NOTICE OF MEETING
HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3

TO: THE BOARD OF DIRECTORS OF HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3, AND TO ALL OTHER INTERESTED PERSONS:

Notice is hereby given that the Board of Directors of Harris County Improvement District No. 3 (the "District") will hold a **REGULAR MEETING**, open to the public, on **TUESDAY, SEPTEMBER 23, 2025,** at **9:00 a.m.,** at 3120 Southwest Freeway, Houston, Texas 77098**,** within the boundaries of the District**.**

At the meeting the following items will be considered and acted on:

1. **Approve minutes of June 17, 2025, meeting;**
2. **Receive comments or questions from the public;**
3. **Receive security and patrol services report;**
   a) Receive general report;
   b) Discuss the provision of additional security services;
   c) Authorize appropriate action;
4. **Receive report on federal/state/local funding development and management** [The Goodman Corporation ("TGC")];
5. **Receive property tax advisor report:**
   a) Receive general report;
   b) Receive 2025 Taxable Value Report;
   c) Adopt Resolution Regarding Development Status for 2025 Tax Year [GR 2025-_];
   d) Review possible tax rates and related calculations, and authorize publication of Notice of Public Hearing on Tax Rate;
   e) Authorize appropriate action;
6. **Project design, acquisition, and construction:**
   a) **Shepherd Drive Improvements** [T-1914]:
      i) Update on UKRA construction progress;
   b) **West Alabama Street Improvements** [T-1920]:
      i) Update on design progress;
   c) **Kirby Drive Improvements (US 59 to Bissonnet)** [T-1926]:
      i) Update on planning progress;
   d) **Buffalo Speedway Improvements (US 59 to Westheimer)** [T-1918]:
      i) Update on planning progress;
   e) Authorize appropriate action;
7. **Facilities and grounds maintenance:**
   a) Receive general report;
   b) Authorize other appropriate action;
8. **Audit and Reporting Matters:**
   a) Engage auditor to prepare audit for fiscal year ending October 31, 2025;
   b) Authorize preparation of Annual Report in accordance with District's Continuing Disclosure of Information Agreement and as referenced by SEC Rule 15c2-12;
9. **Financial and administrative matters:**
   a) Receive bookkeeping report, and authorize payment of invoices;
   b) Review proposed budget for FY 2026;
   c) Authorize other appropriate action;
10. **Consider adjournment.**

***The Board will conduct an in-person meeting at its physical meeting location with a quorum of the Board present; provided that some Board members may participate by videoconference as provided in Section 551.127, Government Code.**

(SEAL)

Executive Director for the District

TO ATTEND VIA VIDEO:

Link: https://us02web.zoom.us/j/82031829122?pwd=lbS55Low2Ehb1Rqkk5H5Sg7QiHAe8T.1
Meeting ID: 820 3182 9122
Passcode: 369365

TO ATTEND VIA AUDIO ONLY:

Dial: 1-346-248-7799
Meeting ID: 820 3182 9122
Passcode: 369365

TAXPAYER IMPACT STATEMENT

	Current Budget Fiscal Year Ending (September 2025)**	Proposed Budget Fiscal Year Ending (September 2026)**	No-New-Revenue Tax Rate Budget***
Estimated District Operations and Maintenance Tax Bill on Average Homestead*	$1,286.34	$1,286.34	$1,286.34

*The District levies taxes in accordance with the Texas Water Code. The District's current operations and maintenance tax rate is equal to $0.12879 per $100 of assessed value. Average homestead values are determined by the Harris Central Appraisal District. All estimates above were prepared utilizing the average resident homestead value as of the time that the District's most recent Truth in Taxation worksheet was prepared in accordance with the Texas Water Code.

**Average tax bill estimates for the current and proposed budgets reflect those taxes necessary to fund the operations and maintenance tax revenues stated in the applicable budget.

***This column estimates the operations and maintenance taxes to be paid on the average homestead if the proposed budget generates the same amount of operations and maintenance tax revenues as the current budget.

PROPOSED BUDGET AVAILABLE

Electronic copies of the proposed budget are accessible at https://www.upperkirby.org. Physical copies of the budget shall be made available upon request during regular business hours.

MINUTES OF REGULAR MEETING
OF
HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3

June 17, 2025

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

The Board of Directors (the "Board") of Harris County Improvement District No. 3 (the "District") met in regular session, open to the public, on the 17th day of June, 2025, at the regular meeting place, inside the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Patricia Ann Chesnick	President
Cort King	Vice President
Andrew Rice	Secretary/Treasurer
Chris Gibbs	Director
Barrett Webster	Director

and all of the said persons were present.

Also attending all or portions of the meeting were Travis Younkin, Sharon Haynie, and Lee Cisneros of the District; Captain Paul Martinez of Houston Metro Coordinators ("HMC"); Lita Lemus of Utility Tax Service, LLC; Melissa Morton of The Morton Accounting Services; Kristen Hennings of Quiddity-1, Inc.; Rajesh Tanwani of Ardurra Group, LLC; Jim Webb of The Goodman Corporation ("TGC"); Helen Zunka of the Montrose TIRZ; and John Kuhl and Audrey Lyons of Sanford Kuhl Hagan Kugle Parker Kahn LLP ("SKLaw").

President Chesnick noted that a quorum of Board members was present and called the meeting to order.

APPROVE MINUTES

The Board considered approving the minutes of the April 15, 2025, meeting. Upon motion by Director Gibbs, seconded by Director Rice, and after full discussion, the Board voted unanimously to approve the minutes, and to authorize execution by the Secretary, and if necessary, to authorize the use of facsimile, electronic, or other appropriate signatures.

RECEIVE COMMENTS OR QUESTIONS FROM THE PUBLIC

The next item on the agenda was to receive comments or questions from the public.

Ms. Zunka addressed the Board regarding the West Alabama project and undertakings by the Montrose TIRZ on its related work on the eastern side. She queried on the relocation of utilities and other project components. Mr. Younkin provide a project overview and timeline, and stated that he will continue to coordinate with the Montrose TIRZ on the eastern junction.

RECEIVE SECURITY AND PATROL SERVICES REPORT

Captain Martinez reviewed patrol service activity and statistics reports for the months of April and May, noting a 46% decrease in overall crime in May. He discussed ongoing issues with public nuisance, criminal mischief events, and BMVs. He also addressed planning and law enforcement coordination with respect to FIFA World Cup 2026.

Captain Martinez stated that the area within the District continues to be one of the safest when compared to adjacent areas.

The Board took the security and patrol services report under advisement.

Captain Martinez then exited the meeting.

DIRECTOR MATTERS

Ratify Appointment of Director Webster

The next item on the agenda was to ratify the appointment of Director Webster. Upon motion by Director Gibbs, seconded by Director Rice, and after full discussion, the Board voted unanimously to ratify the appointment of Barrett Webster to Position 4 of the Board of Directors, replacing Mr. Keller for the remainder of his unexpired term, all as discussed at the last meeting.

Ratify Approval of Sworn Statement and Oath of Director Webster

Mr. Kuhl then reviewed with the Board an Oath of Office and Sworn Statement for Mr. Webster provided in accordance with the provisions of Section 49.055 of the Texas Water Code.

Upon motion by Director Gibbs seconded by Director Rice, and after full discussion, the Board voted unanimously to ratify approval of the said Sworn Statement and Oath, and to authorize that each be filed in the District's official records, and that such Oath also be filed with the Secretary of State of the State of Texas.

REVIEW REPORT ON FEDERAL/STATE/LOCAL FUNDING DEVELOPMENT AND MANAGEMENT

Mr. Webb reviewed ongoing efforts with H-GAC regarding the West Alabama federal funding transfer. He reported that approximately $7.4 million in funds allocated through TXDOT are in the process of being transferred to the FTA. Once the transfer is complete, the funds will proceed through the administrative grant process to be prepared for utilization. He noted that coordination is underway with both the FTA and the City.

Mr. Webb advised that TXDOT is reconciling funding for the Eastside project from prior years and has identified nearly $1 million in federal funds that had not previously been applied. He stated that funds have been retroactively applied to the project, in an accounting and true-up, possibly making additional funding available for the District.

Mr. Webb stated that he and Mr. Cisneros are coordinating efforts on updates to the District website to reflect current project designs and changes as work proceeds.

Mr. Webb advised that an upcoming call for projects in the categories of pedestrian-oriented improvements and safety projects is anticipated toward the end of summer.

The Board took Mr. Webb's report under advisement.

RECEIVE PROPERTY TAX ADVISOR REPORT

The Board then received the Property Tax Advisor Report.

Receive general report

Ms. Lemus reviewed the Property Tax Advisor's report, advising that approximately 98.54% of the 2024 taxes have been collected to date. She then reviewed a historical recap of property valuations and prior taxes levied. She also updated the Board on current HCAD valuations and updates and discussed the impact of tax lawsuit settlements.

DRAFT

The Board took the property tax advisor report under advisement.

PROJECTS REPORT

Mr. Cisneros reviewed the general project status report.

Shepherd Drive Streetscape/Landscape Improvements

Mr. Cisneros advised that project punchlist items continue to be addressed. He stated that wooden pole removal is complete and related finish-out for affected sidewalks is ongoing. He stated that CPT streetlights and pedestrian lights are operational. He stated that the project should be finalized in the coming weeks.

West Alabama

Mr. Cisneros reviewed project plan updates to accommodate City requirements for vehicle lanes and sidewalks, noting that final design work is well underway. He discussed ongoing coordination with St. John's School on access to its remote facilities, and various right-of-way identification efforts. He also discussed the impact on existing mature trees, noting most will be saved.

Mr. Cisneros then reviewed possible Phase 1 construction timeframes. He stated that bidding would likely take place in the fall, with a possible construction start after the holidays.

Kirby Drive & Buffalo Speedway

Mr. Cisneros advised that reconstruction of Kirby Drive south of US-59 and reconstruction of Buffalo Speedway north of US-59 are progressing in the pre-engineering phases with Ardurra, and that preliminary engineering reports are being prepared. He advised that project scope, along with traffic findings, are under review.

President Chesnick, Mr. Younkin, and Mr. Webb then discussed the impact of state and City construction projects outside of the District, including the downtown I-45 rebuild and its likely ripple effect on adjacent areas. Mr. Younkin reviewed planning efforts and actions that may be needed.

The Board took the projects report under advisement.

FACILITIES AND GROUNDS MAINTENANCE REPORT

Receive General Report

Mr. Younkin next updated the Board on facilities and grounds maintenance matters for April and May. He advised that efforts primarily focused on streetscape work. He discussed a recent fire at an Upper Kirby phone booth, and related actions. He noted ongoing clean-up needs in connection with debris and personal effects from transients. He also reviewed the City's concrete replacement for the non-District, problematic pavers at West Main.

Mr. Younkin discussed ongoing efforts in pursuing FEMA funding for storm-related damages from Beryl to facilities and landscaping, noting assistance from TGC.

The Board took the facilities and grounds maintenance report under advisement.

Confirm Agreement for Custom Holiday Décor and Lighting [Always in Season Decorating Services, Inc.]

The Board next discussed the current agreement for holiday décor and lighting within major District corridors. Mr. Younkin advised that the agreement extends the work and decorative format from prior years, which has been generally well received by the public. He discussed funding and advised that the projected cost remains within budget.

Upon motion by Director King, seconded by Director Gibbs, and after full discussion, the Board voted unanimously to confirm the ongoing agreement for holiday décor and lighting, and to authorize payment of the related invoice.

FINANCIAL MATTERS

Receive Bookkeeping Report

The Board next received the Bookkeeping Report. Mr. Younkin reviewed with the Board the bookkeeping reports for April and May, including the quarterly investment reports.

Director Gibbs queried on permitted investment for District cash holdings. Mr. Younkin advised that public fund investment options are limited due to statutory restrictions. He stated that funds are currently held in TexPool, but additional options can be considered.

Upon motion by Director King, seconded by Director Rice, and after full discussion, the Board voted unanimously to approve the bookkeeping reports, and payment of bills.

CONSIDER ADJOURNMENT

The next item on the agenda was to consider adjournment.

There being no further business to come before the Board, the meeting was adjourned.

_____
Secretary, Board of Directors

(SEAL)

DRAFT

Upper Kirby District Reported Criminal Incidents

Prior Month Comparison (August 2025)

	July-25	August-25	Plus / Minus	Increase / Decrease
Homicides	0	0	#DIV/0!	No Change
Sexual Assault	0	2	200%	Increase
Robbery (Comm/Person)	4	2	-50%	Decrease
Aggravated Assault / Assaults	18	15	-20%	Decrease
Burglaries (Comm / Resident)	2	3	33%	Increase
Thefts	37	22	-68%	Decrease
Burglary Motor Vehicle	39	54	28%	Increase
Auto Theft	0	3	300%	Increase
Totals:	100	101	1%	Increase

NOTE: Part 1 reported criminal incidents for August 2025 demonstrate a minimal increase of approximately 1% or 101 reported incidents within the Upper Kirby Management District. The Patrol Team have continued to stay on top of the homeless reported incidents as well as proactive patrols to deter criminal activity of trespassing, panhandling, and roadway violations to address.

Summary:

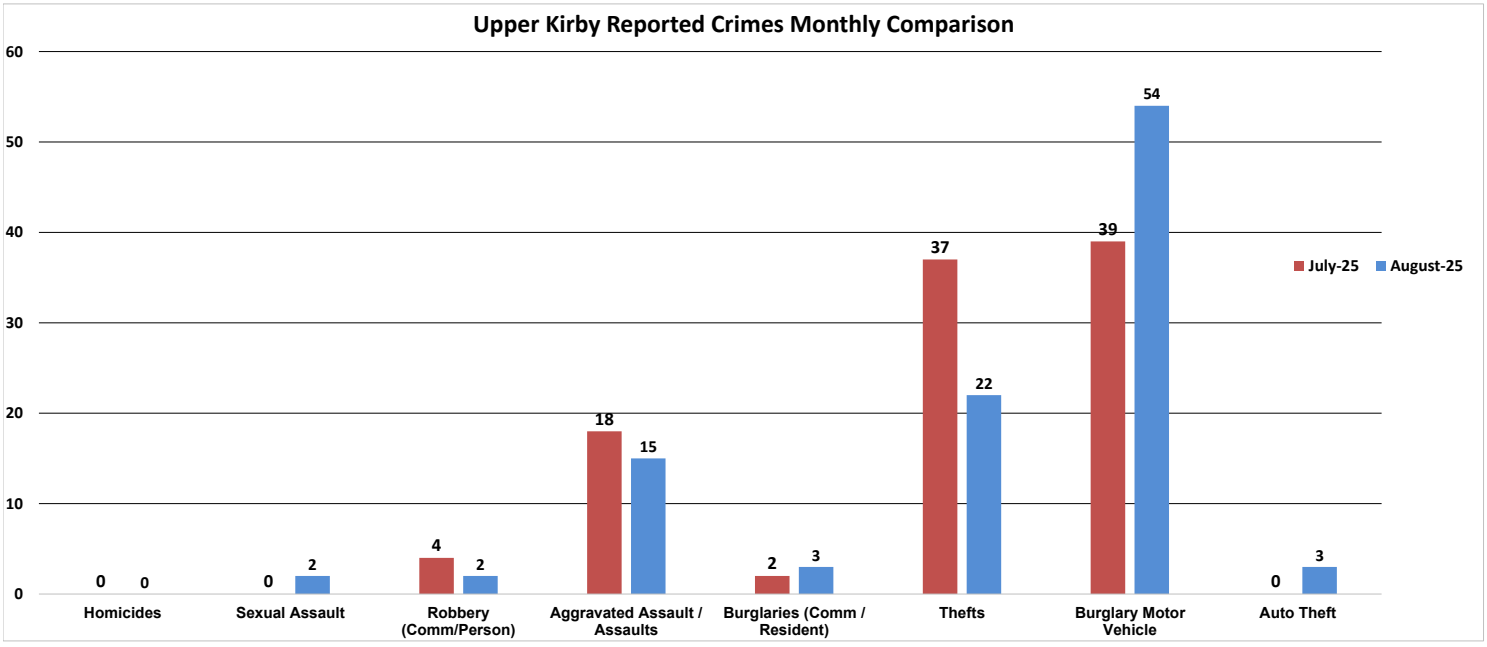
Robberies: 8/4 - CVS Parking lot | 8/24/25 - Buffalo Spwy (Bus Stop)

Assaults: Sante Cocktail Bar (2)

Vehicle Burglaries: Twin Peaks (3) | Kirby Icehouse (3) | Christian Tailgater (4) |Academy (5) | Lupe Tortilla (2)

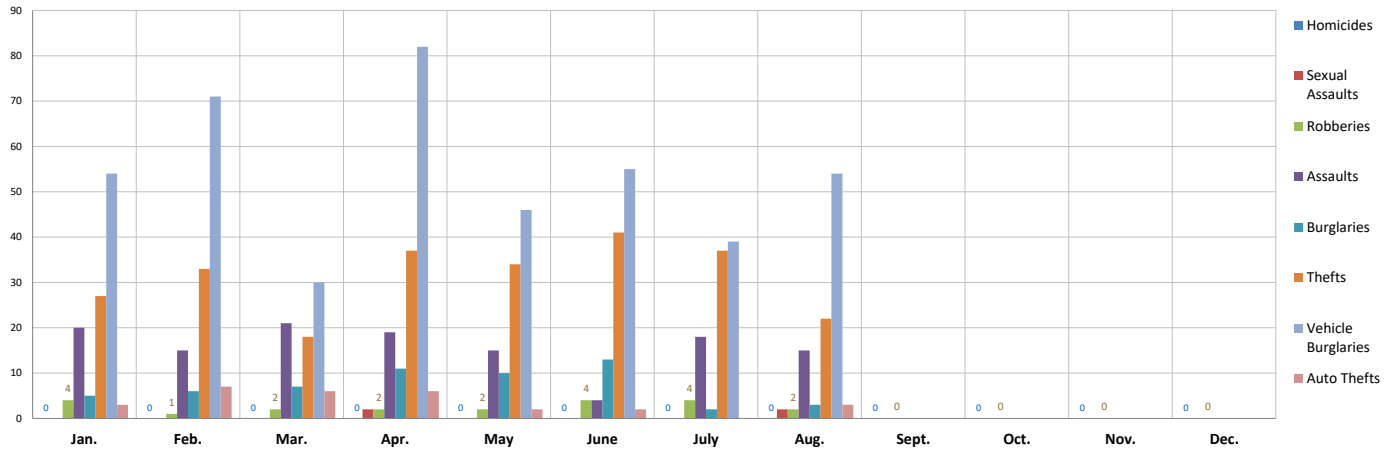
Sexual Assault: 8/24/25 - 1903 Portmouth Apt (Residence) | 8/25/25 - 2100 Colquitt (Residence)

