offenses:** provides that: (1) a law enforcement agency that submits a report to a local prosecuting attorney stating there is probable cause to believe an identified person has committed an election-related criminal offense, shall simultaneously submit a copy of that report to the Office of Attorney General (OAG); (2) on the request of the OAG, a local prosecuting attorney or law enforcement agency shall provide all information requested regarding investigation of election-related criminal offenses to assist the OAG in prosecuting any such offenses; and (3) the OAG has jurisdiction to prosecute and represent the state in the prosecution of an election-related criminal offense. (Effective December 4, 2025.)

- **REMINDER: Regular Session Passed Bills, Effective September 1**
  Annual City Audits: S.B. 1851
  Ballot Proposition Language: S.B. 506 and S.B. 1025
  Bidding Threshold: S.B. 1173
  Bond and Property Tax Reporting: H.B. 103 and H.B. 3526
  Code Enforcement: H.B. 4765 and S.B. 1367
  Councilmember Right of Access: H.B. 4310
  Cybersecurity and AI Training: H.B. 150 and H.B. 3512
  Disannexation: S.B. 1844
  Food Regulation: S.B. 1008, H.B. 2844, and S.B. 541
  Housing Finance Corporations: H.B. 21

- [Manufactured Housing: S.B. 785]
- [No-Impact Home-Based Business Regulations: H.B. 2464]
- [Notice Required for Exclusive Solid Waste Franchise Agreements: H.B. 5057]
- [Open Meetings Act: H.B. 1522 and H.B. 3711]
- [Property Tax Reform: H.B. 9, S.B. 1453, S.B. 1023, H.B. 30]
- [Public Notice in Digital Newspapers: S.B. 1062]
- [Public Information Act Changes: H.B. 4212, H.B. 4219, H.B. 1893, S.B. 765, H.B. 2788, and H.B. 3112]
- [Public Safety Personnel: H.B. 198, H.B. 4144, H.B. 33, H.B. 2713]
- [Public Safety – Uvalde Strong Act: H.B. 33]
- [Public Safety Grants: H.B. 33, H.B. 2217, H.B. 4264, and S.B. 2177]
- [Severance Pay: H.B. 762 and S.B. 2237]
- [Third-Party Review of Home Backup Power Installations: S.B. 1202]
- [Utilities: H.B. 29, H.B. 685, H.B. 1318, and H.B. 1991]
- [Water Funding and Planning: S.B. 7, S.B. 480, and S.B. 1261]
- [Zoning Notice and Protest Procedures: H.B. 24 and H.B. 4506]

▪ **TML In-Depth Regular Session Bill Analysis**

The Texas Municipal League (TML) provides a more focused analysis on certain bills passed during the 89th Texas Legislature Regular Session. The following involves in-depth bill analysis on issues of interest to Galveston:

- Zoning Notice and Protest Procedures
- Water Funding and Planning
- Third-Party Review of Home Backup Power Installations
- Public Safety – Uvalde Strong Act
- Public Safety Grants
- Utilities

▪ **TML Webinar: Law Enforcement Records and the Public Information Act (PIA) – September 18**

The webinar will help clarify what information must be disclosed and what needs to be withheld when responding to requests for law enforcement information under the PIA. **Register here**.

Washington Update

FY 2026 Appropriations Update

Congress reconvened this week after the August recess and now faces the prospect of a federal government shutdown when the federal fiscal year ends on September 30.

House Speaker Mike Johnson (R-LA) and House Minority Leader Hakeem Jeffries (D-NY) discussed extending government funding into November or December through a stop gap funding measure or continuing resolution.

House Appropriations Committee Chair Tom Cole (R-OK) is pushing for a stopgap funding bill to extend the deadline to fund the government into November, seeking to give lawmakers more time for broader government funding talks. Further, Chairman Cole is hoping for time to negotiate a bicameral compromise on the House funding bills that are closest in spending levels to the Senate's versions. That includes the measures the other chamber passed last month to fund the departments of Agriculture and Veterans Affairs, along with congressional operations and military construction. That would mean at least some government programs would get funded a full year while others must operate with less certainty. President Trump has indicated he may endorse this approach.

Coastal Texas Project. This week the U.S. House of Representatives passed the FY 2026 Energy and Water Development and Related Agencies Appropriations bill. Includes $5 million Community Project Funding (CPF, a.k.a. "earmark") for the U.S. Army Corps of Engineers Coastal Texas Project.

House Transportation & Infrastructure Committee Approves FEMA Reform Bill

The U.S. House Transportation & Infrastructure Committee favorably reported the *Fixing Emergency Management for Americans (FEMA) Act of 2025* (H.R. 4669), a bill sponsored by Transportation and Infrastructure Committee Chairman Sam Graves (R-MO); Transportation and Infrastructure Committee Ranking Member Rick Larsen (D-WA); former Economic Development, Public Buildings, and Emergency Management Subcommittee lead Republican Daniel Webster (R-FL); and Economic Development, Public Buildings, and Emergency Management Subcommittee Ranking Member Greg Stanton (D-AZ). A few highlights of the bill include:

- Re-establishes FEMA as cabinet-level independent agency under the direct oversight of the President.
- Disaster declaration damage thresholds and non-federal share of disaster assistance recommendations give greater weight to disasters impacting economically distressed or rural areas.
- Expedited reimbursement timeline for emergency protective measures, including debris removal.
- Expedite repair, restoration, and replacement of disaster damaged facilities through grants provided on a per-project basis based on estimated cost developed by an appropriately licensed professional.
- Block grants to states for small disasters (defined as up to 125 percent of state's per capita damage threshold).
- Streamline damage assessment process across federal agencies.
- Restructures pre-disaster mitigation program as a formula-based grant program.

A detailed summary of the *FEMA Act* can be found here.
The *FEMA Act* also has the support of numerous emergency management stakeholders.

FEMA Review Council Update – Third Meeting

Last week Homeland Security Secretary Kristi Noem comments opened the third meeting of the Federal Emergency Management Agency (FEMA) Review Council in Oklahoma City, Oklahoma:

- reform federal disaster response into a supporting role for local and state officials and that FEMA as it exists today needs to be eliminated.
- long-term mitigation should not be something the federal government is continuing to be involved in to the extent that it has been in the past.

Council members' discussion emphasized expediency, mitigation and preparedness and the need to get money to states more quickly with greater flexibility.

- Trump Administration support for giving states federal block grants quickly after a disaster instead of the current reimbursement model.
- Emphasis on improving preparedness and mitigation before disasters hit.
- If state and local governments were to take on more responsibility in disasters, they still needed training support.

Discussion included alternative recovery dollars:

- parametric insurance, which provides a rapid payout of a previously agreed-upon amount when a triggering event occurs.
- Former Mississippi Governor Phil Bryant said it is vital to reform and protect the National Flood Insurance Program, a program created by Congress because many private insurers stopped offering policies in high-risk areas.

After a July 4th Central Texas Flood Disaster response presentation, Texas Division of Emergency Management (TDEM) Chief Nim Kidd, FEMA Review Council member and Co-Chair of Disaster Response and Recovery Assessment Subcommittee, suggested the following improvements:

1. Debris management must take place faster at the local, state, and federal levels (often involving private property, commercial, and wet debris).
2. Housing continues to be a concern. For the Central Texas Flood victims, Individual Assistance was turned on immediately. Local partners, faith-based organizations and 19,000 volunteers helped with recovery. However, 55 days after the event several people are still out of their homes but had a safe place to stay.
3. Innovative case management solutions. Case management needs to be turned on at the beginning of an incident and not wait days or weeks.
4. Need for improved meteorological forecasting and communications. Technology does not meet expectations – need better methods to forecast weather and communications shared with local partners.

- Watch the Third Public FEMA Review Council Meeting, August 28, 2025 video
- Read FEMA Review Council Public Meeting Minutes - May 20, 2025
- Read FEMA Review Council Public Meeting Minutes - July 9, 2025

USDOT Innovative Finance and Asset Concession Grant Opportunity – Due October 1

The US Department of Transportation (USDOT) is accepting applications for the Innovative Finance and Asset Concession Grant Program. The program provides funding for state and local governments to help identify and facilitate public-private partnership agreements, allowing private-sector entities to assume a greater role in project planning, development, financing, construction, maintenance, and operation of public assets. Public assets are defined as physical infrastructure, real property, or mineral/air rights to real property that could be improved under the Transportation Infrastructure Finance and Innovation Act, including bridges, tunnels, bus or rail facilities, highways, streets, ports, airport facilities, and vacant or underutilized parcels of land or rights-of-way. *Eligible activities include:* scanning existing assets; pre-construction design work; project planning, including public benefit studies, feasibility studies, revenue forecasting, economic assessments, and risk assessments; financial and legal planning and analyses; and permitting, environmental, and regulatory review processes. Learn more about the grant program here. Applications **due on October 1**. Submit applications online here, and the key information table must be submitted here.

