

# COMMUNITY RESILIENCY

The 89<sup>th</sup> Regular Session posed new threats to Texas' nonprofit sector, with several bills proposing increased scrutiny and restrictions. Lawmakers introduced several bills that would have placed new restrictions or oversight on nonprofits, including limits on how close "navigation service providers" could operate near schools and parks and new licensing requirements (SB 2623), financial disclosure mandates for nonprofits entering into sizable contracts with political subdivisions (SB 504/HB 4188), and expanded investigatory powers for the attorney general, including the creation of a new criminal offense (HB 4852/SB 2340).

The state budget passed this session prioritized major infrastructure investments, including substantial funding for water supply and system improvements through the Texas Water Fund, as well as increased allocations to strengthen IT systems and cybersecurity across state agencies. However, these investments were not matched in other important areas that support strong, thriving communities—such as digital connectivity, public health, early childhood education, and community-based mental health services.

Legislation to modernize 2-1-1, Texas' statewide information and referral network that connects Texans to local services and nonprofits (HB 38), was a priority bill for the Speaker. United Ways of Texas led advocacy efforts, in partnership with our network and other stakeholders, to move this bill and elevate the critical role 2-1-1 plays in community resiliency. While the bill did not pass, our collective efforts helped build strong legislative support and set the stage for progress next session.

Additionally, the Legislature advanced efforts to limit diversity, equity, and inclusion (DEI) initiatives, most notably through SB 12, which was signed into law and restricts DEI-related roles, policies, and trainings in public K-12 schools while imposing new requirements for parental consent and employee conduct. Other DEI-related bills, such as SB 689 (which sought to prohibit state entities from promoting certain ideological concepts) and HB 5294 (which aimed to ban race considerations in medical school admissions), did not pass. While these efforts reflect ongoing debates at the state level, many nonprofit organizations—including Texas United Ways—remain committed to serving all communities and ensuring that programs are responsive to the diverse needs of the people they support.

# Passed

## **Nonprofit Capacity, Volunteerism, & Charitable Giving**

SB 2018 by Sen. Paxton establishes a Strong Families Tax Credit to incentivize business contributions to approved nonprofits that provide family strengthening services

SB 2411 by Sen. Schwertner updates the Texas Business Organizations Code, including changes to how corporations and nonprofits operate. It clarifies governance procedures, expands the use of electronic communication, and aligns legal processes with the newly established Texas Business Court.

HB 4226 by Rep. Morales Shaw exempts nonprofit food banks and housing and related service providers from paying motor vehicle sales, use, or rental taxes when acquiring vehicles for their operations.

## **Digital Connectivity & Cyber Security**

SB 1405 by Sen. Nichols streamlines our state's broadband policy by raising the official definition of broadband to 100/20 Mbps, simplifying grant and loan processes at the Texas Broadband Development Office, improving mapping and transparency, and ensuring internet access remains tax-exempt.

HB 150 by Rep. Capriglione establishes the Texas Cyber Command to strengthen the state's cybersecurity operations.

## **Disaster Response, Recovery, & Resiliency**

HB 1584 by Rep. Hull requires electric utilities to maintain a list of priority facilities—such as hospitals, police and fire stations, critical water systems, and certain state-run confinement facilities—and to allow eligible facilities to request inclusion via the utility's website. Utilities must confirm priority status upon request and share the list with the Texas Division of Emergency Management during declared disasters.

HB 3010 by Rep. Ashby creates the Rural Infrastructure Disaster Recovery Program, administered by the Texas Division of Emergency Management, to help rural communities recover from disasters. The program provides funding to eligible local governments to repair and rebuild critical infrastructure damaged by disasters.

# Passed

## **Other Community Resiliency & Nonprofit Sector Bills:**

SB 7 by Sen. Perry and HJR 7 by Rep. Harris dedicates \$1 billion in annual sales tax revenue to the Texas Water Fund for 20 years, beginning in 2027. The funding will support water supply projects and the repair of failing water systems across the state.

SB 2753 by Sen. Hall revises the early voting schedule by adding a second weekend of access, requiring longer Sunday hours, and mandating voting on holidays, while maintaining the 12-day period and eliminating the gap before Election Day.

HB 12 by Rep. Bell mandates regular efficiency audits and thorough performance evaluations for state agencies subject to the Sunset review process.

HB 1522 by Rep. Gerdes requires government bodies to post meeting notices at least three full business days in advance (instead of 72 hours). If a meeting involves discussion or adoption of a budget, the notice must include a physical copy of the budget unless it is clearly accessible on the entity's website homepage.

HB 5195 by Rep. Capriglione requires state agencies to modernize their websites using user-centered design to improve accessibility and reduce reliance on paper forms. It directs the Department of Information Resources to support agencies with templates, best practices, and technical assistance.

## **Key Budget Items:**

\$723.9 million (all funds) across multiple state agencies for major digital infrastructure upgrades to improve cybersecurity, modernizing systems, and enhancing cross-agency data sharing; \$2.5 billion investment in the Texas Water Fund to support projects that repair, upgrade, and expand the state's water infrastructure systems; and \$135 million to the Texas Department of Emergency Management.