Date:	Event Type:	Locations	# of Events:
Homicides			
8/1-31/2025	Homicide / Murder	No Reported Incidents	0
Total Homicides:			**0**
Sexual Assaults			
8/24/2025	Sexual Assault - Forcible Rape	1903 Portsmouth Apts	1
8/25/2025	Sexual Assault - Forced Fondling	2100 Colquitt - Residence	1
Total Sexual Assaults:			**2**
Robberies			
8/4/2025	Robbery	2100 W. Alabama - CVS Lot	1
8/24/2025	Robbery	5200 Buffalo Spwy - Bus Stop	1
Total Robberies:			**2**
Assaults / Aggravated Assaults			
8/1-31/2025	Assaults	Various UK Locations	15
Total Assaults:			**15**
Burglaries (Residence / Commercial)			
8/1-31/2025	Burglaries	Various UK Locations	3
Total Burglaries:			**3**
Thefts (Shoplifting, Theft from Person, Etc)			
8/1-31/2025	Thefts	Various UK Locations	22
Total Thefts:			**22**
Burglary of Vehicles			
8/1-31/2025	Burglary Motor Vehicles	Various UK Locations	54
Total Theft from Vehicle:			**54**
Motor Vehicle Thefts			
8/1-31/2025	Motor Vehicle Thefts	Various UK Locations	3
Total Theft of Vehicles:			**3**



Upper Kirby Management Part 1 Crimes - 2025 Summary

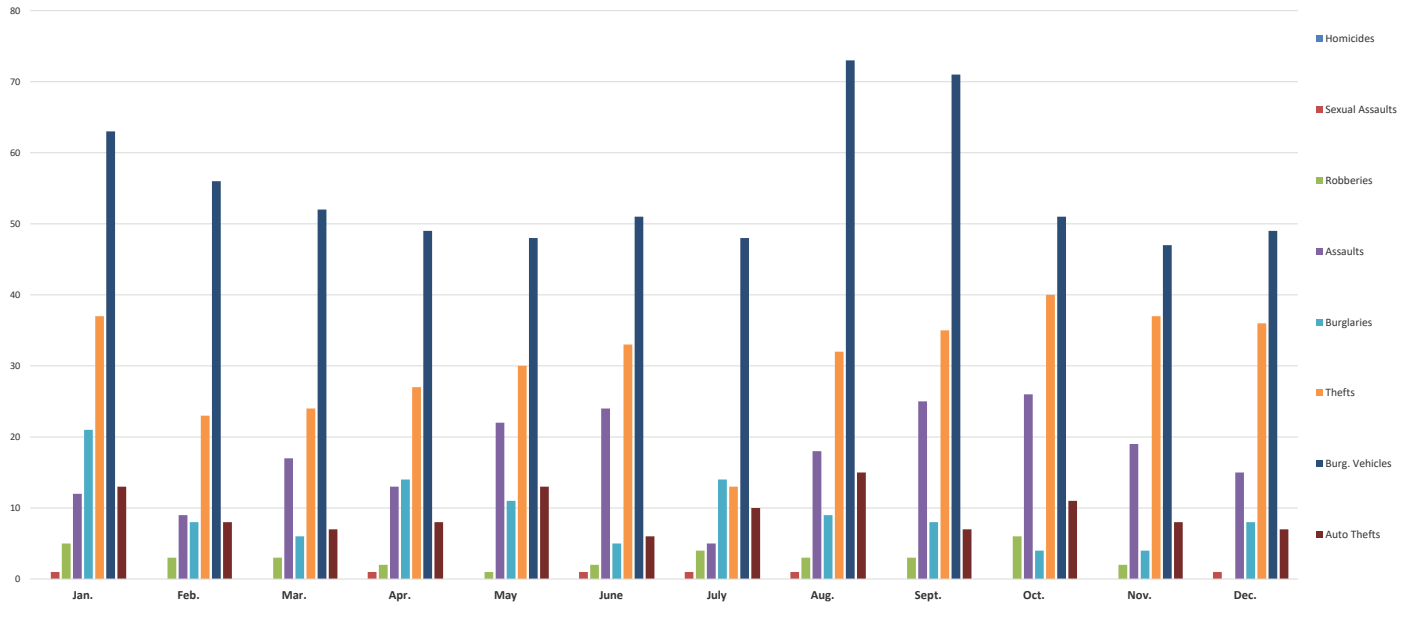
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	YTD
Homicides	0	0	0	0	0	0	0	0	0	0	0	0	0
Sexual Assaults	0	0	0	2	0	0	0	2	0	0	0	0	4
Robberies	4	1	2	2	2	4	4	2	0	0	0	0	21
Assaults	20	15	21	19	15	4	18	15	0	0	0	0	127
Burglaries	5	6	7	11	10	13	2	3	0	0	0	0	57
Thefts	27	33	18	37	34	41	37	22	0	0	0	0	249
Vehicle Burglaries	54	71	30	82	46	55	39	54	0	0	0	0	431
Auto Thefts	3	7	6	6	2	2	0	3	0	0	0	0	29



Prior Year Crime Activity Comparison

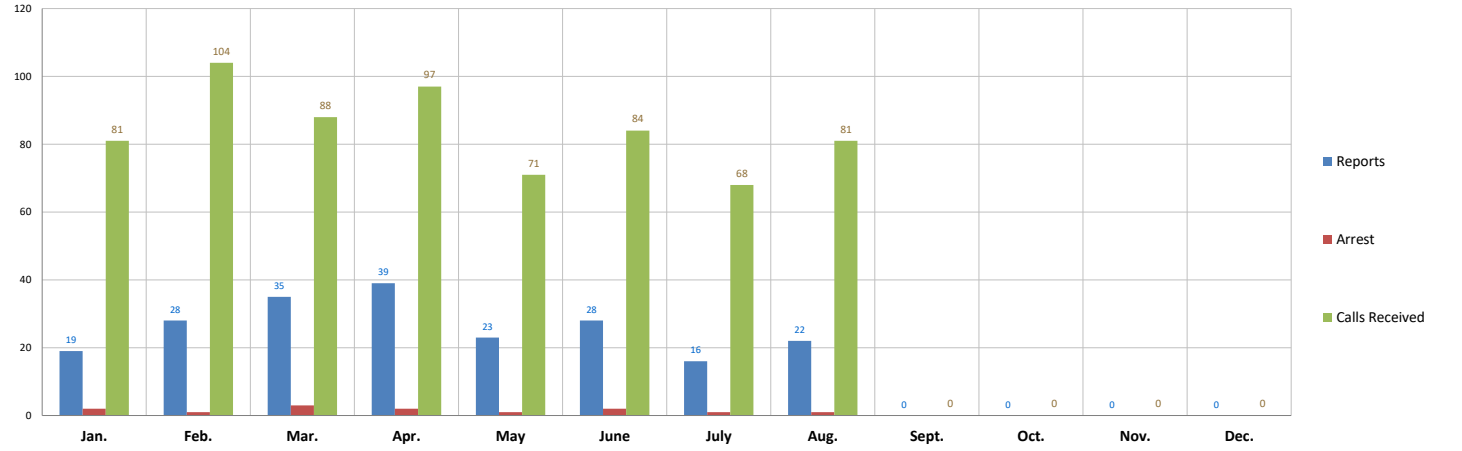
Upper Kirby Management Part 1 Crimes - 2024 Summary

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	YTD
Homicides	0	0	0	0	0	0	0	0	0	0	0	0	0
Sexual Assaults	1	0	0	1	0	1	1	1	0	0	0	1	6
Robberies	5	3	3	2	1	2	4	3	3	6	2	0	34
Assaults	12	9	17	13	22	24	5	18	25	26	19	15	205
Burglaries	21	8	6	14	11	5	14	9	8	4	4	8	112
Thefts	37	23	24	27	30	33	13	32	35	40	37	36	367
Burg. Vehicles	63	56	52	49	48	51	48	73	71	51	47	49	658
Auto Thefts	13	8	7	8	13	6	10	15	7	11	8	7	113



Upper Kirby Management Patrol - 2025 Summary

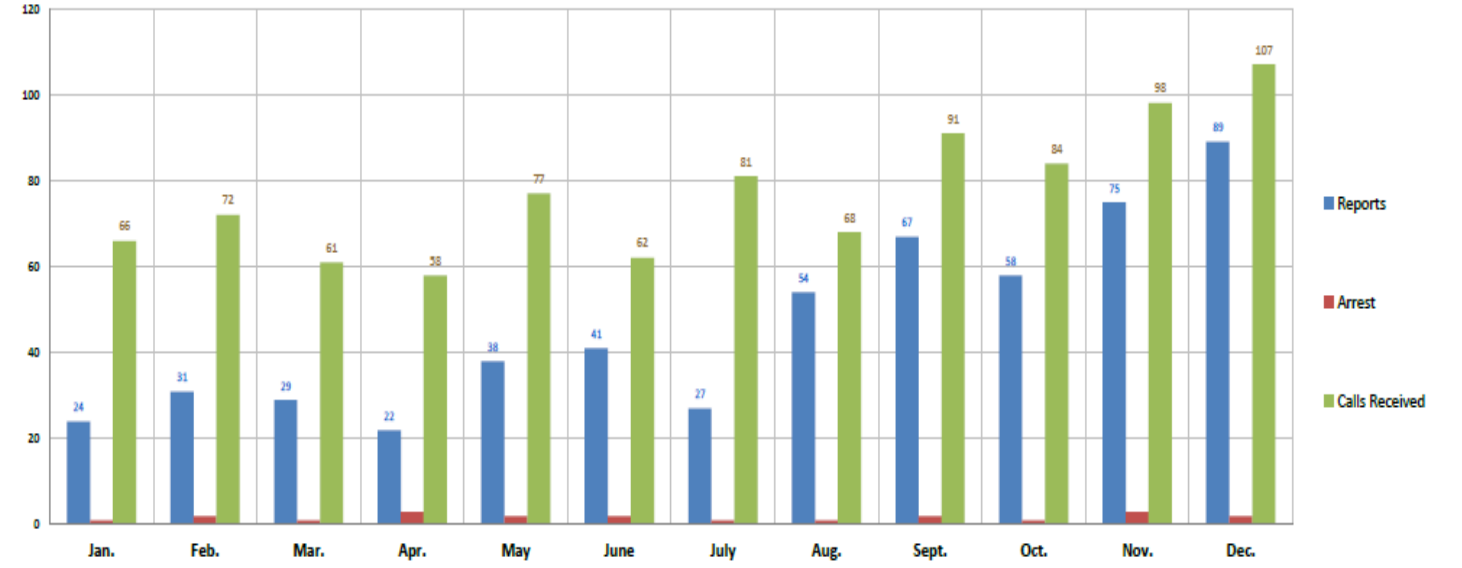
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	YTD
Reports	19	28	35	39	23	28	16	22	0	0	0	0	210
Arrest	2	1	3	2	1	2	1	1	0	0	0	0	13
Calls Received	81	104	88	97	71	84	68	81	0	0	0	0	674



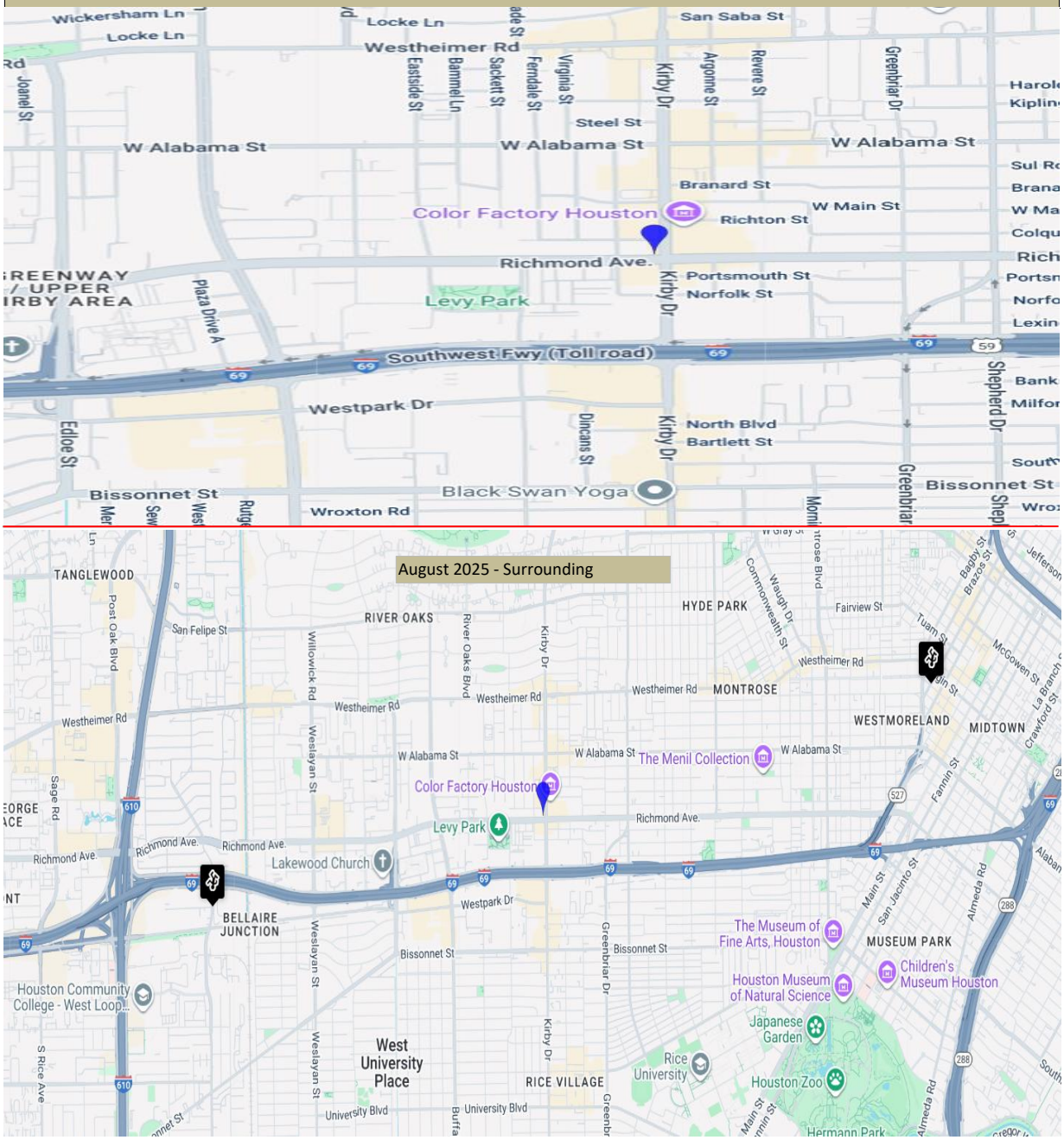
Prior Year Activity Comparison

Upper Kirby Management Patrol - 2024 Summary

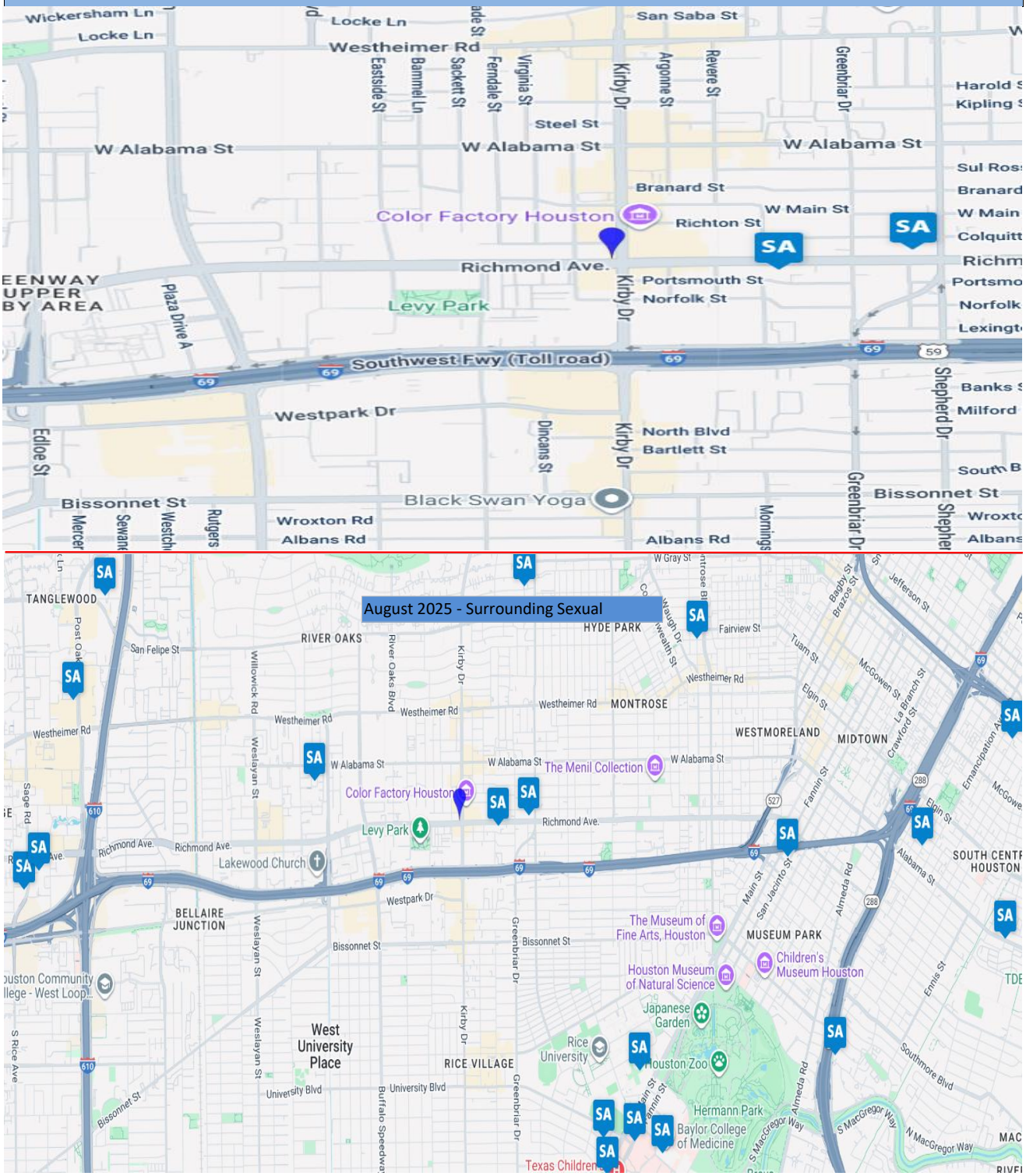
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	YTD
Reports	24	31	29	22	38	41	27	54	67	58	75	89	555
Arrest	1	2	1	3	2	2	1	1	2	1	3	2	21
Calls Received	66	72	61	58	77	62	81	68	91	84	98	107	925