Midsize and Large Drinking Water System Grant Opportunity – Applications Due October 6

The U.S. Environmental Protection Agency (EPA) is accepting applications for the Midsize and Large Drinking Water System Infrastructure Resilience and Sustainability Program. The program provides funding for certain public drinking water systems (including cities) to increase the resilience of and protect public drinking water systems from natural hazards, extreme weather events, and cybersecurity threats. *Eligible applicants* are public water systems that serve communities with populations of 10,000 or more. *Eligible projects include:* water conservation and water efficiency-related projects; modifying or relocating existing public drinking water system infrastructure at risk from natural hazards or severe weather events; designing or constructing new or modified water desalination facilities; watershed management and source protection-related projects; drinking water conveyance and treatment energy efficiency-related projects; developing and implementing resilience measures to protect against natural hazards and extreme weather events, or reduce cybersecurity vulnerabilities; and Forming regional water partnerships to collaboratively address regional water shortages. Learn more about the program here. Applications are due **October 6**. Applications must be submitted online here.

Administration Issues Memo on Federal Grants Used for Lobbying

On Thursday the President signed a Presidential memoranda entitled *Use of Appropriated Funds for Illegal Lobbying and Partisan Political Activity by Federal Grantees*. The memo notes that federal funding reviews by the administration have revealed taxpayer funds are being spent on grants with political overtones. The memo directs the Attorney General, in consultation with agency/department heads, to investigate whether federal grant funds are being used to illegally support lobbying activities and to take appropriate enforcement action. A fact sheet on the memo can be found here.

National League of Cities (NLC) Webinars

- **Aviation Advisory Forum on Air Mobility and Drone Integration – September 10**

NLC's Aviation Advisory Forum on Air Mobility and Drone Integration will discuss the expansion of drones and air taxis into the airspace above cities and towns as the U.S. Department of Transportation and the Federal Aviation Administration seeks to speed up drone deployment and enhance safety. **Register Here**

- **Closing the Gap in Disaster Preparedness & Recovery – September 23**

Industry experts and government officials will discuss tools and strategies that local governments are using to prepare and recover from natural disaster events. **Register Here**

Reports of Interest

Disaster Assistance High-Risk Series: Federal Response Workforce Readiness
U.S. Government Accountability Office, September 2

How Opportunity Zone 2.0 Legislation Provides a Much-Needed Upgrade
Texas Real Estate Research Center, Texas A&M University, August 21, 2025

City Auditor's Office
CMS2025-10 Park Board
Hotel Occupancy Tax Audit for Fiscal Years 2022 and 2024

September 29, 2025

The scope of this audit report is to ensure compliance with expenditures of hotel occupancy tax disbursed by the Galveston Park Board for fiscal years 2022 and 2024. The Galveston City Auditor's Office tested one hundred (100) percent of the hotel occupancy tax expended by the Galveston Park Board for fiscal years 2022 and 2024 in the performance of this audit. Since the inception of this report, there have been material changes in the executive management of the Galveston Park Board.

The criteria used to audit the Galveston Park Board policies and procedures pertaining to hotel occupancy taxes are:

1. Section 351.101 (a) of the Texas Tax Code.

2. Attorney General of Texas Opinion No. GA-0124.

Essential excerpts from these two criteria are restated below:

1. SECTION 351.101 (a) OF THE TEXAS TAX CODE

"Revenue from the municipal hotel occupancy tax may be used <u>only to promote tourism and the convention and hotel industry………."</u>

2. ATTORNEY GENERAL OF TEXAS OPINION NO. GA-0124

"………. Whether a particular proposed expenditure of municipal hotel occupancy tax revenue is a permissible use and will "directly enhance and promote tourism and the convention and hotel industry" <u>is for a municipality's governing body to determine in the first instance."</u>

<u>DISCOVERY OF FACTS – 1:</u>
The Galveston Park Board spent hotel occupancy tax funds on lobbyist activities for fiscal years 2022 and 2024 in the amounts of $132,766.10 and $136,043.59, respectively. Since these monies were spent out of hotel occupancy tax funds, it is essential that it can be proven to the General Public that these lobbying expenditures will promote tourism and the convention and hotel industry, as stated in Section 351.101 (a) of the Texas Tax Code.

It was determined through this audit that a portion of these paid lobbyist activities from the hotel occupancy tax funds mentioned above were spent on actions involving Texas Senate Bill 2779, Texas Senate Bill 2532, and Texas House Bill 5596. (It should be noted that the exact amount of lobbying fees spent on these bills cannot be determined because a flat monthly rate was paid to the Lobbyist for all combined work performed.)

The City of Galveston Auditor's Office also obtained summaries of these bills from the actual paid lobbyists themselves. The summaries are as follows:

Texas Senate Bill 2279: *"SB 2779 amends, TX Tax Code § 156.2511, by directing the comptroller to issue a warrant drawn on the general fund to the park board of trustees created by the eligible coastal municipality to allocate the two percent state hotel occupancy tax (HOT) revenue received from hotels located in the eligible coastal municipality."*

Texas Senate Bill 2532, and Texas House Bill 5596: *"SB 2532 and HB 5596 as substituted in the Senate applies singularly to the City of Galveston with punitive action requiring the City to automatically allocate all hotel occupancy tax (HOT) revenues to the Park Board, an unelected body, and any unrelated non-Hot revenue received from the Park Board and spent by the City or the City must face a recalculated reduced voter- approval rate."*

Based on the Lobbyist's summaries, these bills were designed to allocate funds away from the City of Galveston to the Galveston Park Board. This specific task does not promote tourism and the convention and hotel industry but rather addresses funding mechanisms. This is further supported by the opinions of the Texas Hotel & Lodging Association and the interim executive management of the Galveston Park Board.

Spending hotel occupancy tax funds to divert funds away from a Texas municipality is not the intent of Section 351.101 (a) of the Texas Tax Code. The underlying reason why this inappropriate spending occurred is due to the absence of policies specifically regarding professional services when paid out of hotel occupancy tax funds.

It is imperative that policies regarding professional services paid out of hotel occupancy taxes be written, approved, and adhered to as soon as possible. Failure to do so could jeopardize state funding in the future.

The City Auditor's Office would like to suggest to the Galveston City Council, as well as the Galveston Park Board of Trustees, that when professional services are paid by hotel occupancy taxes, it is announced in open session. More specifically, the "general description of work performed by the professional service" and "how the professional service work promotes tourism and the convention and the hotel industry." The Galveston City Auditor's Office is aware that the current Interlocal agreement between the Galveston Park Board and the City of Galveston forbids lobbying expenditures from being spent out of hotel occupancy taxes. However, there may be a

need in the future to consider using hotel occupancy taxes for lobbying expenditures when the purpose of lobbying is to promote tourism and the convention and hotel industry. Should such a need arise, the decision would be entirely up to the Galveston City Council, per Attorney General of Texas Opinion No. GA-0124.

DISCOVERY OF FACTS – 2:
The Galveston Park Board policy covering hotel occupancy taxes at the beginning of this audit was positioned in the credit card policies section and read as follows:

"Cardholders must ensure every purchase is an appropriate use of public funds. This includes ensuring all purchases covered by Hotel Occupancy Tax and Beach User Fees adhere to Chapter 351 of the local Government Tax Code……"

The above policy does not consider the levels of service and consumption appropriate for governmental employee travel and business (including entertainment) expenses. For example:

1. Can an employee buy alcohol for themselves, and their clients with no formal written limits?
2. Can employees stay at premium hotels on business travel?
3. Can employees purchase air travel in business class instead of economy class?
4. Can employees rent luxury vehicles for travel?
5. Can employees participate in spa treatments when purchasing personal services for clients?

There are undesirable consequences without specific controls on the levels of service and consumption for governmental employee travel and business (including entertainment) expenses. A *"Yes"* answer to any of the five questions above might lead the General Public to view the expenditure of hotel occupancy tax funds by employees as extravagant, potentially leading to a loss of faith in the transparency of government employees. Therefore, specific controls on the levels of service and consumption for governmental employee travel and business (including entertainment) expenses are undeniably necessary.

The Galveston City Council is charged with the responsibility to determine the allowable use of expenditures for revenues derived from hotel occupancy taxes in the City of Galveston. Confirmation of this responsibility by the Galveston City Council will help to clear up any misunderstandings with the Galveston Park Board. This is confirmed by the Attorney General of Texas Opinion No. GA-0124:

"………. Whether a particular proposed expenditure of municipal hotel occupancy tax revenue is a permissible use and will "directly enhance and promote tourism and the convention and hotel industry" is for a municipality's governing body to determine in the first instance."

