



**Texas Special
Districts Coalition**

2025

89th Texas Regular Session

Legislative Summary



(832) 789-1899

admin@TexasSDC.com

www.TexasSDC.com

Our Legislative Commitment

This Session, the Texas Special Districts Coalition (“TSDC”) advocated on behalf of special districts and collaborated with lawmakers across both chambers to support pro-district legislation, oppose harmful policies, and clarify ambiguous policy language affecting the communities we serve. Thank you for allowing TSDC to represent you—both at the Capitol and in your communities. It has been and remains our privilege.



TSDC proudly serves as a resource and legislative advocate for special purpose districts across Texas. We remain committed to protecting local control, advancing responsive governance, and walking alongside special district leaders from the boardroom to the Capitol.

www.TexasSDC.com

Coalition Leadership



**In 2025, special district leaders
co-founded the Texas Special
Districts Coalition**

**TSDC was formed to unite special districts across Texas, advocate
federally and statewide, and share resource development**

Key Activities:

- Texas Rural Water Day TSDC participated in the Texas Rural Water Authority's Water Day at the Capitol, where our team engaged directly with state lawmakers and staff to raise awareness about various issues affecting special districts, including infrastructure protection and financial constraints
- Legislative meetings and hearings
- Private policy consultations



TSDC expanded its national collaboration by joining the National Special District Association ("NSDA") and the American Association of Special Districts ("AASD")



**The NSDA advocates for recognition, support,
and funding of special districts nationwide**



Strategic Goals:

- Broaden coalition ties
- Advance federal legislation
- Grow member engagement

*May 2025: TSDC participated in NSDA's
Washington D.C. fly-in to support H.R. 2766,
a bill to define Special Districts*



**AASD provides tools and governance
support and raises awareness of special
districts as essential local government
entities**

*April 2025: TSDC
was invited to give a
keynote presentation
at AASD's Southern
Special Districts
Governance Summit*



Bills That Failed to Pass



While these bills did not pass, TSDC actively tracked, analyzed, and monitored each one throughout the session. We engaged with legislative offices, followed hearings, and kept clients informed in real time—ensuring districts stayed ahead, even on bills that didn't become law.

Several bills that failed to pass would have imposed burdensome or restrictive mandates on special districts, and related entities. Their failure is viewed as beneficial for local governance and operational flexibility:

HB 19, HB 3378, SB 1209, SB 533: Election date limitations

HB 336 & 1862: Law enforcement contract authority

HB 363, 2010, 2015, 2268, 3139, 4404 & 5555: Limit MUD creations

HB 391 & 2561: In-district meeting mandates

HB 447: Traffic study delays for MUD bonds

HB 571: Lobbying restrictions

HB 638: Mandatory video recording

HB 1335: Infrastructure liability rules "call before you dig"

HB 1585, SB 1454, SB 2260: Restrictive housing finance reforms

HB 1643 & 3818: NHCRWA regulations

SB 749: Repeal "developing" district status for certain water districts

SB 1413: CCN de-certification procedures

SB 1965: Limits to annexation

SB 2722: Limits HCTRA fees



Significant Bills That Passed

Library District Impact:

- [SB 412](#) & [SB 13](#): Increased oversight & legal exposure for librarians

Public Safety and Wildfire Readiness:

- [SB 34](#) & [SB 868](#): Firefighting equipment funding & database
- [HB 4264](#): Peace officer grants
- [HB 2713](#): Civil service repeal election changes

Housing Finance Reform:

- [HB 21](#): Operational boundaries & transparency for HFCs

Water Sustainability:

- [SB 863](#): Restricts Edwards Aquifer water use

Property Rights & Economic Liberty:

- [HB 517](#) & [HB 2464](#): Home business & drought protection
- [HB 2844](#), [SB 1567](#), [SB 17](#), [SB 2477](#): Regulation relief, housing incentives, and real estate protections

Taxation:

- [HB 148](#), [SB 4](#), [HB 9](#)-[HJR 1](#), [SB 23](#)-[SJR 85](#): ISD homestead & 65+ exemption increases, business personal property tax & appraisal reforms

Environmental Oversight:

- [SB 1145](#), [HB 3333](#), [HB 1532](#): Discharge, dredging, and treated water regulation

Governance:

- [SB 1062](#), [HB 2559](#), [SB 1008](#): Development moratoriums, digital notices, local fee limits
- [HB 103](#) & [HB 3526](#): New muni bond databases
- [HB 149](#), [HB 1500](#), [HB 3512](#): AI restrictions & cyber security/AI training requirements

Spotlight on Water Infrastructure

Historic Funding Advances:

HJR 7: Allocates up to \$1 Billion annually for Texas Water Fund (Vote Nov. 2025)

SB 7: Ensures funding for New Water Supply initiatives

SB 1532: TWDB project transparency

HB 500: \$2.5B in infrastructure appropriations



Significant Bills That Passed (cont...)

District and Water Governance:

- [HB 29](#): Water loss audit mandates
- [SB 1583](#), [SB 1662](#), [SB 1194](#): Groundwater oversight & testing notices, & creating Central Texas Water Alliance
- [SB 612](#), [SB 1253*](#), [SB 790](#), [HB 1318](#): Developer fee limits, service certification, billing rights

Boundary Control & Services:

- [HB 2512](#), [SB 1844](#), [SB 2965](#): Easier disannexation & service protections

Disaster Recovery:

- [HB 3010](#): Rural infrastructure recovery grants
- [HB 1584](#): Adding water/wastewater facilities to critical infrastructure list for power restoration

Election Clarity:

- [SB 1025](#): 'THIS IS A TAX INCREASE' required in ballot language
- [SB 506](#): Ballot clarity and oversight
- [SB 1494](#) & [SB 2753](#): Allowing certain November uniform election dates, & revising early voting period
- [SB 2217](#), [SB 2753](#), [SJR 37](#): Updating voter registration address changes, adding post-election reporting, and clarifying non-citizen voting prohibited

Employment Reforms:

- [HB 762](#) & [SB 2237](#): Severance cap & public disclosure

Open Meetings and Records Laws:

- [HB 1522](#), [HB 2520*](#), [HB 3711](#), [HB 4214](#), [HB 4219](#): Expanded public access & accountability

Sustainable Groundwater Planning:

- [SB 1583](#): Groundwater plan requirements
- [HB 1633](#), [HB 1690*](#), [HB 5560](#), [SB 1055](#): Permit fairness, penalties, conservation funding

Sustainable Electricity:

- [SB 6](#) & [SB 75](#): Large load customer rules, creates Texas Grid Security Commission
- [HB 4370](#): Adds geothermal to list of PID-authorized public utility projects

***Governor Vetoed; Special session was called for 30-day period beginning on July 21, 2025**



CALL TO ACTION

Join the Texas Special Districts Coalition – One Voice for Stronger Communities

The Texas Special Districts Coalition (TSDC) was created to unite special districts across Texas under a common purpose: to protect local governance, advocate for shared interests, and ensure special districts are heard at the state and federal levels. Our mission is to elevate the voice of special districts in Texas by building a broad, engaged network that drives meaningful legislative outcomes. With nearly 3,000 special districts serving in 253 of Texas' 254 counties, the impact of special districts is both widespread and essential. From water and wastewater to emergency services, hospitals, flood control, and more, special districts provide critical services to millions of Texans every day.

As we look ahead to the 2027 Legislative Session and beyond, your participation is more important than ever. TSDC is working now to identify priorities, build relationships, and prepare effective strategies to defend and advance the vital work of special districts. But we can't do it alone.

Join TSDC today and help shape the future of Texas governance. Together, we can protect local control, promote legislative solutions, and ensure special districts have the tools and support they need to serve their communities. For more information on the Texas Special Districts Coalition's foundation or to learn how to get involved, please contact Jonathan Roach at Admin@TexasSDC.com.