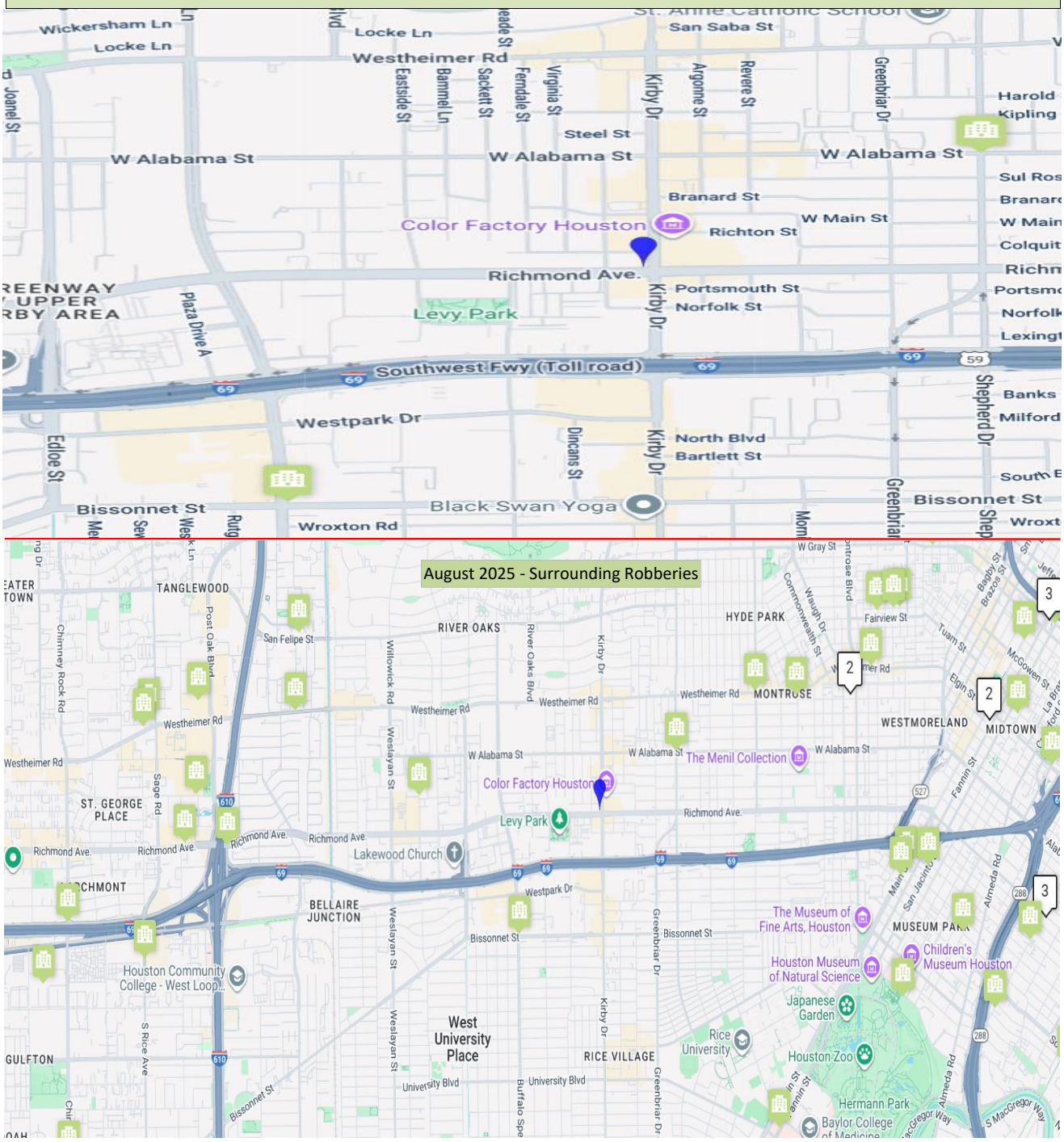
Upper Kirby Crime Map: Homicides (0)



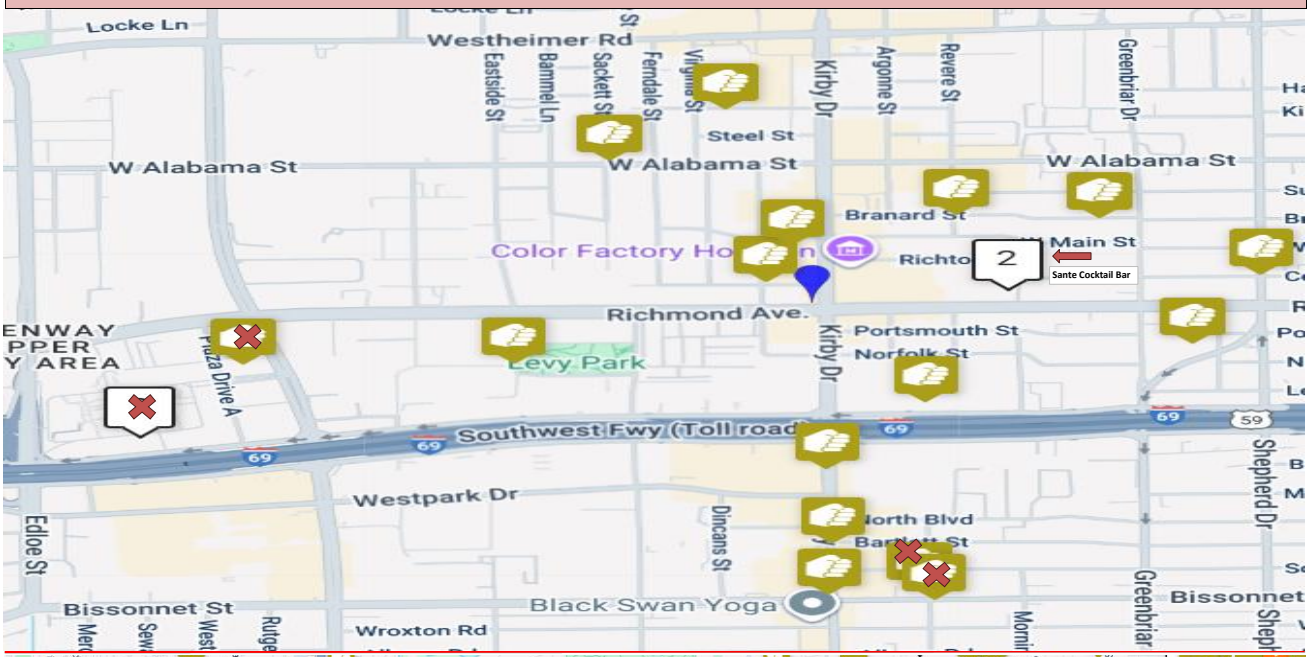
Upper Kirby Crime Map: Sexual Assaults (2)

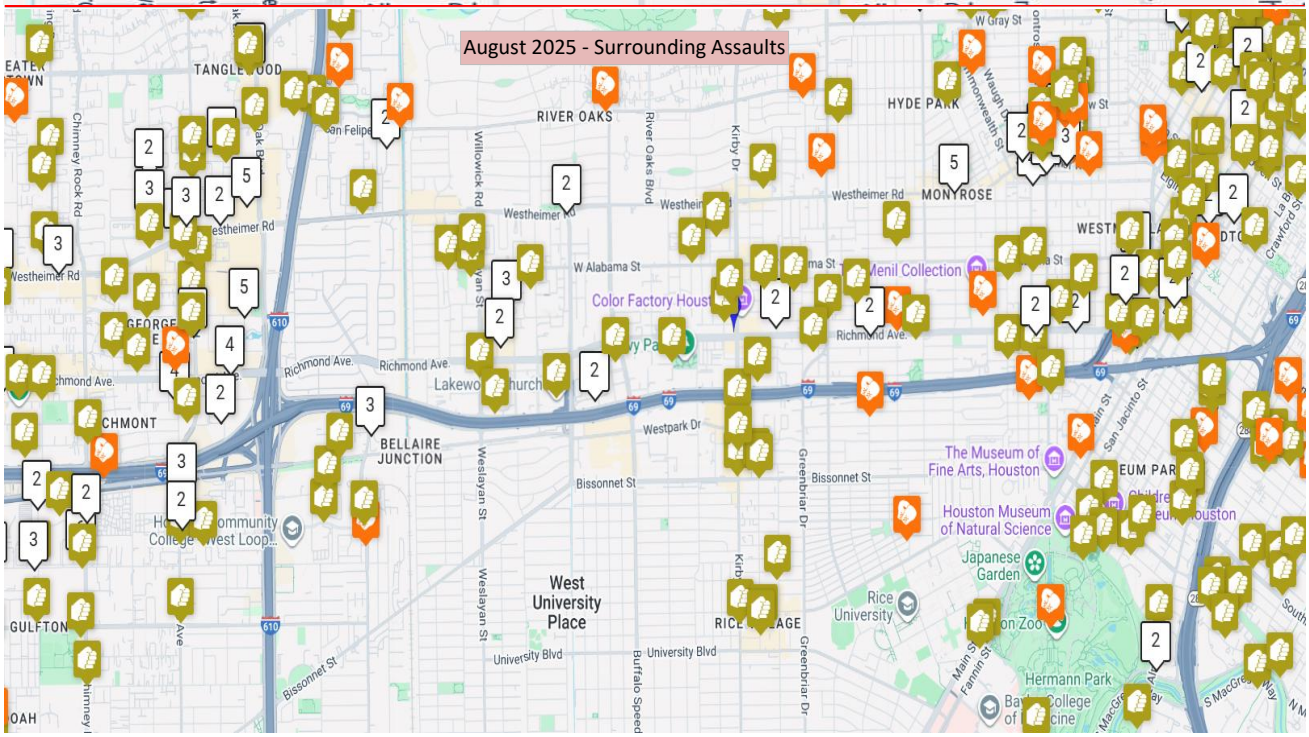


Upper Kirby Crime Map: Robberies (2)

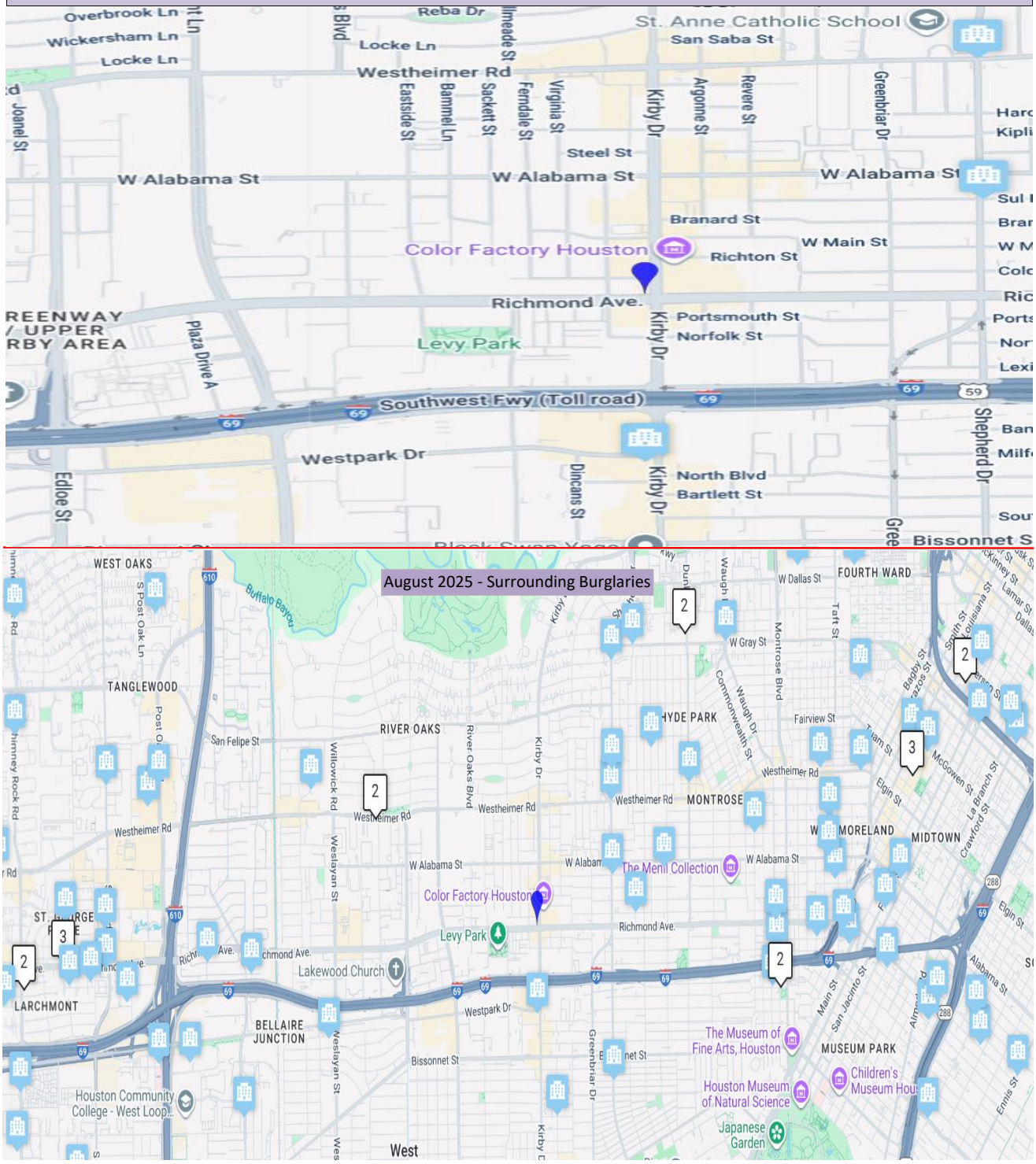


Upper Kirby Crime Map: Assaults (15)