Therefore, it is incumbent upon the Galveston City Council to insist on specific controls on the levels of service and consumption for governmental employee travel and business (including entertainment) expenses.

The Galveston City Auditor's Office is aware that *"new"* specific control policies on the levels of service and consumption for governmental employee travel and business (including entertainment) expenses have been put into effect by interim executive management of the Galveston Park Board prior to the issuance of this report. The Galveston City Auditor's Office has read these new control policies and agrees with the Galveston Park Board interim executive management on these new control policies being activated and commends them as well for their efforts in expediency.

The City Auditor's Office would like to make three suggestions to Galveston City Council and the Galveston Park Board to remedy this problem and keep it from recurring.

1. Inaugurate into City policy that the Galveston City Council is the governing body to determine the permissible use of hotel occupancy tax funds per Attorney General of Texas Opinion No. GA-0124.

2. Establish a plan at the Galveston Park Board to review and if necessary, amend policies regarding compliance relating to hotel occupancy tax expenditures. Any necessary amendments to hotel occupancy tax expenditure policies should be forwarded to the Galveston City Council for approval.

3. Suggest to The Galveston Park Board of Trustees that their external auditors include procedures in their annual external audits to test for compliance with the expenditures of hotel occupancy tax funds.

Date: October 23, 2025

To: City Council

From: Barbara Ekelund-Sanderson, Executive Director, Antoinette Perry Lynch, Arts & Culture Coordinator, Mehran Jadidi, Assistant City Attorney, Janelle Williams, City Secretary, and Csilla Ludanyi, Chief Financial Officer

Project location: City Hall, 823 25th St, Galveston, TX 77550

Project: The creation of an Arts Development Commission

Request: Consider for approval 4 ordinances necessary in the establishment of an Arts Development Commission and sunsetting each of the existing arts boards, consolidating the functions of the Cultural Arts Commission (CAC) and the Arts & Historic Preservation Advisory Board (AHPAB) and authorizing staff to bring forward corresponding amendments to Chapter 33 of the City Code and related policies governing Hotel Occupancy Tax (HOT) arts allocations.

Prior Council Action:
August 22, 2019 – Introduction of NEA Our Town Partnership
City staff and Park Board leadership introduced the proposed National Endowment for the Arts Our Town grant collaboration to support the development of a citywide cultural arts master plan in partnership with the Galveston Arts Center.

May 29, 2020 – Acceptance of NEA Our Town Grant Award
City Council authorized participation in the $50,000 NEA Our Town grant program, with matching funds provided through the Park Board's Tourism Development reserves. This action formally initiated Galveston's Cultural Arts Master Planning process.

August 25, 2022 – Council Workshop: Cultural Arts Master Plan Update
Consultants from the Lakota Group presented a comprehensive update on the Cultural Arts Master Plan (Cultural Connections Plan), outlining community engagement results, draft recommendations, and implementation strategies.

April 27, 2023 – Council Workshop: Implementation Planning
Council discussed issuing a Request for Qualifications for consultant services to implement the adopted Cultural Arts Master Plan and develop a structured process for Hotel Occupancy Tax (HOT) allocations and reporting.

December 14, 2023 – Council Workshop: Cultural Heritage and HOT Alignment
Staff presented updates on the African American Cultural Heritage District and related heritage programming, connecting the City's arts master plan priorities to HOT funding strategy and oversight.

February 6, 2024 – Joint City Council and Park Board Workshop
The Mayor and City Manager identified the need for a comprehensive framework for joint Council and Park Board review of HOT expenditures. Staff (A. Lynch) was tasked with aligning arts funding oversight and reporting with Council direction.

April 25, 2024 – Ordinance No. 24-___ Amending City Code §33-95
Council adopted an ordinance to increase the Cultural Arts Commission's annual HOT allocation limit to $250,000, strengthening the City's arts investment and oversight capacity.

August 22, 2024 – Council Workshop: Event and Arts Funding Recommendations
Staff (A. Lynch) presented analysis on HOT arts and event allocations, SMU DataArts benchmarking, and policy recommendations to prevent duplicate funding and promote a unified funding review process.

January 23, 2025 – Council Workshop: HOT Oversight and Arts Funding
Staff (A. Lynch) presented an overview of the City's arts and event funding structure, highlighting the SMU DataArts comparative study (Breckenridge, Jackson Hole, Aspen) and proposing consolidation of the Cultural Arts Commission and Arts & Historic Preservation Advisory Board into a unified oversight body with an investment-focused framework similar to the Industrial Development Corporation.

January 23, 2025 – Council Regular Meeting: HOT Audit Oversight
Council approved continuation of the interlocal agreement for external HOT audits, reinforcing Council's commitment to transparent oversight and consistent reporting of HOT-funded arts and event expenditures.

Background:

The Cultural Arts Master Plan, unanimously adopted by City Council in August 2022 and funded through the National Endowment for the Arts Our Town grant, identifies the creation of a coordinated, sustainable arts governance structure as a core element of its Implementation Framework. The plan's recommendations call for:

Establishing a unified arts entity with clear accountability and alignment between arts, heritage, and tourism investments;

Creating a transparent jury and grants process for public art and organizational funding;

Developing an investment model for arts that parallels the City's economic development framework, leveraging HOT for long-term sustainability; and

Formalizing cross-sector collaboration between City departments, the Park Board, and community arts partners.

Since the adoption of the Plan, staff have advanced these directives through multiple Council workshops and data initiatives (including the SMU DataArts benchmarking project), culminating in the January 23, 2025 Arts and Culture Development Workshop. That workshop outlined three structural options for Council consideration—each designed to fulfill the Plan's implementation goal of a unified cultural governance model—and presented supporting comparisons to peer cities.

As detailed in the workshop presentation, the recommended model would:

Consolidate the CAC and AHPAB into a single oversight body responsible for policy recommendations, grant jury coordination, and reserve management;

Establish an investment-oriented board structure akin to the City's Industrial Development Corporation (IDC), with capacity to make recommendations on the arts portion of HOT revenues; and

Implement the Master Plan's directive to align arts and heritage funding under one accountable entity reporting directly to City Council.

Fiscal Impact Report:

- **Total Cost.** There is no cost to the creation of a unified arts board. The board will make recommendations to council on the 6/8ths of a penny of HOT designated for the arts by council.

- **Funding Source.** Not Applicable.

Alternatives:

A. Approve an ordinance establishing an Arts Development Commission to consolidate the functions of the Cultural Arts Commission (CAC) and the Arts & Historic Preservation Advisory Board (AHPAB), but request staff to bring forward additional amendments to Chapter 33 of the City Code and related policies governing Hotel Occupancy Tax (HOT) arts allocations.

B. Do not approve the request, leave current code and ordinances in place regarding the Cultural Arts Commission and the Arts and Historic Preservation Advisory Board.

Staff Recommendation

Staff recommend approving the sunsetting of both the Arts and Historic Preservation Advisory Board and the Cultural Arts Commission, establishing a new board that will assume the functions of both boards and opening the board seats applications immediately.

Attachments/Exhibits:

- Cultural Arts Commission Repeal
- Arts & Historic Advisory Board Repeal
- Establishment of Arts Development Commission
- Amendments to Chpt. 33

Respectfully Submitted,

Antoinette Perry Lynch
Arts & Culture Coordinator, Community Outreach

ORDINANCE NO. 25- _________

AN ORDINANCE OF THE CITY OF GALVESTON, TEXAS, AMENDING THE CODE OF THE CITY OF GALVESTON, AS AMENDED, BY REPEALING CHAPTER 2, "ADMINISTRATION", "ARTICLE IV. "BOARDS, COMMISSIONS AND COMMITTEES", DIVISION 3., THE "GALVESTON CULTURAL ARTS COMMISSION" AND THE PROVISIONS THEREOF; CREATING THE ARTS DEVELOPMENT COMMISSION, AS APPLICABLE; MAKING VARIOUS FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Staff recognizes the importance and benefits of Public Arts and Arts Marketing to the city, its residents and visitors; and,

WHEREAS, Staff has been reviewing its Arts Boards and Commissions with the goal of creating efficiency in the City's operations as it concerns public arts and arts marketing; and,

WHEREAS, there are currently two organizations of the city, those being the Galveston Cultural Arts Commission and the Arts and Historic Preservation Board, that are providing essential services in the arts community in the City of Galveston; and,

WHEREAS, the City, by Ordinance No. 19-068, on November 14, 2019, created the Galveston Cultural Arts Commission and the provisions thereof; and,

WHEREAS, Staff believes and recommends that one arts entity of the City do the work of these two boards in order to provide efficiency, maintain productivity, as well as to consume less city resources; and,

WHEREAS, to accomplish this, it is recommended that the existing provisions of the Galveston Cultural Arts Commission be repealed, in order for a new Arts Development Commission to be created; and,

WHEREAS, the goals of the Arts Development Commission will consolidate those applicable activities of the Galveston Cultural Arts Commission as well as those applicable activities of the Arts and Historic Preservation Board; and,

WHEREAS, the City Council deems it in the public's interest to amend Chapter 2, "Administration", and repeal Article IV. – Boards, Commissions and Committees Division 3"., the "Galveston Cultural Arts Commission" and provisions thereof, as provided below.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS:

SECTION 1. The findings and recitations set out in the preamble to this Ordinance are found to be true and correct and they are hereby adopted by the City Council and made a part hereof for all purposes.

SECTION 2. Chapter 2, "Administration", Article IV. "Boards, Commissions and Committees", Division 3., "Galveston Cultural Arts Commission", of "The Code of the City of Galveston 1982, as amended," shall be repealed in its entirety to read and provide as follows:

ARTICLE IV. – BOARDS, COMMISSIONS AND COMMITTEES

DIVISION 3. ~~GALVESTON CULTURAL ARTS COMMISSION~~ - Repealed

~~**Sec. 2-180. – Established.**~~

~~There is hereby established the Galveston Cultural Arts Commission. The commission shall be composed of nine (9) voting members: four (4) members representing the visual arts (painting, sculpture, pottery, jewelry) and/or; the performing arts (music, theater, dance); such members should have demonstrated a professional record of work at their chosen art form; four (4) representatives from the community at large and one (1) member who is the chief tourism officer of the Galveston CVB. A city council member shall be appointed as an ex officio member without the right to vote.~~

~~**Sec. 2-181. - Terms.**~~

~~The members shall be appointed by the city council and shall serve at the discretion of the city council. The terms of the members shall be staggered, so that council may make appointees to this board every year. Two (2) appointees shall begin their term on October __, 2019 and serve for one (1) year). Another three (3) appointees shall begin their term on October __, 2019 and serve for two (2) years. The final three (3) appointees shall begin their term on October __, 2019, and serve a full three (3) year term. Following the expiration of these initial terms, all appointed members will serve a full three year term, unless removed from the board by city council or voluntarily relinquishing their position. All appointees shall serve without compensation; and except for the appointed city councilmember may not hold any elective office of the state or any political subdivision thereof. Members of the committee shall elect a chairperson from among its members and any vacancy in an unexpired term shall be filled by council appointment for the remainder of the term. All appointees shall serve at the discretion of city council. No member may serve for more than two (2) consecutive full terms nor for any consecutive period greater than the period allowed by section 2-161(b) of the City Code.~~

~~**Sec. 2-182. - Powers, mission, goals and objectives.**~~

~~(a) The committee shall be an advisory committee.~~

~~(b) The mission of the commission is to further the fine arts on Galveston Island through the recognition and development of excellence and all aspects of the cultural~~

~~arts in the community, and insure the accessibility of the arts by all. The cultural arts commission shall be the sole gateway by which public art is produced and distributed. The commission will serve as the authority establishing and managing art projects for the city.~~

~~(c) The goals of the commission are to develop a comprehensive policy for the arts and cultural associations under a cultural plan that includes a public art program and guidelines for private initiatives. Based on an evaluation of the community's cultural needs, resources, and aspirations, the commission may recommend appropriate programs, organizations, facilities, funding and budgets in support of the arts.~~

~~(d) The commission shall have the following objectives:~~

~~(1) Initiate the process of cultural planning with participation from the arts community, public officials, local business leaders, and all other interested persons or entities;~~

~~(2) Facilitate the organization of an arts forum, opened to whomever wishes to attend, that would meet monthly or quarterly for the purpose of discussing any issues or ideas within the arts community;~~

~~(3) Conduct a survey and maintain an inventory of cultural resources to include display spaces, performance spaces, educational facilities and opportunities, artists, organizations and make an effort to assess the needs, aspirations, opportunities and potentials for these resources;~~

~~(4) Determine the levels and sources of public and private funding in support of the arts, develop strategies to sustain and expand that support and initiate a budget to insure the fair and equitable allocation of those funds;~~

~~(5) Integrate a public arts program into the city's planning and capital improvements program, and provide incentives for private investment and public art in order to enhance the character of neighborhoods in the visual aesthetics of the community;~~

~~(6) Collect and disseminate information within the community and from other cities on the economic benefits of cultural planning, cultural tourism, and the public and private support of the arts;~~

~~(7) Facilitate and encourage the development of art education programs in the public schools, public housing, or any other facility or entity that will provide exposure, appreciation, training, vocation, and marketing of the arts to all members of all cultures in the community and develop an artist in residence program utilizing either state and/or federal funds for such program; and~~

~~(8) Initiate a cultural exchange program with other communities for both the visual and performing arts.~~

~~(9) Develop and recommend to city council the procedures by which the commission will evaluate projects and applicants for funding and the basis upon which grants will be awarded. No awards are granted unless and until city council approves granted awards.~~

~~(10) Recommend to city council the award of funds for public art projects in accordance with guidelines approved by council.~~

~~Sec. 2-183. - Quorum and voting.~~

~~A majority of the membership shall constitute a quorum for the conduct of business. All members of the commission except the council representative shall have the right to vote.~~

~~Sec. 2-184. - Meetings.~~

~~The commission shall meet no less than four (4) times during each fiscal year. The quarterly meetings shall occur no later than thirty (30) days after the end of the previous fiscal quarter. The fiscal quarters are as follows:~~

~~Dates~~	~~Meeting Before~~
~~Oct. 1st – Dec. 31st~~	~~January 31st~~
~~Jan. 1st – Mar. 31st~~	~~April 30th~~
~~Apr. 1st – June 30th~~	~~July 31st~~
~~July 1st – Sept. 30th~~	~~October 31st~~

~~The chairperson of the commission, or any two (2) members of the commission may call a special meeting as necessary to conduct business. All meetings shall be subject to the Texas Open Meetings Act. The meeting shall be held at city hall or other city owned public property and in accordance with the Texas Open Meetings Act. Provided, however, the committee may convene into executive session on matters which are allowed to be closed to the public under the Texas Open Meetings Act. The secretary of the commission shall record the minutes of the committee's meetings and deliver the minutes to the city secretary. The city secretary shall post notice of meetings of the commission in accordance with the law.~~

~~Sec. 2-185. - Rules of procedure.~~

~~The conduct and procedure of the commission's meetings shall conform to and be governed by the City Charter, this Code, and Robert's Rules of Order, Revised.~~

~~Sec. 2-186. - Budget and expenditures.~~

~~The city council may allocate funds in the amount of one hundred thousand dollars ($100,000.00) derived from Hotel Occupancy Taxes (HOT) during the budget process for the promotion of public art in the city. Beginning with the fiscal year beginning on October~~

~~1, 2024 and thereafter, the amount allocated shall increase to two hundred fifty thousand dollars ($250,000.00). The amount in this section shall control over any other conflicting code provision.~~

~~**Sec. 2-187 – 2-189. Reserved**~~

SECTION 3. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses and phrases of this Ordinance are severable and, if any phrase, clause, sentence, paragraph or section of this Ordinance should be declared invalid by the final judgment or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Ordinance.

SECTION 4. All Ordinances or parts thereof in conflict herewith are repealed to the extent of such conflict only.

SECTION 5. All Ordinances of general and permanent nature, and amendments to such Ordinances, hereinafter adopted by the City Council, shall be drafted, so far as possible, as specific amendments of, or additions to, this Code. Amendments to this Code are intended for publication to the Galveston City Code. The Codifier is authorized pursuant to the Galveston City Code to make non-substantive changes to the Ordinance prior to publishing.

SECTION 6. In accordance with the provisions of Sections 12 and 13 of Article II of the City Charter this Ordinance has been publicly available in the office of the City Secretary for not less than 72 hours prior to its adoption; that this Ordinance may be read and published by descriptive caption only.

SECTION 7. This Ordinance shall be and become effective on, from and after its adoption and publication in accordance with the provisions of the Charter of the City of Galveston.

APPROVED AS TO FORM:

____

MEHRAN JADIDI
ASSISTANT CITY ATTORNEY

I, Janelle Williams, Secretary of the City Council of the City of Galveston, do hereby certify that the foregoing is a true and correct copy of an Ordinance adopted by the City Council of the City of Galveston at its Regular meeting held on October 23, 2025, as the same appears in records of this office.