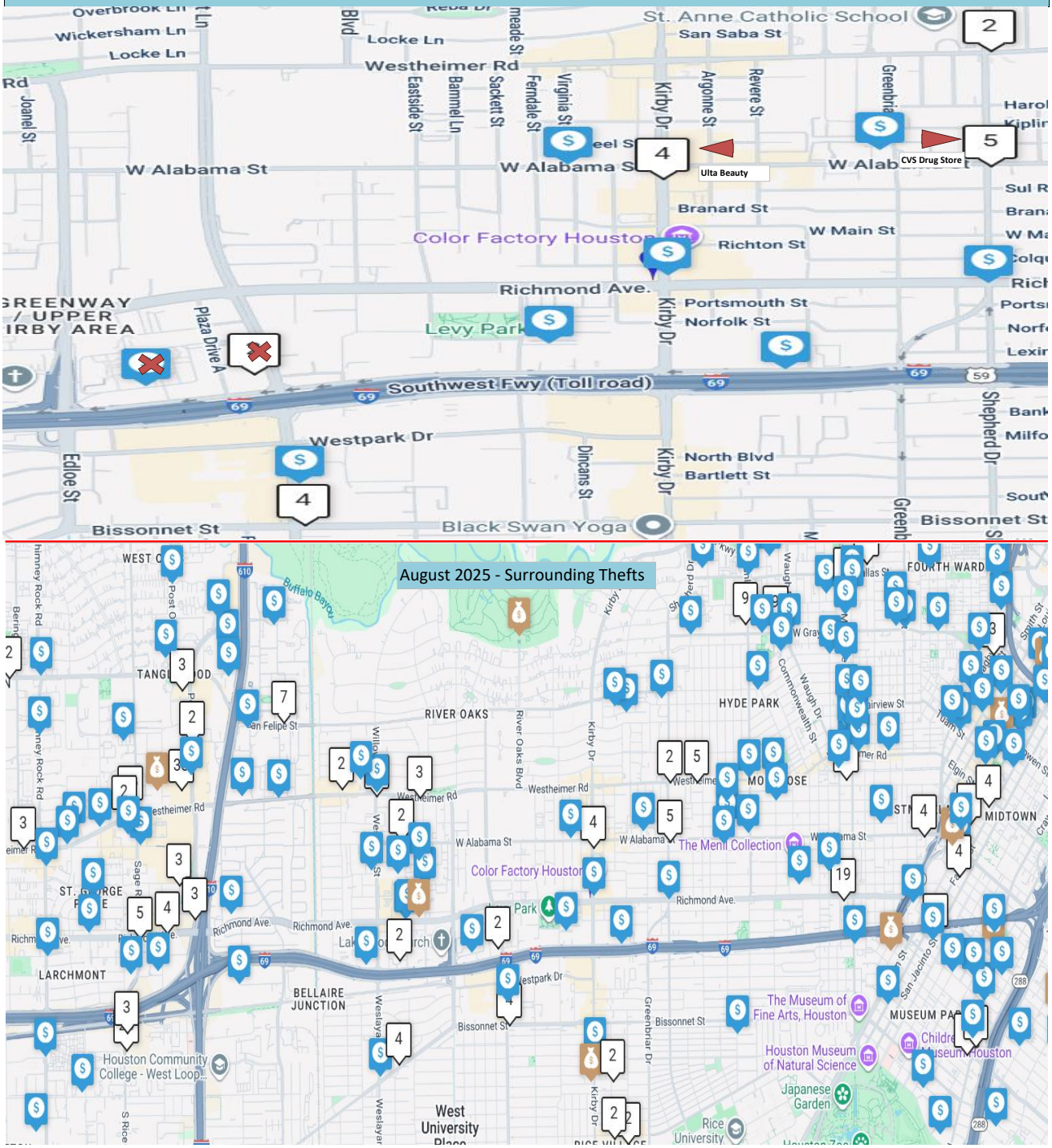




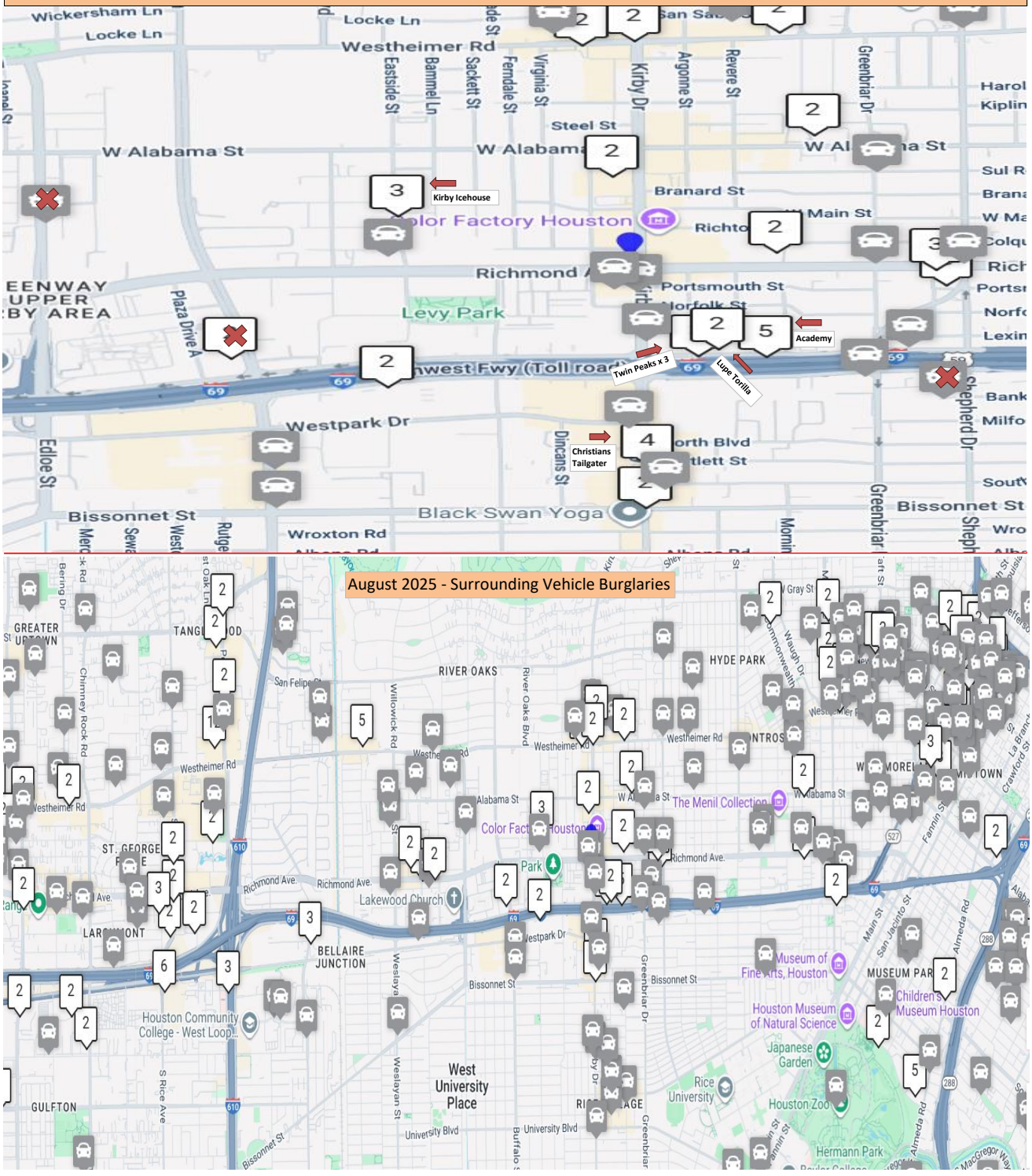
Upper Kirby Crime Map: Commercial / Residential Burglaries (3)



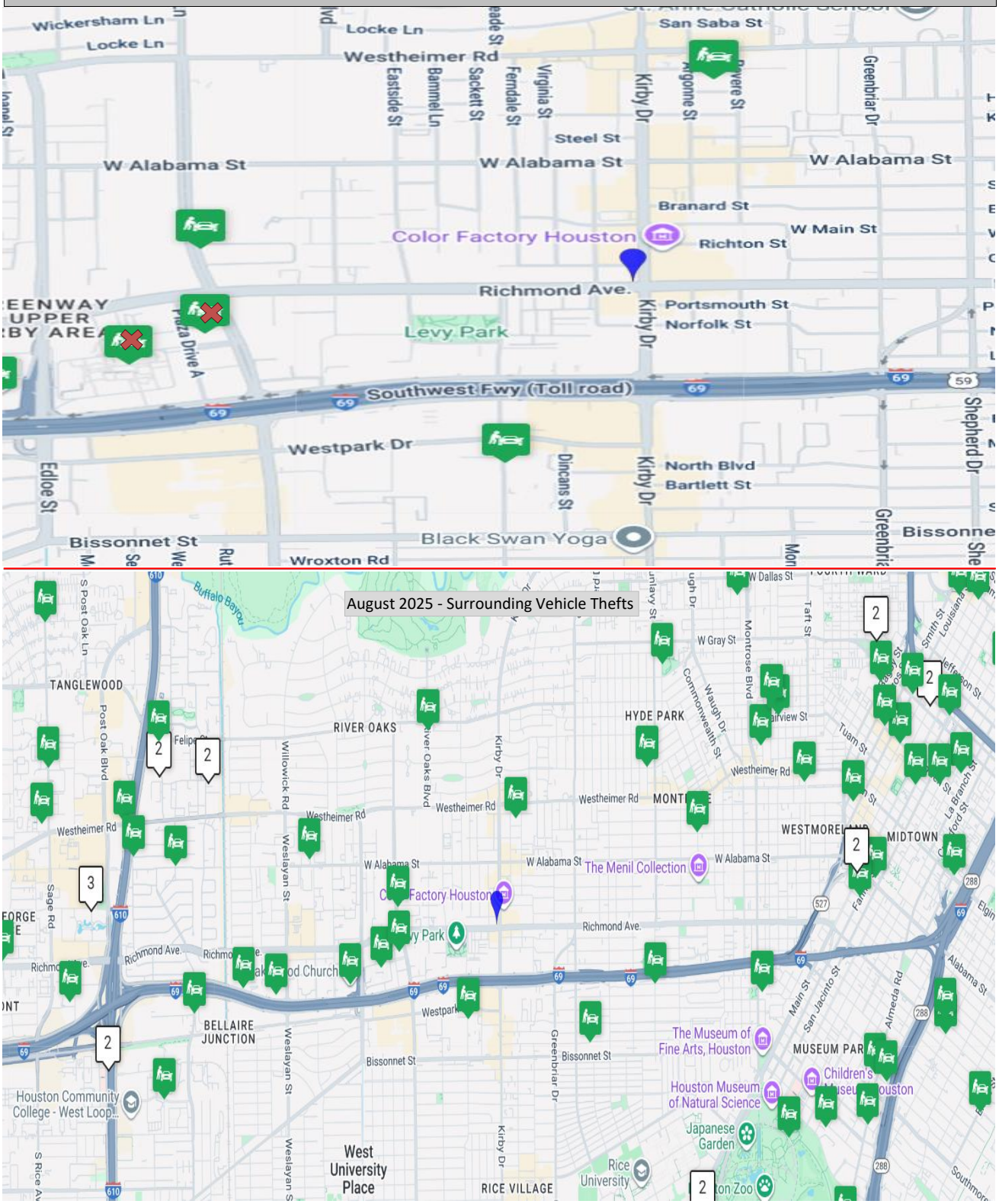
Upper Kirby Crime Map: Thefts (22)



Upper Kirby Crime Map: Motor Vehicle Burglaries (54)



Upper Kirby Crime Map: Auto Theft (3)



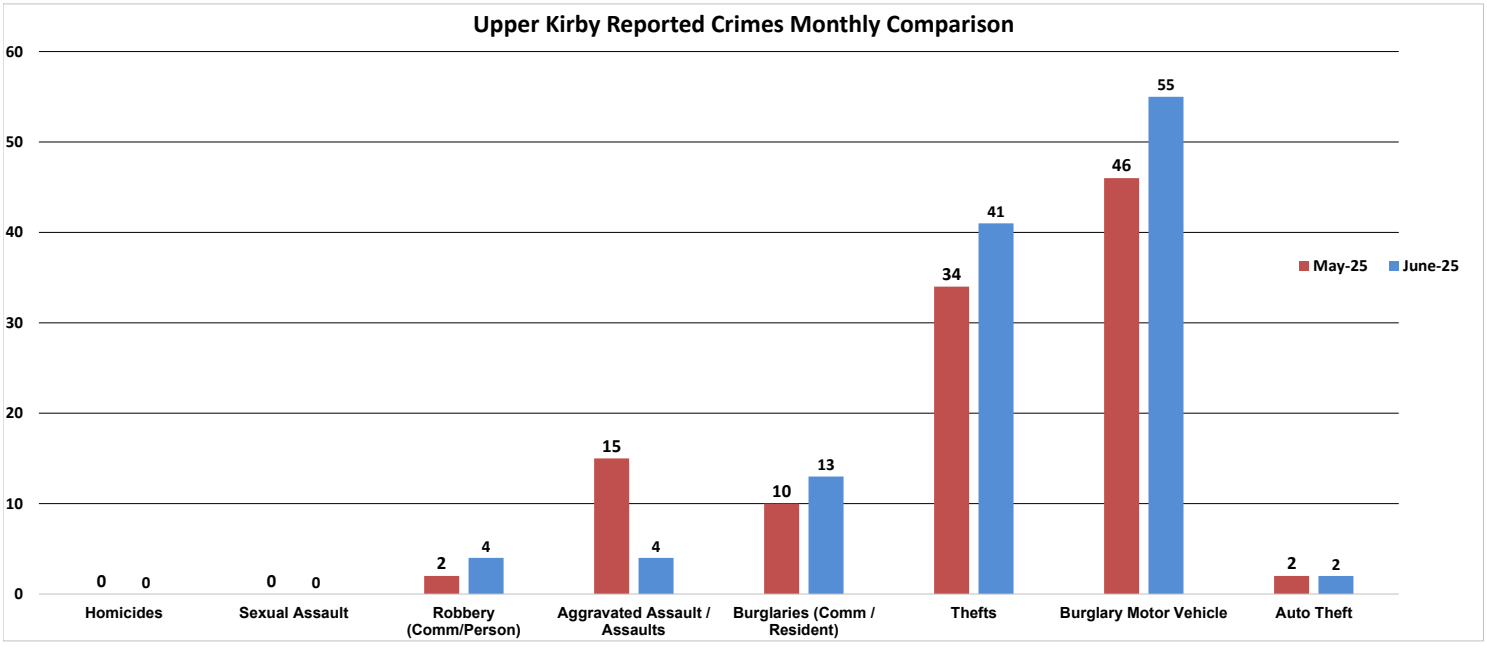
Upper Kirby District Reported Criminal Incidents

Prior Month Comparison (June 2025)

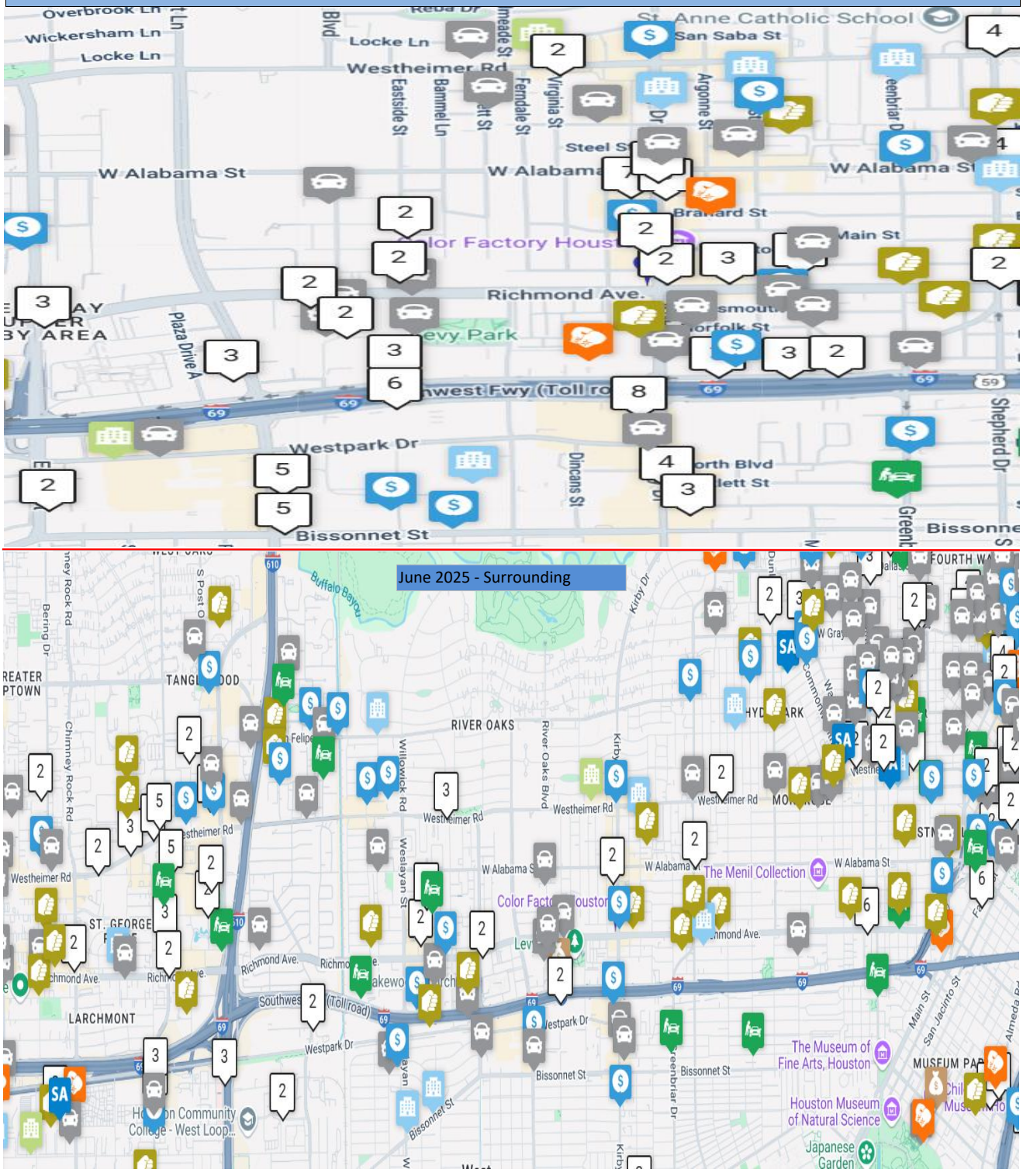
	May-25	June-25	Plus / Minus	Increase / Decrease
Homicides	0	0	0%	No Change
Sexual Assault	0	0	0%	No Change
Robbery (Comm/Person)	2	4	50%	Increase
Aggravated Assault / Assaults	15	4	-275%	Decrease
Burglaries (Comm / Resident)	10	13	23%	Increase
Thefts	34	41	17%	Increase
Burglary Motor Vehicle	46	55	16%	Increase
Auto Theft	2	2	0%	No Change
Totals:	109	119	8%	Increase

NOTE: Part 1 reported criminal incidents for June 2025 demonstrate an increase of approximately 8% or 119 reported incidents within the Upper Kirby Management District. The Patrol Team continue to proactive approach to enforcement and monitoring of homeless camps and concerns along with trespassing on properties who filed a valid trespass affidavits.