IN TESTIMONY WHEREOF, I subscribe my name hereto officially under the corporate seal of the City of Galveston this _____ day of _____________, 2025.

____

Secretary for the City Council
Of the City of Galveston

ORDINANCE NO. 25- _________

AN ORDINANCE OF THE CITY OF GALVESTON, TEXAS, AMENDING THE CODE OF THE CITY OF GALVESTON, AS AMENDED, BY AMENDING CHAPTER 33, TAXATION, ARTICLE VII. "'USE AND DISTRIBUTION OF HOTEL OCCUPANCY TAXES'; TO REPEAL THE "ARTS AND HISTORICAL PRESERVATION ADVISORY BOARD" AND THE PROVISIONS THEREOF; MAKING VARIOUS FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Staff recognizes the importance and benefits of Public Arts and Arts Marketing to the city, its residents and visitors; and,

WHEREAS, Staff has been reviewing its Arts Boards and Commissions with the goal of creating efficiency in the City's operations as it concerns public arts and arts marketing; and,

WHEREAS, there are currently two organizations of the city, those being the Galveston Cultural Arts Commission and the Arts and Historic Preservation Board, that are providing essential services in the arts community in the City of Galveston; and,

WHEREAS, the City, by Ordinance No. 24-051, on August 22, 2024, created the Arts and Historical Preservation Advisory Board and the provisions thereof; and,

WHEREAS, Staff believes and recommends that one arts entity of the City do the work of these two boards in order to provide efficiency, maintain productivity, as well as to consume less city resources; and,

WHEREAS, to accomplish this, it is recommended that the existing provisions of the Arts and Historical Preservation Advisory Board be repealed, in order for a new Arts Development Commission to be created; and,

WHEREAS, the goals of the Arts Development Commission will consolidate those applicable activities of the Galveston Cultural Arts Commission as well as those applicable activities of the Arts and Historical Preservation Advisory Board; and,

WHEREAS, the City Council deems it in the public's interest to amend Chapter 33, "Taxation", Article VII. and to repeal Section 33-105., the "Arts and Historical Preservation Advisory Board" and provisions thereof, as provided below.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS:

SECTION 1. The findings and recitations set out in the preamble to this Ordinance are found to be true and correct and they are hereby adopted by the City Council and made a part hereof for all purposes.

SECTION 2. Chapter 33, "Article VII. "Use and Distribution of Hotel Occupancy Taxes', of "The Code of The City of Galveston 1982, as amended," is amended to read and provide as follows:

ARTICLE VII. – USE AND DISTRIBUTION OF HOTEL OCCUPANCY TAXES

Sec. 33-103. – Distribution of hotel occupancy tax proceeds.

The distribution of tax proceeds levied pursuant to Chapter 351 of the Tax Code, including interest, shall be expended for the following purposes:

(1) Two-sevenths (2/7) and one-eight (1/8) for the Galveston Island Convention Center at the San Luis until such time that the Convention Center debt is retired.

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(4) Seven-eighths (⅞) of one-seventh (1/7) for organizations whose primary purposes are increasing tourist visitation in the areas of historical preservation and restoration, commemoration of historic events or locations, in the encouragement, promotion, improvement and application of the arts, including music (instrumental and vocal), dance, drama, folk art, creative writing, architecture design and allied fields, painting, sculpture, photography, graphic, and craft arts, motion pictures, television, radio, tape and sound recording, theater arts, and the arts related to the presentation, performance, execution and exhibition of these major art forms. The use of these funds shall be for any purpose that is allowed under Texas State law for the use of HOT.

~~(a) Organizations for the receipt of distributions shall be selected based on criteria and procedures set forth in that document entitled "Criteria and Selection Procedures for Contributions of Hotel Occupancy Tax to Arts and Historical Preservation." Such document shall not be amended without city council approval.~~

~~***~~

~~**Sec. 33-105. Arts and historical preservation advisory board.**~~ **Reserved**.

~~(a) There is hereby created a board known as the arts and historical preservation advisory board (herein, aka - advisory board) which shall consist of seven (7) persons selected and appointed by the city council for overlapping terms of three (3) years, commencing November 1, of each year.~~

~~(b) Seven (7) board members shall be citizens at large and one (1) board member shall be an ex-officio, nonvoting member, who may be a city council~~

~~representative or a member of city staff (position eight (8)). The first board shall serve as follows:~~

~~(1) Positions 1 and 2: October 2019 to October 2020.~~

~~(2) Positions 3 and 4: October 2019 to October 2021.~~

~~(3) Positions 5, 6 and 7: October 2019 to October 2022.~~

~~(4) Position 8: The ex officio shall serve until their term as councilmember expires or otherwise ceases to serve as a councilmember.~~
~~Thereafter, all members, except the ex officio member, shall be appointed for a three-year term.~~

~~(c) "Term" shall be defined as November to November of each year. No member, except the ex officio member, shall serve more than two (2) consecutive terms. The ex officio member shall serve a term as determined by city council.~~

~~(d) All appointments shall be made by the city council and all terms shall be staggered.~~

~~(e) No board member shall be an employee, officer, or board member of any organization receiving or requesting funds. However, any board member, may be a volunteer of an organization requesting or receiving funds.~~

~~(f) The purpose of the arts and historical preservation advisory board of the City of Galveston is to allocate hotel motel occupancy tax (HOT) funds to arts and historic preservation groups as provided herein. The allocations of this board are merely advisory and final awards will be made by city council.~~

~~(1) *Criteria and selection procedures.* All applicants and current recipients are required to attend mandatory meetings. All meetings will be posted by the city secretary's office, which shall follow the laws as set out in the Texas Open Meetings Act.~~

~~(2) *Eligibility requirements for all applicant organizations.*~~

~~a. Applicant organizations must:~~

~~1. Demonstrate tax-exempt status pursuant to Section 501(c)(3) of the Internal Revenue Code or other non profits the City of Galveston deems appropriate;~~

~~2. Have been in operation for at least one (1) calendar year before the grant application deadline;~~

~~3. Produce financial statements showing activity for one (1) calendar or fiscal year before the grant application deadline;~~

~~4. Be headquartered in Galveston;~~

~~5. Attach an organizational history/philosophy statement to the application;~~

~~6. Provide programs and events available to city residents and tourists;~~

~~7. Demonstrate that the request for hotel tax funds does not constitute more than twenty (20) percent of the operational budget;~~

~~8. Comply with all city ordinances and city procurement procedures when using funds received from the City of Galveston.~~

~~b. Financial documentation required to apply for funding:~~

~~1. All organizations shall include with their application to the advisory board a proposed annual budget. The proposed budget shall include an itemized description of how the organization shall spend the hotel tax funds during the award year.~~

~~(3) *Criteria for evaluation.*~~

~~a. The following criteria are intended to encourage organizations to reach the highest artistic, programmatic and organizational standards. All applications shall be ranked by the board based on the following criteria:~~

~~1. Program quality (forty (40) points) and;~~

~~2. Visitor appeal (forty (40) points) and;~~

~~3. Administrative ability (twenty (20) points).~~

~~b. The primary purpose of all applying entities shall be to market their event or product to attract tourism to the City of Galveston. All awarded entities will participate in and complete the attached standard operation procedure to ensure compliance with this purpose.~~

~~c. The advisory board shall use the above criteria and award points based on the organization's application.~~

~~d. Following are general guidelines applicable to each component of the advisory board's criteria:~~

~~1. Program quality (forty (40) points):~~

~~• High artistic and/or programmatic quality as perceived by peers, critics and others, as appropriate;~~

~~• Innovative and creative programs;~~

~~• Vision and leadership demonstrated by the organization;~~

~~• Activities that further applicant's artistic and/or programmatic goals and objectives;~~

~~• Effective use of community resources; and~~

~~• Quality of marketing materials used for promotional purposes, and the scope of distribution of those materials. (Organizations should provide examples with the applications).~~

~~2. Visitor appeal (forty (40) points):~~

~~• Organization's commitment to attract visitors;~~

~~• Verifiable information regarding the organization's ability to attract visitors with proof of actual attendance of the event, program, or attraction, with details regarding attendance from off island and on island visitors, and, if possible, number of room nights related to the event;~~

~~• Number of days per year attractions are open to the public; number of events and/or programs open to the public. (Organizations should provide a list of programs and activities with applications).~~

~~3. Administrative ability (twenty (20) points):~~

~~• Continuing history of growth, stability and vision;~~

~~• Long-range and/or short-range plan;~~

~~• Governing board that is representative of the community, meets regularly and sets policies for the organization;~~

~~• Evidence of ability to deliver services effectively, including qualified staff and volunteers;~~

~~• Realistic budget and accurate appropriate financial reports;~~

~~• Diverse funding sources, both earned and unearned and both public and private;~~

~~• Effective use of available resources;~~

~~• Demonstrated effective use of hotel tax funds in the past and/or effective proposed utilization of future tax funds, with credible references;~~

~~• A demonstration of efforts to involve individuals of diverse ethnic backgrounds;~~

~~• Demonstrated willingness to collaborate with other groups;~~

~~• Responsiveness to needs of culturally under-served audiences, and;~~

~~• Community contributions to the organization.~~

~~(4) *Historic preservation.* Entities wishing to engage in historic preservation may also apply for HOT funds pursuant to section 33-103(5) of the Code of the City of Galveston. Such entities will submit a master plan demonstrating their ability and strategy to accomplish their goal of historic preservation, and detail how such historic preservation will benefit tourism. Such master plan shall include references and examples for past completed projects in the area of historic preservation. Such entities must demonstrate their proposed use complies with legally allowable uses of HOT funds. Such~~

~~entities shall also demonstrate that they will not gain any private benefit from the receipt of HOT funds, if they are awarded.~~

~~(5) *Evaluation and award of funds.*~~

~~a. The advisory board will coordinate the process of selecting recipients for funds for this program. Advisory board members shall review the applications, establishing that all required documentation has been provided. A minimum of two (2) advisory board members shall be assigned to each applicant organization, ensuring that at least two (2) advisory board members are intimately familiar with the operations and the application of each organization.~~

~~b. The advisory board shall schedule public hearings in May of each year in which applicants shall be allowed to publicly address the advisory board. All applicants will be notified of the hearing date and all applicants shall address the advisory board during the public hearings. The advisory board shall make funding recommendations to city council, based on the ranking of organizations pursuant to the award of criteria points, in the first available city council meeting in July. City council shall make the decision on which entities are awarded funds, and the amount of such funds. The city council's decisions shall be final.~~

~~c. Each recipient shall execute a contract with the City of Galveston and comply with all city and state expenditure reporting requirements.~~

~~d. The advisory board shall hold a mandatory meeting as soon as is practicable for all entities who have been awarded funding by city council following the city council's decision. The purpose of the meeting shall be to instruct all recipients on the reporting requirements of the advisory board, state procurement laws, and to give an overview of the process of distribution. A copy of the procurement laws will be made available at the meeting. Each recipient shall have two (2) representatives present at the meeting who shall have authority to execute the contract with the City of Galveston.~~

~~e. It is the sole responsibility of the recipient to comply with all requirements of disbursement of hotel/motel occupancy funds and to obtain the funds within the year of allocation. All entities that are awarded funds must obtain and spend all disbursed funds by the end of the calendar year following the year in which funds are awarded. Recipients are subject to be audited by the City of Galveston at any time to ensure compliance.~~

~~(6) *Allocations.* Allocated funds will be disbursed on a fixed dollar amount for two year periods and will be based on a pro rata adjustment of the six-eighths (6/8) made available, as provided in the City Code. The city will allocate up to ninety-five (95) percent of available funds to qualifying organizations. Funds will be distributed on a monthly basis. No entity shall be awarded more than twenty five (25) percent of net disbursable funds in any fiscal year. Net disbursable funds is the gross projected amount~~

~~of six-eighths (6/8) of the penny minus the cultural arts commission two hundred fifty thousand dollars ($250,000.00) and the five (5) percent reserve.~~

~~Annually, two hundred fifty thousand dollars ($250,000.00) of available funds will be used to fund public art as recommended by the cultural arts commission per fiscal year. The cultural arts commission shall manage their own projects in compliance with state law.~~

~~The remaining five (5) percent shall be placed in a reserve fund balance. Once this reserve fund reaches fifteen (15) percent of the projected six-eighths (6/8) of the penny in any given year, the city council and the advisory board may make interim grants out of any excess available funds.~~
~~Interim grants are only available to entities who were grant recipients for previous standard award cycles. The board may make recommendations for such interim grants and city council will make a final decision on whether to fund such application.~~

~~All forfeited and excess funds generated from an under estimate of the value of the HOT fund will be placed in the reserve fund for future use consistent with this program.~~

~~Two (2) year allocations.~~

~~a. Applicant organizations shall meet the general eligibility requirements herein. The advisory board shall evaluate the applicant organizations based on the criteria for evaluation as provided herein.~~
~~b. End of year report. Each entity receiving funding shall submit quarterly financial reports and an end of year report to the city finance department. The end of year report shall cover the fiscal year of the entity which has received funds. The annual report shall include a complete and duly executed copy of the report form. The end of year report shall be prepared on the cash basis of accounting, shall include budgets based on approved annual itemized HOT revenues and expenditures, and shall state the organization's intended use of the funds has not changed from the use indicated on the entity's original application. Failure to submit the end of year report will result in that entity not being considered for funding for the subsequent award year. The reporting deadlines are as follows:~~
~~1 st Quarterly report due by March 1 of each year.~~
~~2 nd Quarterly report due by June 1 of each year.~~
~~3 rd Quarterly report due by September 1 of each year.~~
~~End of year report due by January 1 of the following year.~~

~~(7) *Use of funds.* Organizations shall use all funds allocated for the:~~
~~Purpose of increasing tourist visitation in the areas of historical preservation and restoration, commemoration of historic events or locations, in the encouragement, promotion, improvement and application of the arts, including music (instrumental and vocal), dance, drama, folk art, creative writing, architecture design and allied fields, painting sculpture, photography, graphic and craft arts, motion pictures, television, radio, tape and sound recording, theater arts, and the arts related to the presentation~~

~~performance, execution and exhibition of these major art forms. The use of these funds shall be for any purpose that is allowed under Texas State Law for the use of HOT.~~
~~Organizations, in the use of funds received from the city, shall follow all federal, state, and local procurement laws, rules, and regulations.~~
~~At no point shall awarded funds be used by the entity for operations or salaries of the entities.~~

~~(8) *Forfeit of award.* Allocated funds shall be forfeited to the city in the event the following occurs:~~

~~a. The organization awarded the funds uses the funds for a purpose not approved by the city as noted under this chapter or subsequent contract;~~
~~b. The organization awarded the funds fails to use the funds by the end of the city's calendar year for which the funds were awarded;~~

~~c. An organization may cease to qualify for the allocated funds by a failure to follow the procedures as set forth in this article.~~

~~1. The first failure to submit a quarterly report within a deadline will result in the following forfeiture of remaining funds for the following fiscal quarter:~~

~~i. One (1) to seven (7) days = ten (10) percent forfeiture.~~

~~ii. Eight (8) to fourteen (14) days = fifteen (15) percent forfeiture.~~

~~iii. Fifteen (15) to twenty-one (21) days = twenty (20) percent forfeiture.~~

~~iv. Twenty-two (22) to thirty-one (31) days = twenty-five (25) percent forfeiture.~~

~~2. Failure to submit the end of year report within the deadline will result in the following forfeiture of remaining funds for the following fiscal year:~~

~~i. One (1) to seven (7) days = ten (10) percent forfeiture.~~

~~ii. Eight (8) to fourteen (14) days = fifteen (15) percent forfeiture.~~

~~iii. Fifteen (15) to twenty-one (21) days = twenty (20) percent forfeiture.~~

~~iv. Twenty-two (22) to thirty-one (31) days = twenty-five (25) percent forfeiture.~~

~~3. Any subsequent failure to submit a complete quarterly report within a deadline will result in city council review.~~

~~i. In the event of a subsequent failure to submit a quarterly report or subsequent failure to submit a complete quarterly report, the board chair shall forward to the city council a recommendation of forfeiture of any remaining funds.~~

~~ii. City council shall make a determination on the recommendation based on whether good cause existed for the failure to submit a timely and/or complete report.~~

~~A. If city council finds good cause existed, city council shall determine the date the organization is required to submit the complete report to the board.~~

~~B. If the organization misses the city council deadline, the remaining funds are forfeited without further review.~~

~~4. A failure to submit a complete end of the year report within the thirty-one (31) days after the deadline will result in city council review.~~

~~i. In the event of such a failure to submit the end of year report, the board chair shall forward to the city council a recommendation of forfeiture of any remaining funds.~~

~~ii. City council shall make a determination on the recommendation based on whether good cause existed for the failure to submit a timely and/or complete report.~~

~~A. If city council finds good cause existed, city council shall determine the date the organization is required to submit the complete report to the board.~~

~~B. If the organization misses the city council deadline, the remaining funds are forfeited without further review.~~

~~5. Any funds that are discovered to have been misused or unused shall be returned to the city.~~

~~Sec. 33-106. Budgets of nonprofit organizations applying for funds.~~ Reserved.