Date:	Event Type:	Locations	# of Events:
Homicides			
6/1-30/2025	Homicide / Murder	No Reported Incidents	0
Total Homicides:			**0**
Sexual Assaults			
6/1-30/2025	Sexual Assaults	No Reported Incidents	0
Total Sexual Assaults:			**0**
Robberies			
6/8/2025	Robbery	3100 SW Frwy - Shell Carwash	1
6/15/2025	Robbery	5200 Buffalo Spwy - Walgreen's Lot	1
6/16/2025	Robbery	3400 WestPark -behind Krogers	1
6/30/2025	Robbery	2900 Westheimer - Parking Lot	1
Total Robberies:			**4**
Assaults / Aggravated Assaults			
6/1-30/2025	Assaults	Various UK Locations	4
Total Assaults:			**4**
Burglaries (Residence / Commercial)			
6/1-30/2025	Burglaries	Various UK Locations	13
Total Burglaries:			**13**
Thefts (Shoplifting, Theft from Person, Etc)			
6/1-30/2025	Thefts	Various UK Locations	41
Total Thefts:			**41**
Burglary of Vehicles			
6/1-30/2025	Burglary Motor Vehicles	Various UK Locations	55
Total Theft from Vehicle:			**46**
Motor Vehicle Thefts			
6/1-30/2025	Motor Vehicle Thefts	Various UK Locations	2
Total Theft of Vehicles:			**2**



Upper Kirby Crime Map: June 2025 Overall Map



Upper Kirby District Reported Criminal Incidents

Prior Month Comparison (July 2025)

	June-25	July-25	Plus / Minus	Increase / Decrease
Homicides	0	0	0%	No Change
Sexual Assault	0	0	0%	No Change
Robbery (Comm/Person)	4	4	0%	No Change
Aggravated Assault / Assaults	4	18	78%	Increase
Burglaries (Comm / Resident)	13	2	-550%	Decrease
Thefts	41	37	-11%	Decrease
Burglary Motor Vehicle	55	39	-41%	Decrease
Auto Theft	2	0	-200%	Decrease
Totals:	119	100	-19%	Increase

NOTE: Part 1 reported criminal incidents for July 2025 demonstrate a **decrease** of approximately 19% or 100 reported incidents within the Upper Kirby Management District. The UK Patrol Team continue the enforcement of trespassing, panhandling, and roadway violations to address the homeless concern. Most robberies have occured at location open overnight that have limited protection for products.

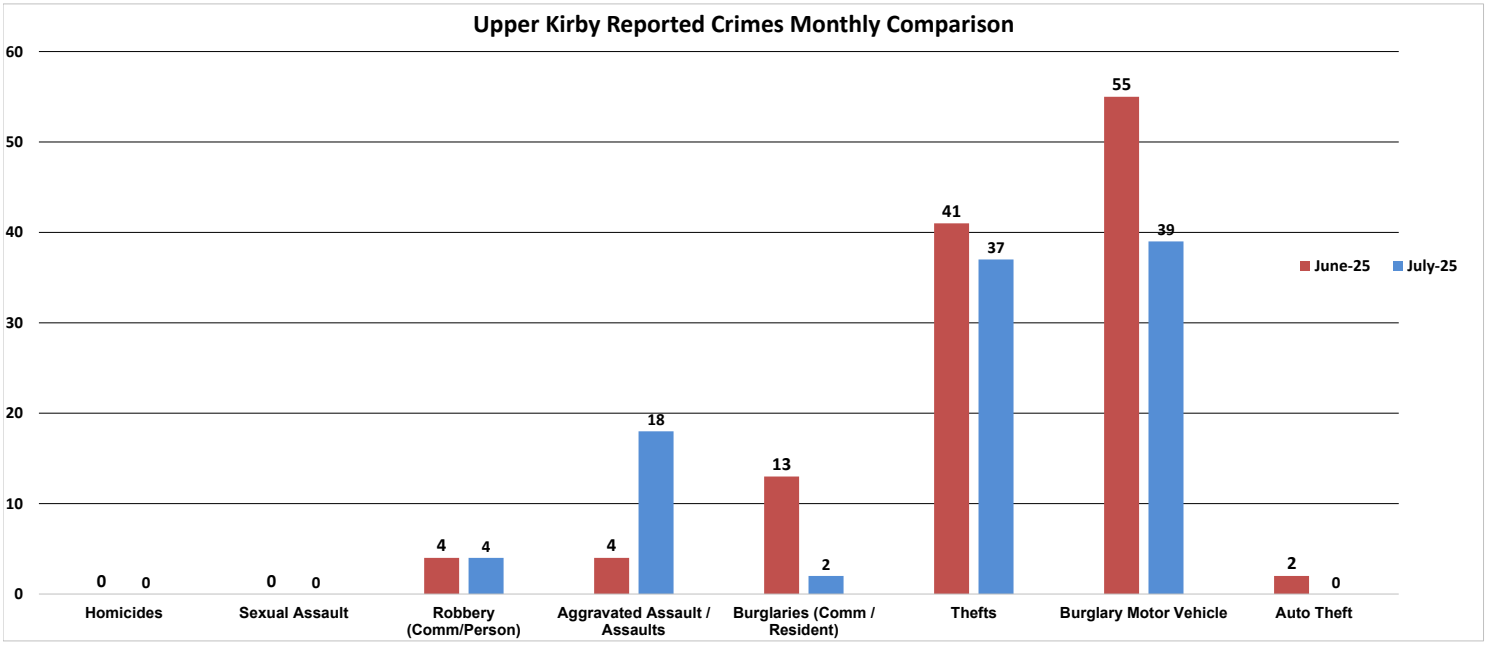
Summary:

Robberies: 7/4 - 365 Vape Smoke / 7/16 - Walgreens / 7/17 - CVS Parking Lot / 7/24 - 5200 Kirby (Bus Stop)

Assaults: CVS Parking Lot (2) - Parking Lot

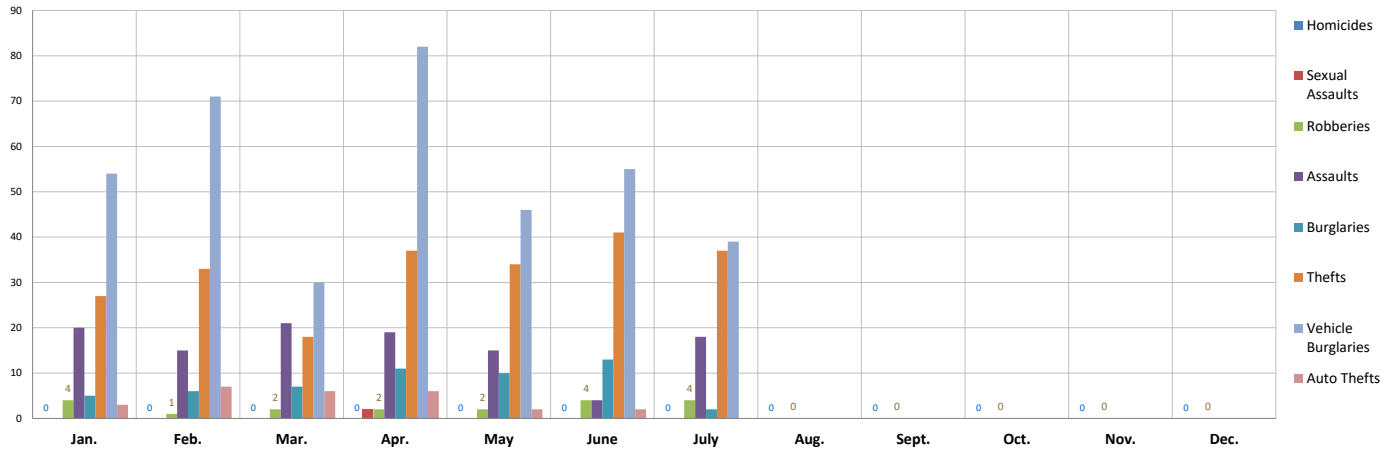
Vehicle Burglaries: Kirby IceHouse (3) | Olive Garden (5) | Twin Peaks (2) | Camden Greenway (3)

Date:	Event Type:	Locations	# of Events:
Homicides			
7/1-31/2025	Homicide / Murder	No Reported Incidents	0
Total Homicides:			**0**
Sexual Assaults			
7/1-31/2025	Sexual Assaults	No Reported Incidents	0
Total Sexual Assaults:			**0**
Robberies			
7/4/2025	Robbery	2700 SW Frwy - 365 SmokeVape Shop	1
7/16/2025	Robbery	5200 Buffalo Spwy - Walgreen's Lot	1
7/17/2025	Robbery	2100 W. Alabama - CVS Lot	1
7/24/2025	Robbery	5200 Kirby	1
Total Robberies:			**4**
Assaults / Aggravated Assaults			
7/1-31/2025	Assaults	Various UK Locations	18
Total Assaults:			**18**
Burglaries (Residence / Commercial)			
7/1-31/2025	Burglaries	Various UK Locations	2
Total Burglaries:			**2**
Thefts (Shoplifting, Theft from Person, Etc)			
7/1-31/2025	Thefts	Various UK Locations	37
Total Thefts:			**37**
Burglary of Vehicles			
7/1-31/2025	Burglary Motor Vehicles	Various UK Locations	39
Total Theft from Vehicle:			**39**
Motor Vehicle Thefts			
7/1-31/2025	Motor Vehicle Thefts	Various UK Locations	0
Total Theft of Vehicles:			**0**



Upper Kirby Management Part 1 Crimes - 2025 Summary

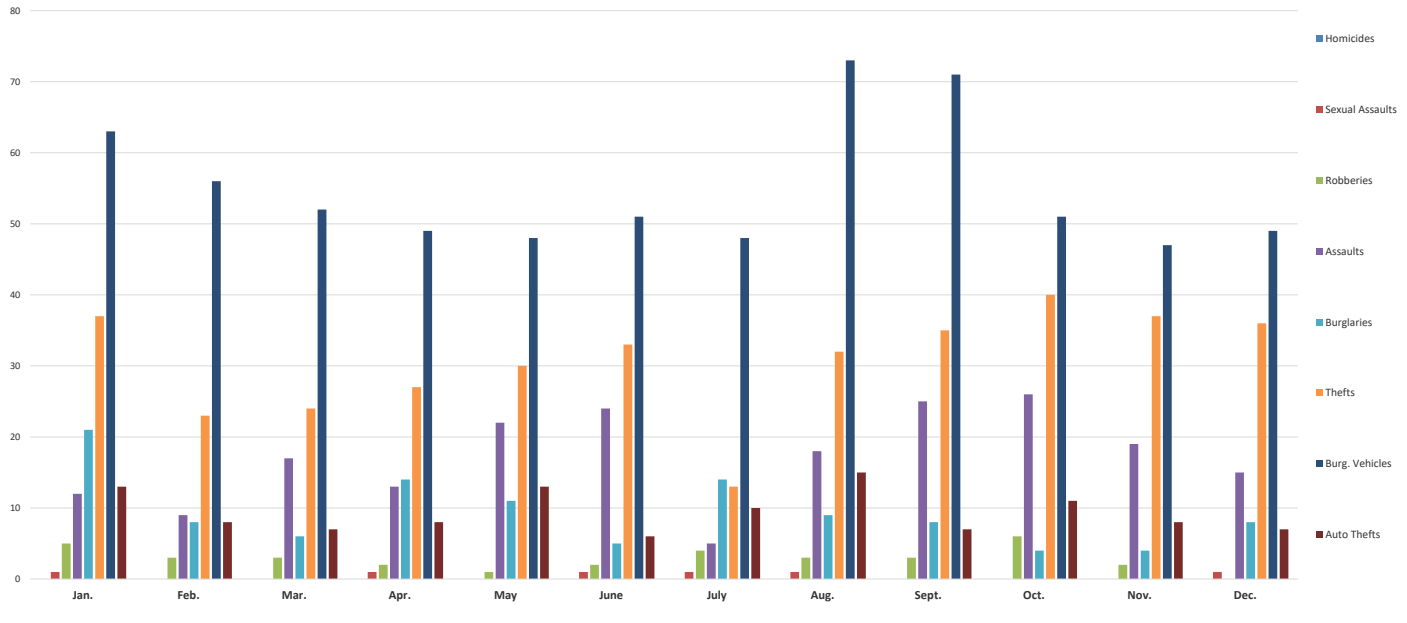
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	YTD
Homicides	0	0	0	0	0	0	0	0	0	0	0	0	0
Sexual Assaults	0	0	0	2	0	0	0	0	0	0	0	0	2
Robberies	4	1	2	2	2	4	4	0	0	0	0	0	19
Assaults	20	15	21	19	15	4	18	0	0	0	0	0	112
Burglaries	5	6	7	11	10	13	2	0	0	0	0	0	54
Thefts	27	33	18	37	34	41	37	0	0	0	0	0	227
Vehicle Burglaries	54	71	30	82	46	55	39	0	0	0	0	0	377
Auto Thefts	3	7	6	6	2	2	0	0	0	0	0	0	26



Prior Year Crime Activity Comparison

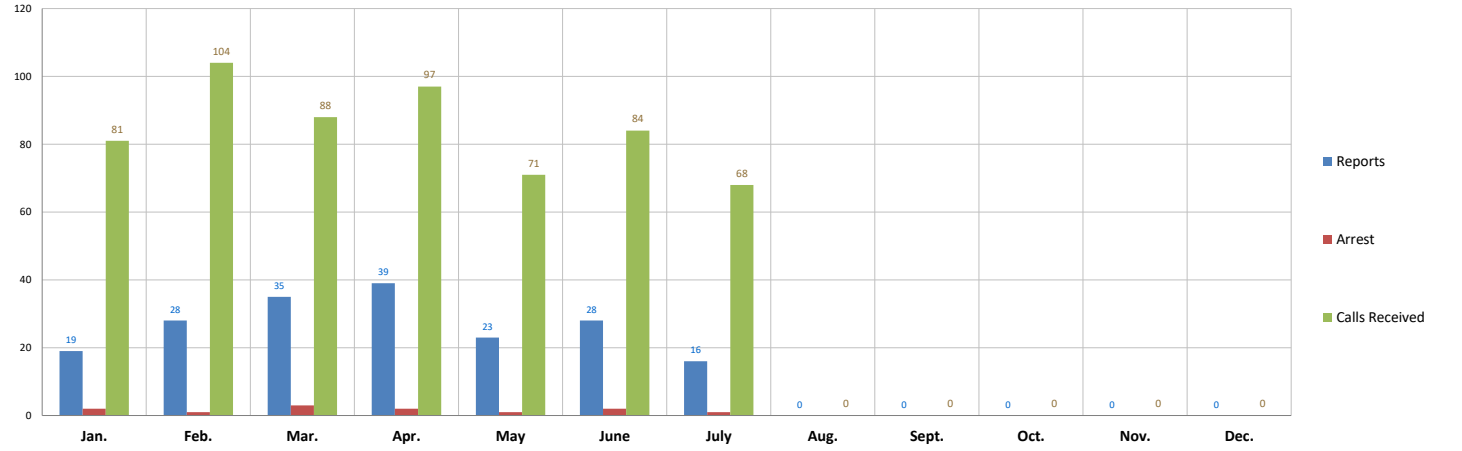
Upper Kirby Management Part 1 Crimes - 2024 Summary

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	YTD
Homicides	0	0	0	0	0	0	0	0	0	0	0	0	0
Sexual Assaults	1	0	0	1	0	1	1	1	0	0	0	1	6
Robberies	5	3	3	2	1	2	4	3	3	6	2	0	34
Assaults	12	9	17	13	22	24	5	18	25	26	19	15	205
Burglaries	21	8	6	14	11	5	14	9	8	4	4	8	112
Thefts	37	23	24	27	30	33	13	32	35	40	37	36	367
Burg. Vehicles	63	56	52	49	48	51	48	73	71	51	47	49	658
Auto Thefts	13	8	7	8	13	6	10	15	7	11	8	7	113



Upper Kirby Management Patrol - 2025 Summary

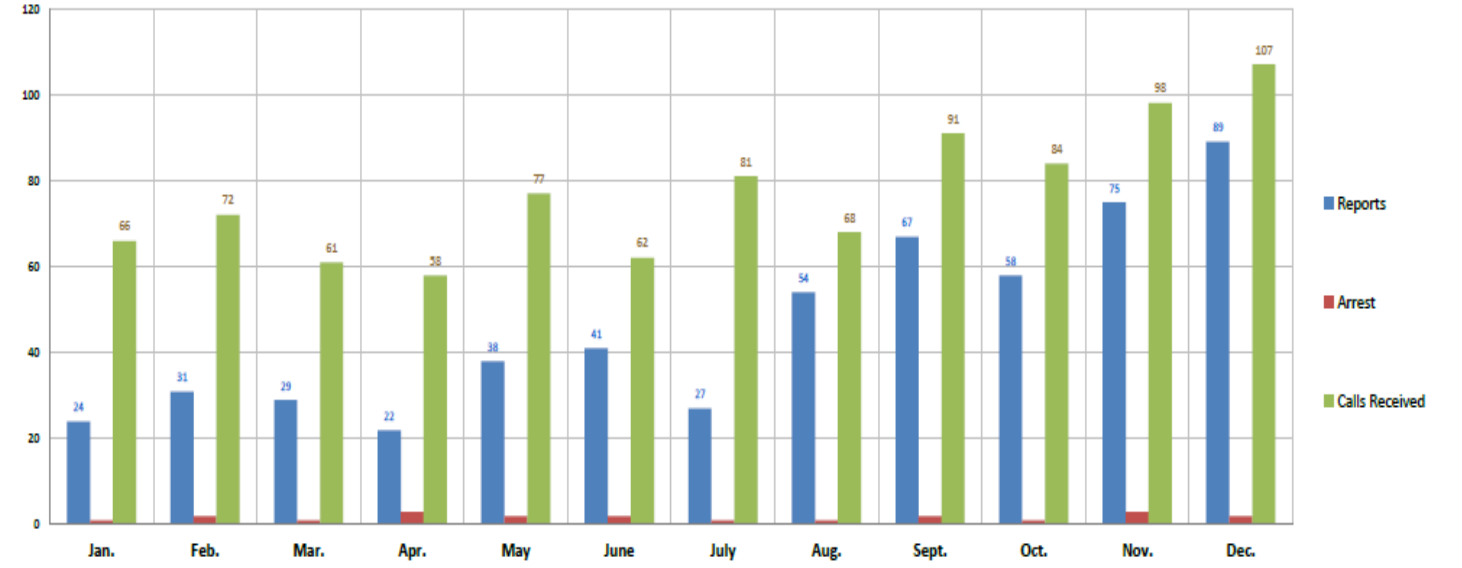
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	YTD
Reports	19	28	35	39	23	28	16	0	0	0	0	0	188
Arrest	2	1	3	2	1	2	1	0	0	0	0	0	12
Calls Received	81	104	88	97	71	84	68	0	0	0	0	0	593