~~Any entity receiving or applying to receive funds pursuant to subsection 33-103 must first submit to the arts and historical preservation advisory board its annual budget, based on the entity's fiscal year, covering all operations of the entity. Each entity must also submit to the arts and historical preservation board, based on a fiscal year~~

~~beginning October 1 and ending September 30, an annual detailed itemization of requested hotel/motel occupancy tax (HOT) projected revenues and proposed expenditures of such funds. No expenditure may be made by any recipient until its HOT itemized budget has been approved by the city council, and no funds derived hereunder may be pledged in advance, hypothecated or otherwise offered as security for any loan or other obligation except upon approval by the city council. Each detailed itemization submitted by an applicant shall pertain to revenues and expenditures for the fiscal year next ensuing and shall be submitted not later than thirty (30) days prior to October 1 commencement of such award period. Such submittals shall be on the form developed and provided by the advisory board. No tax funds shall be expended on preparation of such itemization or annual budget. Acceptance and approval of an applicant or recipient's itemization shall in no manner be construed as a guarantee or representation that such applicant or recipient will receive the amount of funds represented therein, and no claim for funds may be made against the city and/or park board of trustees for any hotel tax funds not actually received and collected.~~

~~Sec. 33-107. - Financial reporting requirements.~~ **Reserved**

~~(a) All allocation recipients shall submit an annual report to the finance department on or before April 1 of each year by the end of the business day, in accordance with the filing procedures described in the "Criteria and Selection Procedures for the Selection of Organizations." The purpose of the annual report is to be a reinforcement of the original application. The annual report shall be prepared on the cash basis of accounting, shall include budgets based on approved annual itemized HOT revenues and expenditures, and shall state the organization's intended use of the funds has not changed from the use indicated on the entity's original application.~~

~~(b) Failure to submit the end of year report will result in the offending entity not being considered for funding in the subsequent award year, as detailed in the "Criteria and Selection Procedures for the Selection of Organizations."~~

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SECTION 3. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses and phrases of this Ordinance are severable and, if any phrase, clause, sentence, paragraph or section of this Ordinance should be declared invalid by the final judgment or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Ordinance.

SECTION 4. All Ordinances or parts thereof in conflict herewith are repealed to the extent of such conflict only.

SECTION 5. All Ordinances of general and permanent nature, and amendments to such Ordinances, hereinafter adopted by the City Council, shall be drafted, so far as possible, as specific amendments of, or additions to, this Code. Amendments to this Code are intended for publication to the Galveston City Code. The Codifier is authorized pursuant to the Galveston City Code to make non-substantive changes to the Ordinance prior to publishing.

SECTION 6. In accordance with the provisions of Sections 12 and 13 of Article II of the City Charter this Ordinance has been publicly available in the office of the City Secretary for not less than 72 hours prior to its adoption; that this Ordinance may be read and published by descriptive caption only.

SECTION 7. This Ordinance shall be and become effective on, from and after its adoption and publication in accordance with the provisions of the Charter of the City of Galveston.

APPROVED AS TO FORM:

____
MEHRAN JADIDI
ASSISTANT CITY ATTORNEY

I, Janelle Williams, Secretary of the City Council of the City of Galveston, do hereby certify that the foregoing is a true and correct copy of an Ordinance adopted by the City Council of the City of Galveston at its Regular meeting held on October 23, 2025, as the same appears in records of this office.

IN TESTIMONY WHEREOF, I subscribe my name hereto officially under the corporate seal of the City of Galveston this _____ day of _______________, 2025.

____
Secretary for the City Council
Of the City of Galveston

ORDINANCE NO. 25- _________

AN ORDINANCE OF THE CITY OF GALVESTON, TEXAS, AMENDING THE CODE OF THE CITY OF GALVESTON, GALVESTON 1982, AS AMENDED, BY CREATING THE ARTS DEVELOPMENT COMMISSION AND ADOPTING RELATED PROVISIONS; AMENDING CHAPTER 2, "ARTICLE IV. – BOARDS, COMMISSIONS AND COMMITTEES", DIVISION 3., AS APPLICABLE; MAKING VARIOUS FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Staff recognizes the importance and benefits of Public Arts and Arts Marketing to the city, its residents and visitors. Staff has been reviewing its Arts Boards and Commissions in recent months with the goal of creating efficiency in the City's operations as it concerns Public Arts and Arts Marketing; and,

WHEREAS, there are currently two organizations of the city, those being the Cultural Arts Commission and the Arts and Historic Preservation Board, that are providing essential services in the Arts Community in the City of Galveston; and,

WHEREAS, the City believes one arts entity of the City of Galveston could do the work of these two boards, efficiently and productively, and consume less City resources; and,

WHEREAS, to accomplish this, it is recommended that the existing Cultural Arts Commission board sunsetted, and a new board created; and,

WHEREAS, the goals the newly created Arts Development Commission will consolidate those applicable activities of the Galveston Cultural Arts Commission as well as those applicable activities of the Arts and Historic Preservation Board; and,

WHEREAS, the City Council deems it in the public's interest to amend Chapter 2, "Article IV. – Boards, Commissions and Committees Division 3"., by creating the "Arts Development Commission" and provisions thereof.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS:

SECTION 1. The findings and recitations set out in the preamble to this Ordinance are found to be true and correct and they are hereby adopted by the City Council and made a part hereof for all purposes.

SECTION 2. Chapter 2, "Article IV. – Boards, Commissions and Committees Division 3. Cultural Arts Commission, of "The Code of The City of Galveston 1982, as amended," shall be amended in its entirety and replaced with the provisions of _____ as amended. is amended to read and provide as follows:

ARTICLE IV. – BOARDS, COMMISSIONS AND COMMITTEES

DIVISION 3. THE ARTS DEVELOPMENT COMMISSION

(a) There is hereby created a board known as the Arts Development Commission which shall consist of seven (7) persons and two (2) alternates selected and appointed by the city council for overlapping terms of three (3) years, commencing October 1, of each year. All appointments shall be made by the city council and all terms shall be staggered.

Alternate members shall attend all meetings of the Commission and may participate in discussions, deliberations, and other non-voting activities. In the absence, recusal, or disqualification of one or more regular members, the Chair or presiding Chair shall designate an alternate to serve as voting member for that meeting or item.

Positions 1 and 2 and initial terms are 1-year terms beginning December 1, 2025, and ending September 30th, 2026, with 3-year terms following.

Positions 3 and 4 and initial terms are 2-year terms beginning December 1, 2025, with 3-year terms following

Positions 5, 6, and 7 and Alternates 1 and 2 initial terms are 3-year terms beginning December 1, 2025, with 3-year terms following.

All positions are at large. There shall be one non-voting ex officio appointed to the board. There shall be at least one staff liaison to the board, to be designated by the City Manager or their designee, with record keeping and meeting posting being performed by the City Secretary's Office.

Vacancies among regular or alternate members shall be filled by the City Council for the remainder of the unexpired term.

(b) No board member shall be an employee, officer, or board member of any organization receiving or requesting funds.

(c) The purpose of the Arts Development Commission of the City of Galveston is to advise and recommend to City Council the allocation of hotel motel occupancy tax (HOT) funds to public art, cultural events, and heritage with allowable uses of HOT as defined by Texas Tax Code 351. Final decisions of allocations will be made by city council.

(d) All meetings shall be subject to the Texas Open Meetings Act with the City Secretary's office providing services necessary to this provision, including taking and recording minutes and posting of Agendas and minutes. The meeting shall be held at city hall or other city owned public property. Provided, however, the committee may convene into executive session on matters which are allowed to be closed to the public under the Texas Open Meetings Act.

(e) In the creation of a meeting agenda, in addition to the inclusion of carried-over or deferred items from previous meetings, the Commission Chair and designated Staff Liaison shall each have the authority to propose additional items for consideration. The Chair and Staff Liaison shall collaborate to finalize the draft agenda.

(f) The commission shall meet no less than four (4) times during each fiscal year. The quarterly meetings shall occur no later than thirty (30) days after the end of the previous fiscal quarter, and the board may set additional meetings as it deems necessary.

(g) The conduct and procedure of the commission's meetings shall conform to and be governed by the City Charter, this Code, and Robert's Rules of Order, Revised. A majority of the membership shall constitute a quorum for the conduct of business. All members of the commission except the council representative shall have the right to vote.