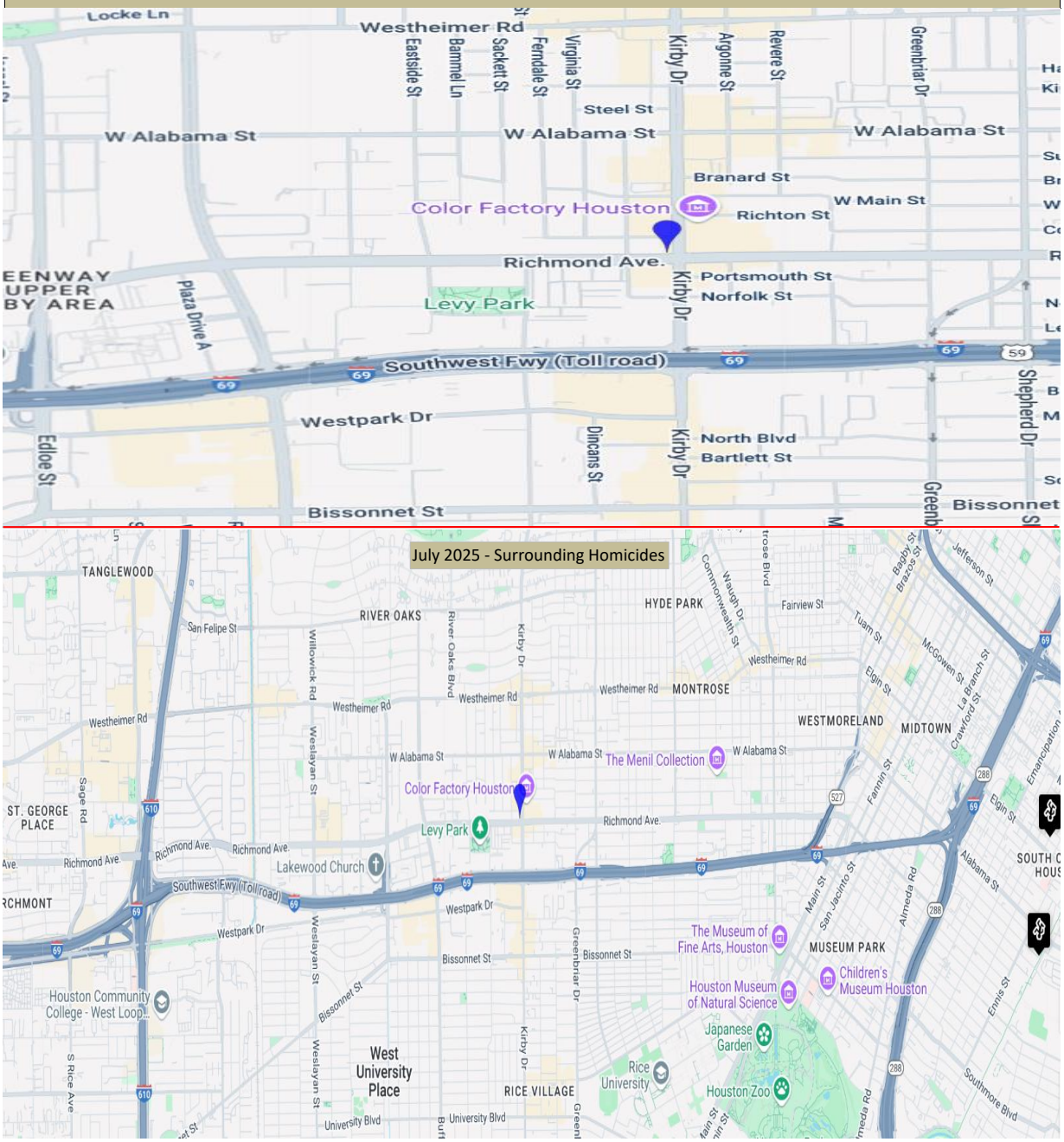
Prior Year Activity Comparison

Upper Kirby Management Patrol - 2024 Summary

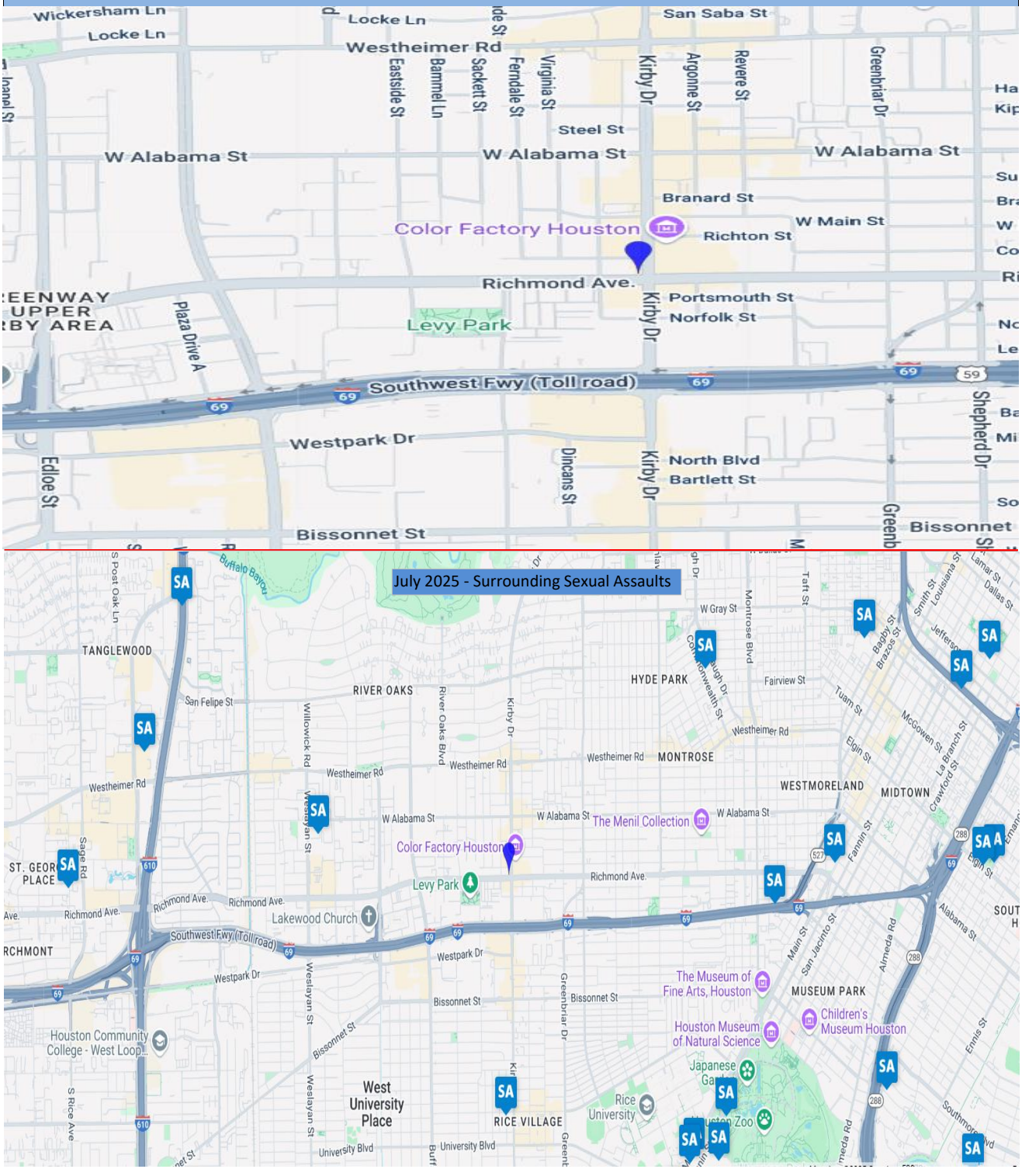
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	YTD
Reports	24	31	29	22	38	41	27	54	67	58	75	89	555
Arrest	1	2	1	3	2	2	1	1	2	1	3	2	21
Calls Received	66	72	61	58	77	62	81	68	91	84	98	107	925



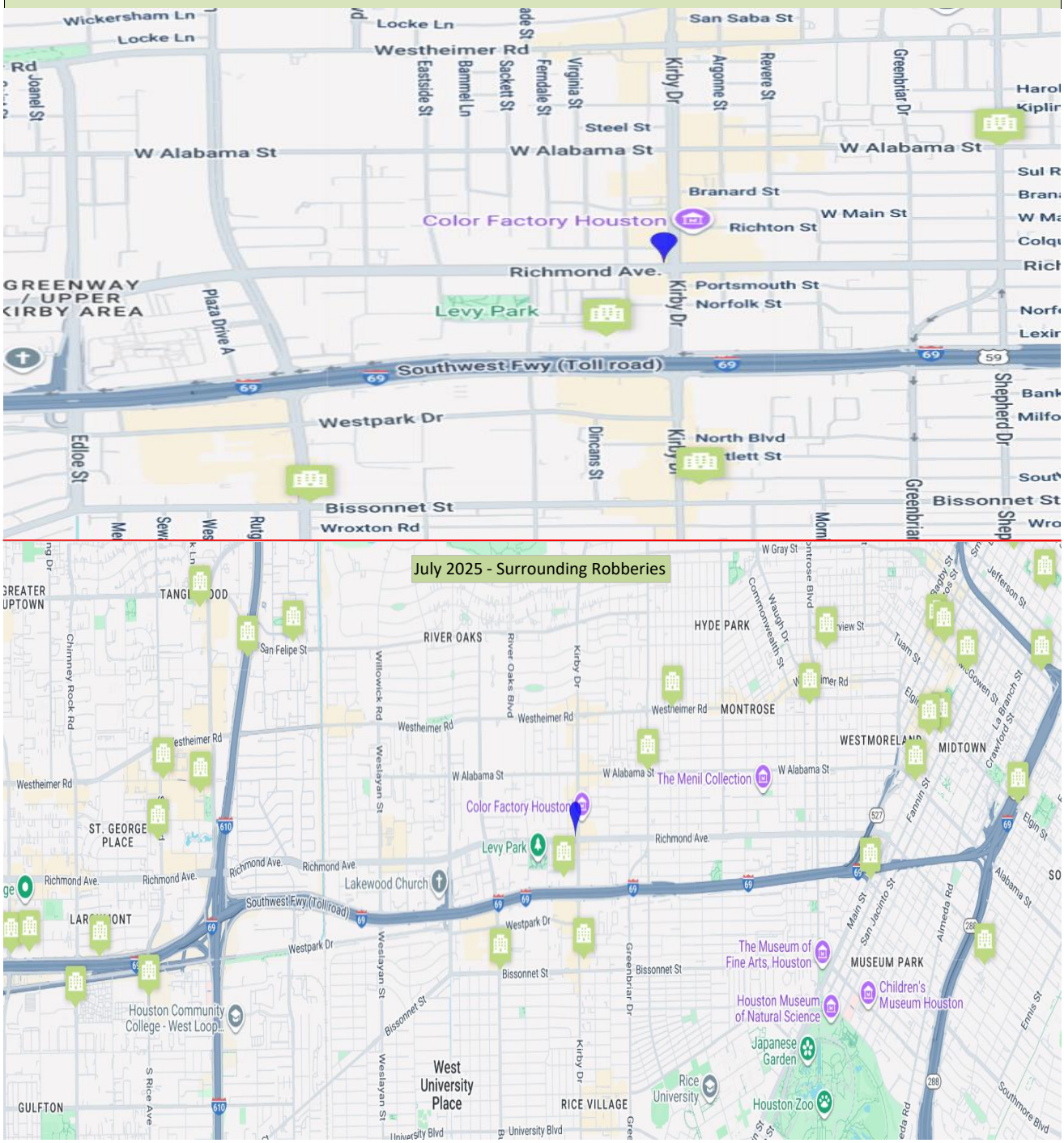
Upper Kirby Crime Map: Homicides (0)



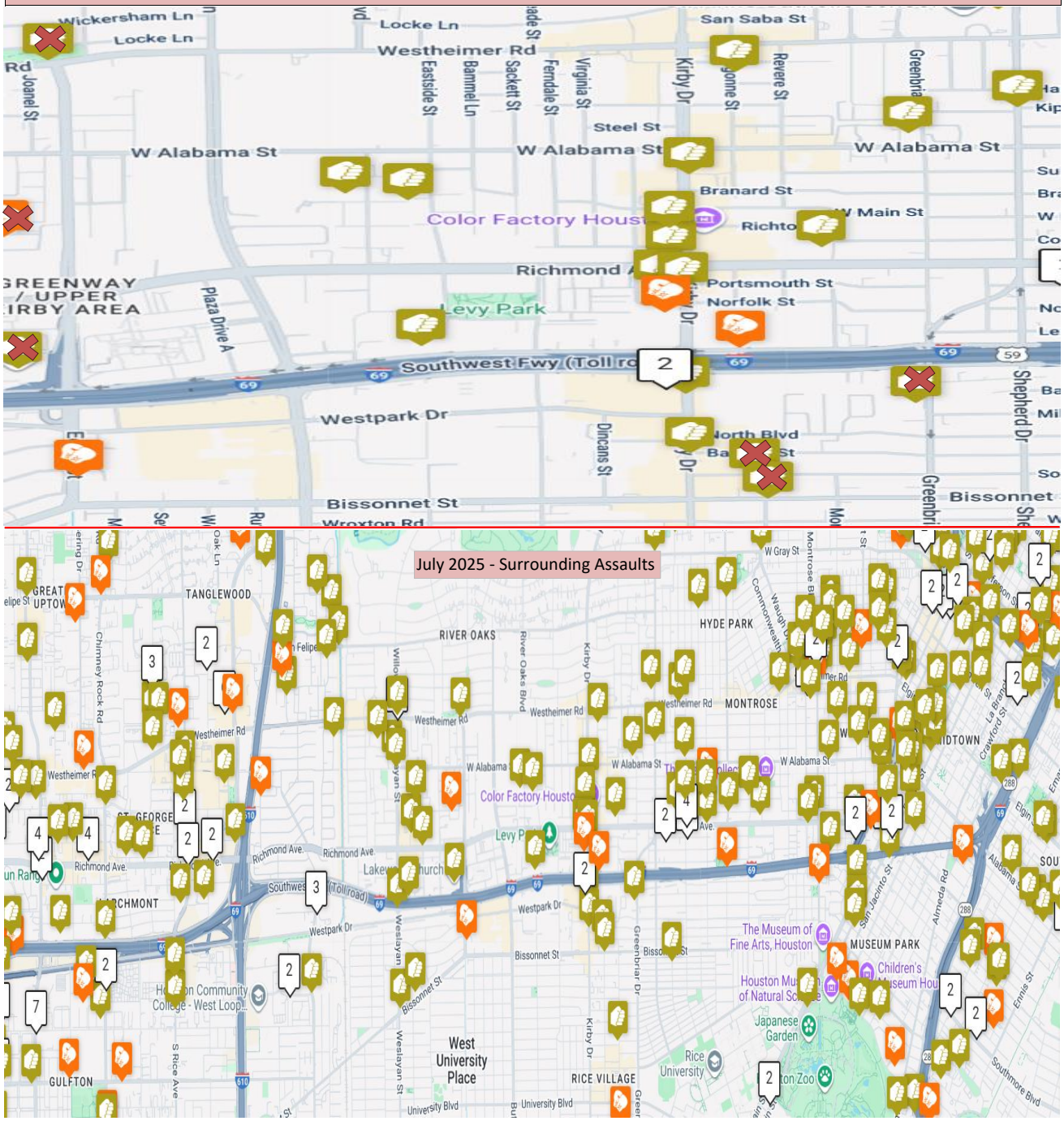
Upper Kirby Crime Map: Sexual Assaults (0)



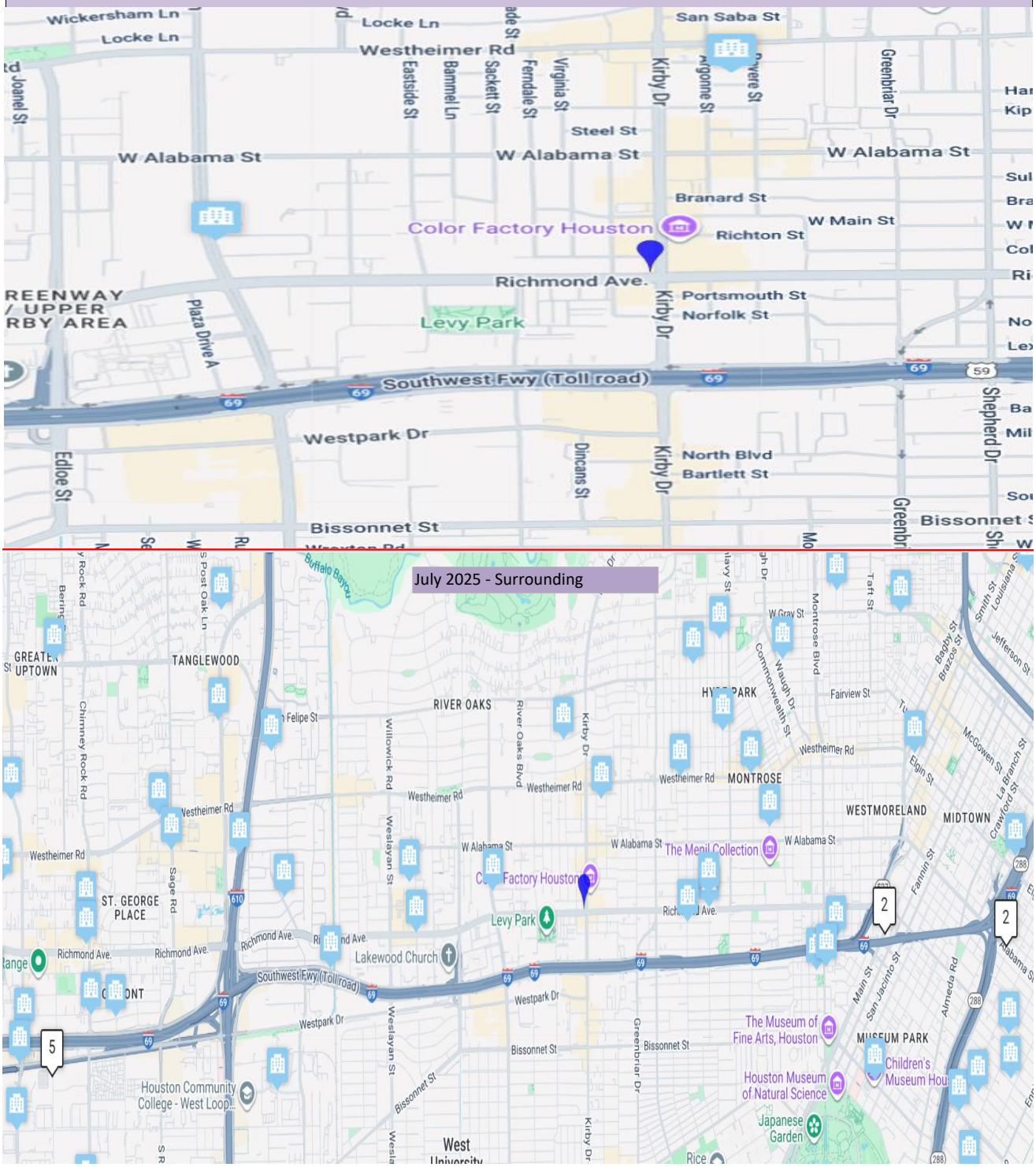
Upper Kirby Crime Map: Robberies (4)



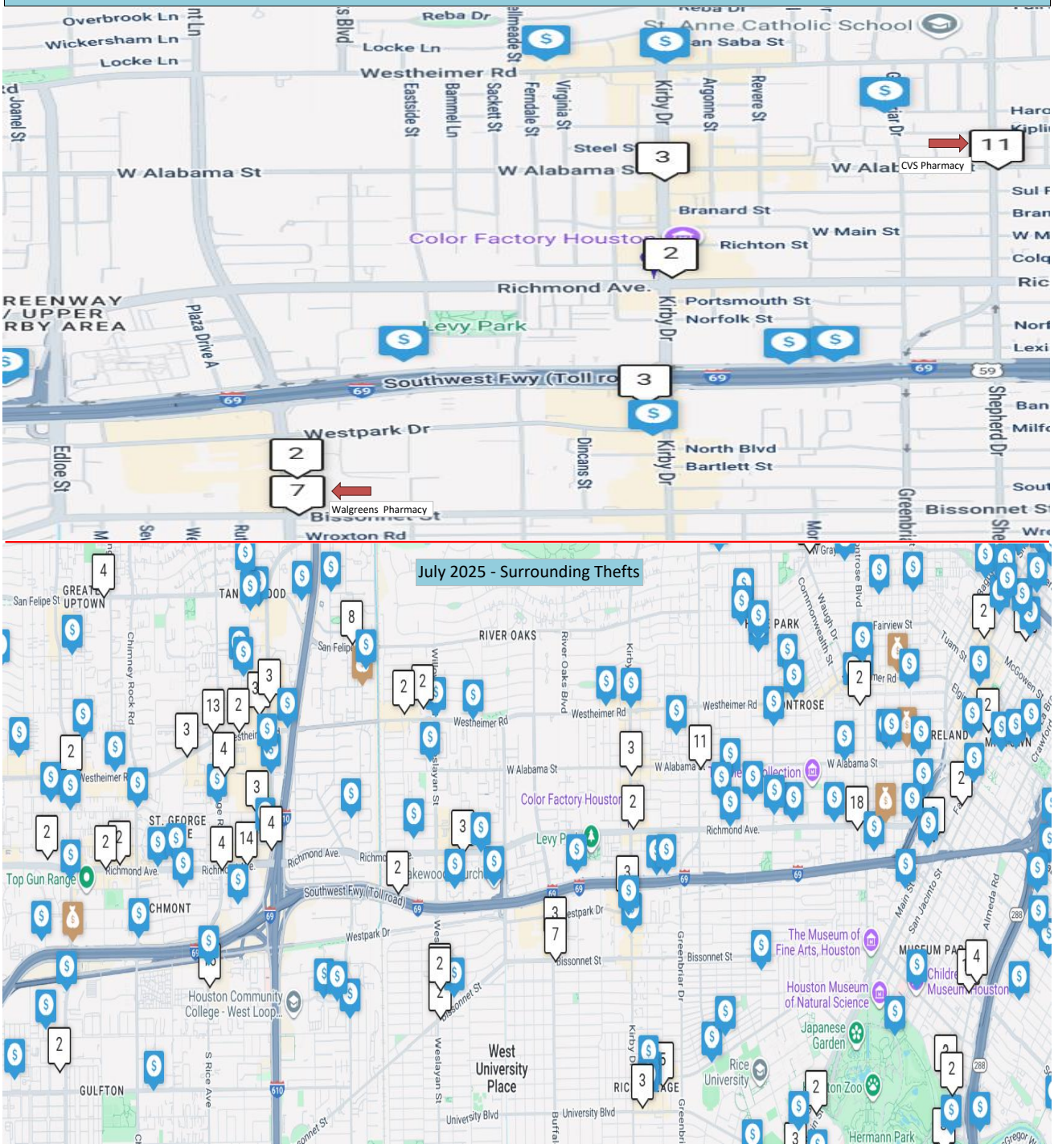
Upper Kirby Crime Map: Assaults (18)



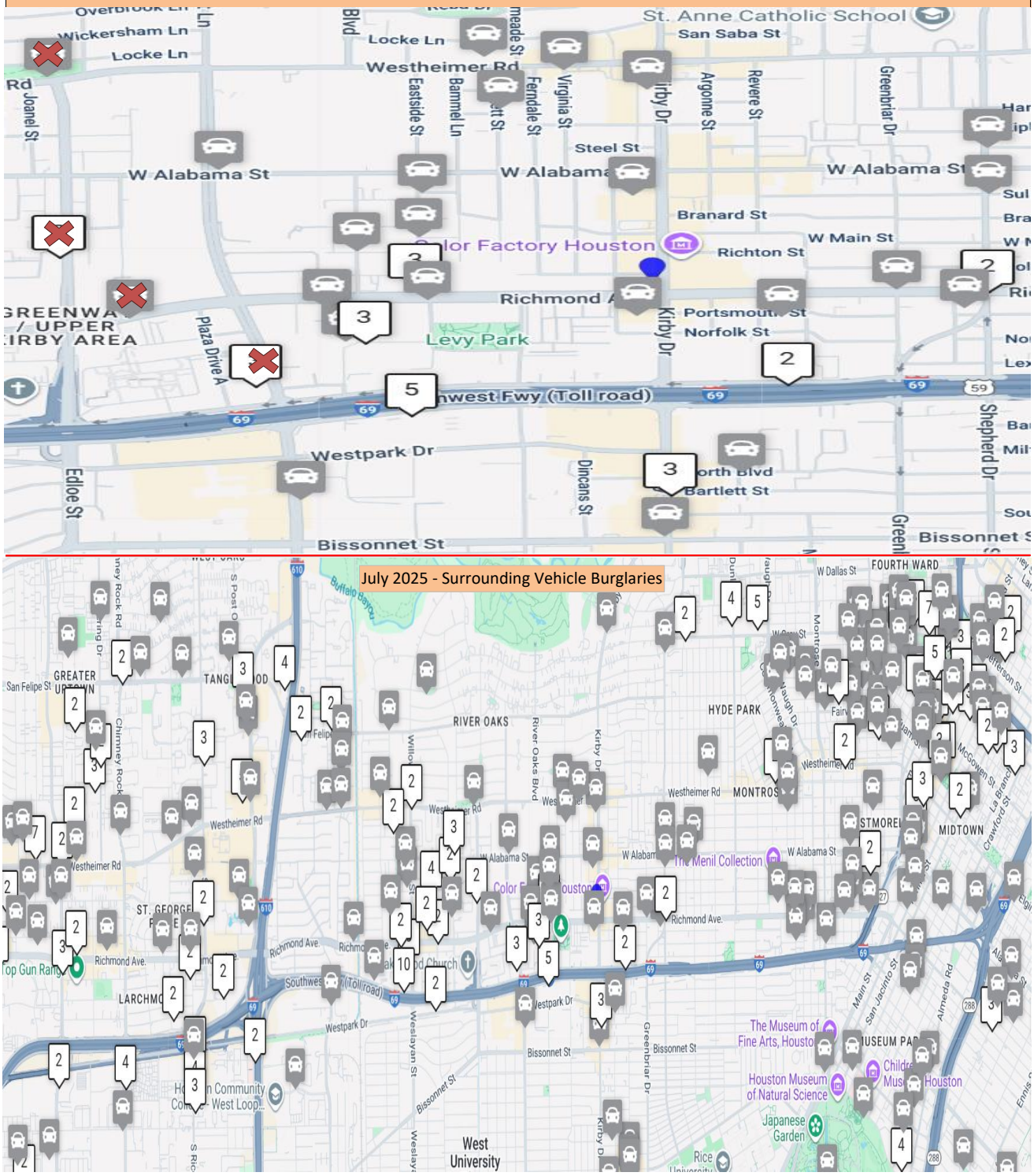
Upper Kirby Crime Map: Commercial / Residential Burglaries (2)



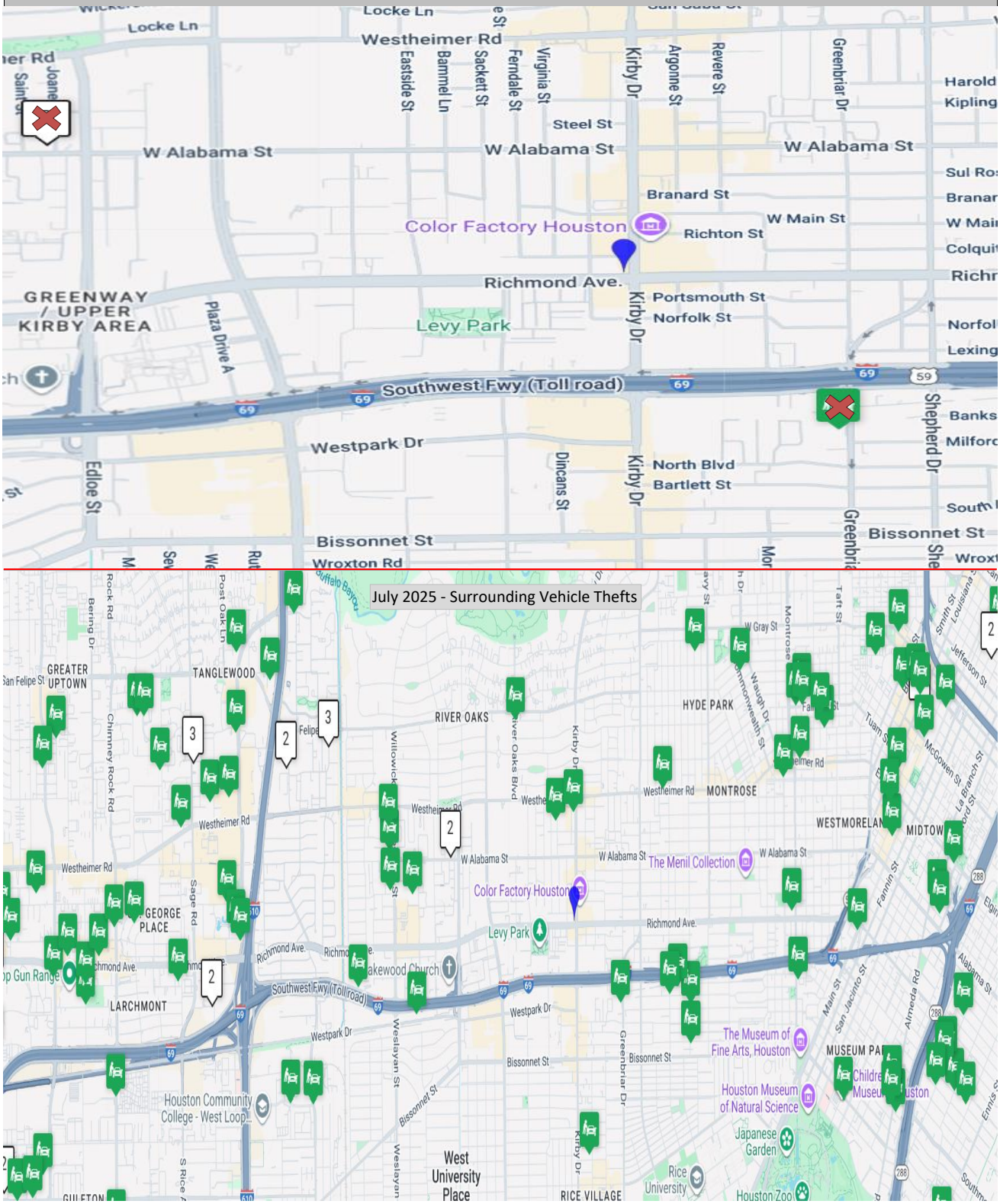
Upper Kirby Crime Map: Thefts (37)



Upper Kirby Crime Map: Motor Vehicle Burglaries (39)



Upper Kirby Crime Map: Auto Theft (0)



UTILITY TAX SERVICE, LLC
TAX ASSESSOR - COLLECTORS
1750 W 43rd Street I Houston, Texas 77018 I Voice: 713-688-3855

HARRIS COUNTY IMPROVEMENT DISTRICT #3
TAX REPORT SUMMARY
8/31/2025

	Current:	$	48,206.65	
	Prior Years:	$	53,406.66	
Total Receivables as of	8/31/2025	**$**	**101,613.31**	pg 2

August Receipts	**$**	**4,406.78**	pg 3
August Disbursements	**$**	**627.89**	pg 3

CURRENT COLLECTIONS & 4 YEAR HISTORICAL DATA

Year	Collections 8/31/2025	Adjustments 8/31/2025	Collections 9/1/20-8/31/2025	Receivables 8/31/2025	Percent Collected
2024	1,330.73	(243.18)	5,103,843.41	48,206.65	99.06
2023	8.74	(178.53)	5,073,596.43	16,845.97	99.67
2022	70.65	(55.51)	4,747,038.98	5,604.40	99.88
2021			4,467,921.25	4,319.16	99.90
2020			4,427,600.55	10,061.40	99.77

Last Year's Collections as of 8/31/2024: 99.34%

CURRENT CERTIFIED VALUES & 4 YEAR HISTORICAL DATA

Year	Debt Rate	M&O Rate	Total Tax Rate	Original Value	Adjustments	Adjusted Value	Levy
2024	0.00371	0.12879	0.13250	3,975,020,438	(86,680,769)	3,888,339,669	5,152,050.06
2023	0.00371	0.13129	0.13500	3,904,886,305	(134,188,234)	3,770,698,071	5,090,442.40
2022	0.00422	0.13078	0.13500	3,586,218,997	(65,742,419)	3,520,476,578	4,752,643.38
2021	0.00437	0.13063	0.13500	3,242,603,904	70,166,771	3,312,770,675	4,472,240.41
2020	0.00420	0.13080	0.13500	3,240,353,904	46,803,099	3,287,157,003	4,437,661.95

$658,581.04 Estimated Refunds due to Unsettled Lawsuits at HCAD

HARRIS COUNTY IMPROVEMENT DISTRICT #3
TAX REPORT SUMMARY
8/31/2025

Receivable at 8/31/2024		$ 90,898.91	
	Uncollectibles	$ (3,064.15)	
	Prior Adjustments:	$ (233,823.45)	$ (145,988.69)
2024 Tax Levy		$ 5,266,902.08	
Adjustments		$ (114,852.02)	$ 5,152,050.06

Tax Collections From: 9/1/2024 - 8/31/2025

2024	$	5,103,843.41
2023	$	(193,708.77)
2022	$	(6,560.76)
2021	$	288.06
2020	$	249.47
2019	$	165.05
2018	$	118.33
2017	$	40.94
2016	$	0.68
2015	$	6.63
2014	$	6.63
2013	$	(0.81)
2012	$	(0.80)

($ 4,904,448.06)

TOTAL RECEIVABLE AS OF 8/31/2025 **$ 101,613.31**

==========

HARRIS COUNTY IMPROVEMENT DISTRICT #3
TAX REPORT SUMMARY
8/31/2025

	Month of 8/31/2025	Fiscal YTD 10/1/2024-8/31/2025
Receipts:		
Current/Prior Taxes	932.90	4,896,245.06
Penalty & Interest	144.02	9,466.01
Atty's Fee - Delinquent Coll	(78.06)	2,625.74
Adjustments		331,604.83
Payment Reversals	700.56	18,132.43
Rendition Penalty		870.68
Unclaimed Overpayments		10.79
Bank Interest	20.42	5,279.69
Special Inventory Tax	2,686.94	39,667.59
TOTAL RECEIPTS:	**$ 4,406.78**	**$ 5,303,902.82**
Disbursements:		
Adjustment Refunds	-	331,604.83
Payment Reversals	700.56	14,235.95
County A/C Fee	5.39	3,829.88
Atty's Fee-Delinquent Coll	(78.06)	2,652.53
TOTAL DISBURSEMENTS:	**$ (627.89)**	**$ (352,323.19)**