(h) The city council may allocate funds derived from Hotel Occupancy Taxes (HOT) for the purposes outlined in accordance with Section 33 of the Code of the City of Galveston.

(i) The Arts Development Commission will use Art Juries in its review of applications of public art grants.

A. Establishment of Panelist Pool

1. The City shall maintain a standing pool of qualified individuals ("Panelist Pool") from which juries may be convened to review and score applications for public art funding.

2. The Panelist Pool shall consist of artists, arts administrators, curators, educators, community representatives, and other professionals with expertise in visual, performing, literary, or cultural arts.

3. Membership in the Panelist Pool shall be open to both residents of the City and individuals from outside the City with demonstrated professional expertise.

B. Application and Approval

1. Individuals may apply to serve in the Panelist Pool through an open call administered annually by the City's Cultural Arts staff.

2. Applications shall be reviewed for eligibility and approved by the Arts Development Commission.

C. Convening of Panels

1. For each call for public art proposals, a panel of no fewer than five (5) and no more than seven (7) panelists shall be drawn from the Panelist Pool.

2. Panels shall be convened to reflect diversity of discipline, geography, demographics, and community perspective.

D. Conflicts of Interest

1. Panelists shall disclose any actual or potential conflicts of interest prior to review. Examples of conflicts of interest include, but are not limited to:

   (a) The panelist is employed by, serves on the board of, or holds a fiduciary interest in an applicant organization.

   (b) The panelist is a close relative, domestic partner, or household member of an applicant, project collaborator, or key staff member.

   (c) The panelist is currently under contract, or has been with the previous 12 months, with the applicant as an employee, contractor, or consultant.

   (d) The panelist intends to apply for funding during the same grant cycle.

   (e) The panelist has a pending or recent collaboration, mentorship, or financial relationship with an applicant artist or organization.

   (f) The panelist stands to receive direct or indirect financial benefit from the outcome of the panel's recommendation.

   (g) The panelist has a personal or professional rivalry that could impair objectivity.

2. Panelists shall be recused from deliberation and scoring where a conflict exists.

3. City staff shall maintain records on conflicts and recusals.

E. Duties of panelists

1. Panelists shall review applications in accordance with criteria published in the City's grant guidelines.

2. Panelists shall score and/or recommend applicants for funding, subject to final approval by City Council.

3. Panel deliberations may be conducted virtually or in person, and records shall be maintained in compliance with the Texas Open Meetings Act.

SECTION 3. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses and phrases of this Ordinance are severable and, if any phrase, clause, sentence, paragraph or section of this Ordinance should be declared invalid by the final judgment or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Ordinance.

SECTION 4. All Ordinances or parts thereof in conflict herewith are repealed to the extent of such conflict only.

SECTION 5. All Ordinances of general and permanent nature, and amendments to such Ordinances, hereinafter adopted by the City Council, shall be drafted, so far as possible, as specific amendments of, or additions to, this Code. Amendments to this Code are intended for publication to the Galveston City Code. The Codifier is authorized pursuant to the Galveston City Code to make non-substantive changes to the Ordinance prior to publishing.

SECTION 6. In accordance with the provisions of Sections 12 and 13 of Article II of the City Charter this Ordinance has been publicly available in the office of the City Secretary for not less than 72 hours prior to its adoption; that this Ordinance may be read and published by descriptive caption only.

SECTION 7. This Ordinance shall be and become effective on, from and after its adoption and publication in accordance with the provisions of the Charter of the City of Galveston.

APPROVED AS TO FORM:

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MEHRAN JADIDI
ASSISTANT CITY ATTORNEY

I, Janelle Williams, Secretary of the City Council of the City of Galveston, do hereby certify that the foregoing is a true and correct copy of an Ordinance adopted by the City Council of the City of Galveston at its Regular meeting held on October 23, 2025, as the same appears in records of this office.

IN TESTIMONY WHEREOF, I subscribe my name hereto officially under the corporate seal of the City of Galveston this _____ day of ________________, 2025.

____
Secretary for the City Council

Of the City of Galveston

ORDINANCE NO. 25- ________

AN ORDINANCE OF THE CITY OF GALVESTON, TEXAS, AMENDING THE CODE OF THE CITY OF GALVESTON, GALVESTON 1982, AS AMENDED, BY AMENDING CHAPTER 33, "ARTICLE VII. – 'USE AND DISTRIBUTION OF HOTEL OCCUPANCY TAXES' TO CREATE RULES, POLICIES, AND PROCEDURES FOR ALLOCATION OF HOTEL OCCUPANCY TAX BY THE CITY COUNCIL OF THE CITY OF GALVESTON FOLLOWING RECOMMENDATIONS BY THE ARTS DEVELOPMENT COMMISSION; MAKING VARIOUS FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council has created the Arts Development Commission for the purposes of recommending arts projects and marketing opportunities in the Arts consistent with allowable uses under Texas Tax Code 351 ; and,

WHEREAS, the City believes this commission will perform the task it has been set efficiently and productively; and,

WHEREAS, to accomplish this, it is recommended that the City Council pass new rules and procedures governing the recommendation of HOT; and,

WHEREAS, the City Council deems it in the public's interest to amend Chapter 33, "Article VII. – Use and Distribution of Hotel Occupancy Taxes, by creating new rules and procedures governing the Arts Development Commission's recommendations to City Council regarding HOT Tax.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS:

SECTION 1. The findings and recitations set out in the preamble to this Ordinance are found to be true and correct and they are hereby adopted by the City Council and made a part hereof for all purposes.

SECTION 2. Chapter 33, "Article VII. – Use and Distribution of Hotel Occupancy Taxes, of "The Code of The City of Galveston 1982, as amended," is amended to read and provide as follows:

ARTICLE VII. – USE AND DISTRIBUTION OF HOTEL OCCUPANCY TAXES

Sec. 33-103. – Distribution of hotel occupancy tax proceeds.

The distribution of tax proceeds levied pursuant to Chapter 351 of the Tax Code, including interest, shall be expended for the following purposes:

(1) Two-sevenths (2/7) and one-eight (1/8) for the Galveston Island Convention Center at the San Luis until such time that the Convention Center dect is retired.

***

(4) Seven-eighths (7/8) of one-seventh (1/7) for organizations whose primary purposes are increasing tourist visitation in the areas of historical preservation and restoration, commemoration of historic events or locations, in the encouragement, promotion, improvement and application of the arts, including music (instrumental and vocal), dance, drama, folk art, creative writing, architecture design and allied fields, painting, sculpture, photography, graphic, and craft arts, motion pictures, television, radio, tape and sound recording, theater arts, and the arts related to the presentation, performance, execution and exhibition of these major art forms. The use of these funds shall be for any purpose that is allowed under Texas State law for the use of HOT.

(a) Allocated funds will be disbursed on a fixed dollar amount based on a pro rata adjustment of the seven-eights (7/8) made of (1/7) available, of which:

1/6 will be allocated for public art as recommended by the Arts Development Commission in accordance with the provisions of Chapter 2, Article IV, Division 3 of the Code of the City of Galveston

1/6 will be allocated for operations and maintenance for public art in accordance with local and state tax law, for use by Staff of the City of Galveston for maintenance, marketing, and materials of currently existing public art owned by the City of Galveston

4/6 will be allocated for marketing for eligible entities, the purpose of which is increasing tourist visitation in the areas commemoration of historic events or locations and in the encouragement, promotion, improvement, and application of the arts.

All forfeited and excess funds generated from underestimate of the value of the HOT fund will be placed in the operation and maintenance fund for further use consistent with this program.

Contracts awarded from this program in prior years remain in full force and effect, and all grantees must continue to follow all reporting requirements.

(b) Organizations shall use all funds allocated for the exact purposes stated in State Tax Code pursuant to the use of HOT for Arts & Heritage purposes, Section 351.101:
(a) the encouragement, promotion, improvement, and application of the arts, including instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design and allied fields, painting, sculpture, photography, graphic and craft arts, motion pictures, radio, television, tape and sound recording, and other arts related to the presentation, performance, execution, and exhibition of these major art forms;
(b) historical restoration and preservation projects or activities or advertising and conducting solicitations and promotional programs to encourage tourists and convention delegates to visit preserved historic sites or museums

(c) All recipients of funds from this chapter shall comply with all contractually obligated reporting to the City of Galveston.

SECTION 3. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses and phrases of this Ordinance are severable and, if any phrase, clause, sentence, paragraph or section of this Ordinance should be declared invalid by the final judgment or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Ordinance.

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APPROVED AS TO FORM:

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MEHRAN JADIDI
ASSISTANT CITY ATTORNEY

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____
Secretary for the City Council
Of the City of Galveston