County A/C Fees

Fiscal Year 7/1/2025 thru 8/31/2025	**5.39**	($3,985.69 Estimate)

HARRIS COUNTY IMPROVEMENT DISTRICT #3
TAX REPORT SUMMARY
8/31/2025

CURRENT COLLECTIONS & HISTORICAL DATA

Year	Collections 8/31/2025	Adjustments 8/31/2025	Uncollectibles 8/31/2025	Collections 9/1/02-8/31/2025	Receivables 8/31/2025	Percent Collected
2024	1,330.73	(243.18)		5,103,843.41	48,206.65	99.06
2023	8.74	(178.53)		5,073,596.43	16,845.97	99.67
2022	70.65	(55.51)		4,747,038.98	5,604.40	99.88
2021				4,467,921.25	4,319.16	99.90
2020				4,427,600.55	10,061.40	99.77
2019				4,143,884.75	3,362.48	99.92
2018				3,972,813.15	3,092.05	99.92
2017				3,946,144.96	4,003.89	99.90
2016				4,094,374.11	2,630.99	99.94
2015				3,562,186.76	2,407.89	99.93
2014				3,185,055.01	781.18	99.98
2013				2,709,337.70	149.56	99.99
2012				2,362,777.87	49.76	99.99
2011				2,212,265.82	50.65	99.99
2010				2,128,342.91	1.39	99.99
2009				2,116,045.06		100.00
2008				2,023,101.50	45.89	99.99
2007				1,551,089.74		100.00
2006				1,295,895.63	-	99.99
2005				1,234,450.30		100.00
2004				1,183,763.58		100.00
2003				1,176,492.84		100.00
2002			3,064.15	1,137,294.72		100.00
Total				**62,751,473.62**	**101,613.31**	**99.91**

CURRENT CERTIFIED VALUES & HISTORICAL DATA

Year	Debt Rate	M&O Rate	Total Tax Rate	Original Value	Adjustments	Adjusted Value	Levy
2024	0.00371	0.12879	0.13250	3,975,020,438	(86,680,769)	3,888,339,669	5,152,050.06
2023	0.00371	0.13129	0.13500	3,904,886,305	(134,188,234)	3,770,698,071	5,090,442.40
2022	0.00422	0.13078	0.13500	3,586,218,997	(65,742,419)	3,520,476,578	4,752,643.38
2021	0.00437	0.13063	0.13500	3,242,603,904	70,166,771	3,312,770,675	4,472,240.41
2020	0.00420	0.13080	0.13500	3,240,353,904	46,803,099	3,287,157,003	4,437,661.95
2019	0.00452	0.13048	0.13500	3,093,900,525	(21,865,535)	3,072,034,990	4,147,247.23
2018	0.00487	0.13013	0.13500	2,927,322,899	17,792,067	2,945,114,966	3,975,905.20
2017	0.00520	0.13480	0.14000	2,845,085,595	(23,550,701)	2,821,534,894	3,950,148.85
2016	0.00595	0.14405	0.15000	2,726,739,654	4,597,080	2,731,336,734	4,097,005.10
2015	0.00595	0.14405	0.15000	2,295,134,148	81,262,286	2,376,396,434	3,564,594.65
2014	0.00680	0.14320	0.15000	2,053,214,277	70,676,514	2,123,890,791	3,185,836.19
2013	0.00830	0.14170	0.15000	1,706,691,342	99,633,498	1,806,324,840	2,709,487.26
2012	0.00000	0.15000	0.15000	1,484,341,651	90,876,767	1,575,218,418	2,362,827.63
2011	0.00000	0.15000	0.15000	1,324,980,717	149,896,928	1,474,877,645	2,212,316.47
2010	0.00000	0.15000	0.15000	1,288,477,923	130,418,278	1,418,896,201	2,128,344.30
2009	0.00000	0.15000	0.15000	1,364,387,616	46,309,090	1,410,696,706	2,116,045.06
2008	0.00000	0.15000	0.15000	1,285,194,487	63,570,437	1,348,764,924	2,023,147.39
2007	0.00000	0.13500	0.13500	1,092,363,596	56,591,767	1,148,955,363	1,551,089.74
2006	0.00000	0.12600	0.12600	910,413,139	118,075,454	1,028,488,593	1,295,895.63
2005	0.00000	0.12959	0.12959	729,921,507	222,659,945	952,581,452	1,234,450.30
2004	0.00000	0.12959	0.12959	913,468,310		913,468,310	1,183,763.58
2003	0.00000	0.13000	0.13000	904,994,490		904,994,490	1,176,492.84
2002	0.00000	0.13000	0.13000	877,199,130		877,199,130	1,140,358.87
Total							**62,807,944.43**

Harris County Improvement District No. 3
2025 Taxable Value Report
As of September 8, 2025

Total taxable value on the appraisal roll:	$ 3,888,388,191	
Uncertified value:	$ 191,634,500	
Maximum 2025 taxable value:	$ 4,080,022,691	
Uncertified value less 20%	$ 153,307,600	
Estimated 2025 taxable value:	**$ 4,041,695,791**	
Current 2024 taxable value:	$ 3,871,036,598	
Estimated value gain from 2024 to 2025:	$ 170,659,193	
Estimated Percentage Increase/Decrease:	4.41%	
2025 Taxable value gain due to new construction:	$ 60,246,554	
2025 Taxable value gain due to reappraisal of existing 2024 property:		$ 110,412,639
Current estimated 2024 taxable value adjusted with pending litigation:		$ 3,668,861,750
Current 2025 pending litigation value:	$ 1,363,477,393	
2025 Pending litigation 20% value loss:	$ 272,695,479	
Estimated 2025 taxable value adjusted with pending litigation:		**$ 3,769,000,312**

Estimated taxable value % difference from 2024 to 2025: 2.73% Increase

(Note: Assuming all accounts are certified and all litigation is settled for both 2024 & 2025)

Prior to the board formally voting on the 2025 tax rate, the district is required to publish calculations relating to the impact of the proposed tax rate on the average residential property within the district that is a homestead. Below is a comparison if the proposed tax rate were the same as last year:

	2024 **Last Year**		2025 **This Year**
Total tax rate (per $100 of value)	0.13250/$100 Adopted		0.13250/$100 Proposed
Difference in rates per $100 of value		$0.00/$100	
Percentage increase/decrease in rates (+/-)		0.00%	
Average appraised residence homestead value	$1,224,168		$1,213,532
General homestead exemptions available (excluding 65 years of age or older or disabled person's exemptions)	$244,834		$242,706
Average residence homestead taxable value	$979,334		$970,826
Tax on average residence homestead	$1,297.62		$1,286.34
Annual increase/decrease in taxes if proposed tax rate is adopted (+/-)		($11.27)	
and percentage of increase (+/-)		-0.87%	

As the district has determined itself to be a developing district, the -0.87% is well below the 8% increase threshold that could allow a taxpayer petition to call a rollback election.

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

I, the undersigned officer of the Board of Directors of the Harris County Improvement District No. 3, do hereby certify as follows:

1. The Board of Directors of the Harris County Improvement District No. 3 convened in Regular Session, open to the public, on the 23rd day of September, 2025, at a meeting place inside the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Patricia Ann Chesnick	President
Cort King	Vice President
Andrew Rice	Secretary/Treasurer
Chris Gibbs	Director
Barrett Webster	Director

and all of said persons were present, except Director(s) _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at the meeting: a written

GR 2025-1
RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2025 TAX YEAR

was introduced for the consideration of the Board. It was then duly moved and seconded that the Resolution be adopted; and, after due discussion, the motion, carrying with it the adoption of the Resolution, prevailed and carried unanimously.

2. That a true, full and correct copy of the aforesaid Resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that the Resolution has been duly recorded in the Board's minutes of the meeting; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the Board as indicated therein; that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid meeting, and that the Resolution would be introduced and considered for adoption at the meeting, and each of the officers and members consented, in advance, to the holding of the meeting for such purpose; that the meeting was open to the public as required by law; and that public notice of the time, place and subject of the meeting was given as required by Chapter 551, Texas Government Code, and Subchapter C, Chapter 49, Texas Water Code.

SIGNED AND SEALED the 23rd day of September, 2025.

_____
Secretary, Board of Directors

(SEAL)

DRAFT

GR 2025-1
RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2025 TAX YEAR

WHEREAS, Harris County Improvement District No. 3 (the "District") is a political subdivision of the State of Texas, operating pursuant to Chapter 375, Texas Local Government Code, and Chapter 3805, Texas Special Districts Local Laws Code; and

WHEREAS, the Water Code establishes procedures for the levy of property taxes based on a district's development status and/or tax rate; and

WHEREAS, the District is currently underway with a multi-year program of designing, constructing, and financing public infrastructure within the District, including related works, improvements, facilities, equipment, and appliances; and

WHEREAS, the Board of Directors of the District (the "Board") has consulted with the District's staff and consultants, as well as property owners and businesses within the District, regarding the current status of development in the District; and

WHEREAS, following reasonable diligence based on information currently available, the Board has determined that the District has not financed, completed, and issued bonds to pay for all land, works, improvements, facilities, plants, equipment, and appliances necessary to serve at least 95% of the projected build-out of the District in accordance with the purposes for its creation or the purposes authorized by the Texas Constitution, the Water Code, or any other law; NOW, THEREFORE,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3 THAT:

Section 1: For the purposes of the 2025 tax year:

(a) Section 49.23603 of the Water Code applies to the District; and

(b) the District is not a district described by Section 49.23601 or Section 49.23602 of the Water Code.

PASSED AND APPROVED this 23rd day of September, 2025.

_____
President, Board of Directors

ATTEST:

_____
Secretary, Board of Directors

(SEAL)

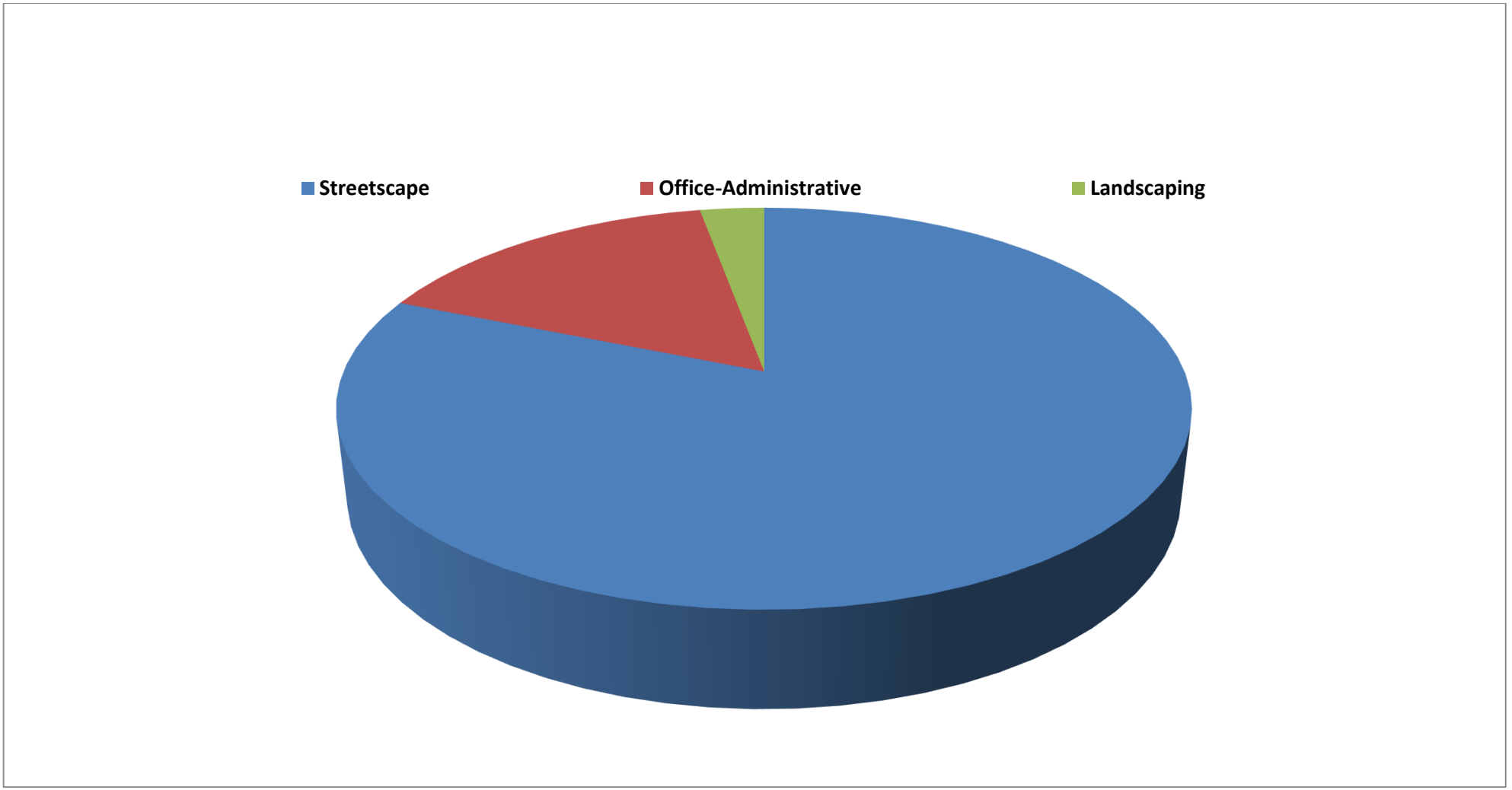
DRAFT

Harris County Improvement District No. 3
2025 Tax Rate Analysis

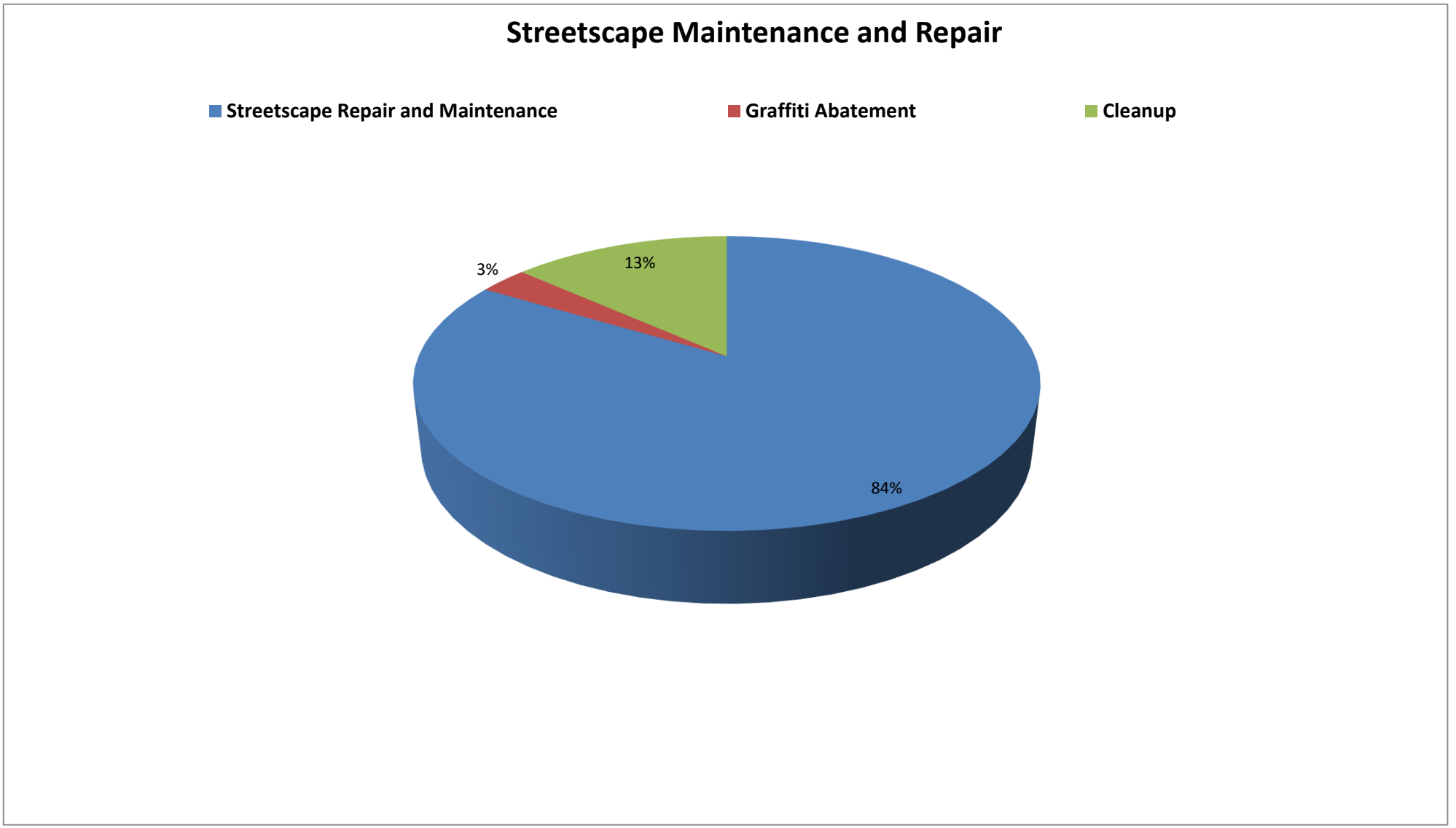
Total Value from Lina @ Utility Tax Service, LLC.	$	3,769,000,312
(Final Report Dated September 9, 2025)		
Total Tax Levy Per $100 Taxable Valuation	$	4,993,925
Debt Service	$	148,765
Debt Expenses		500
Total Debt Service Payments	**$**	**149,265**
M&O Levy	**$**	**4,844,660**

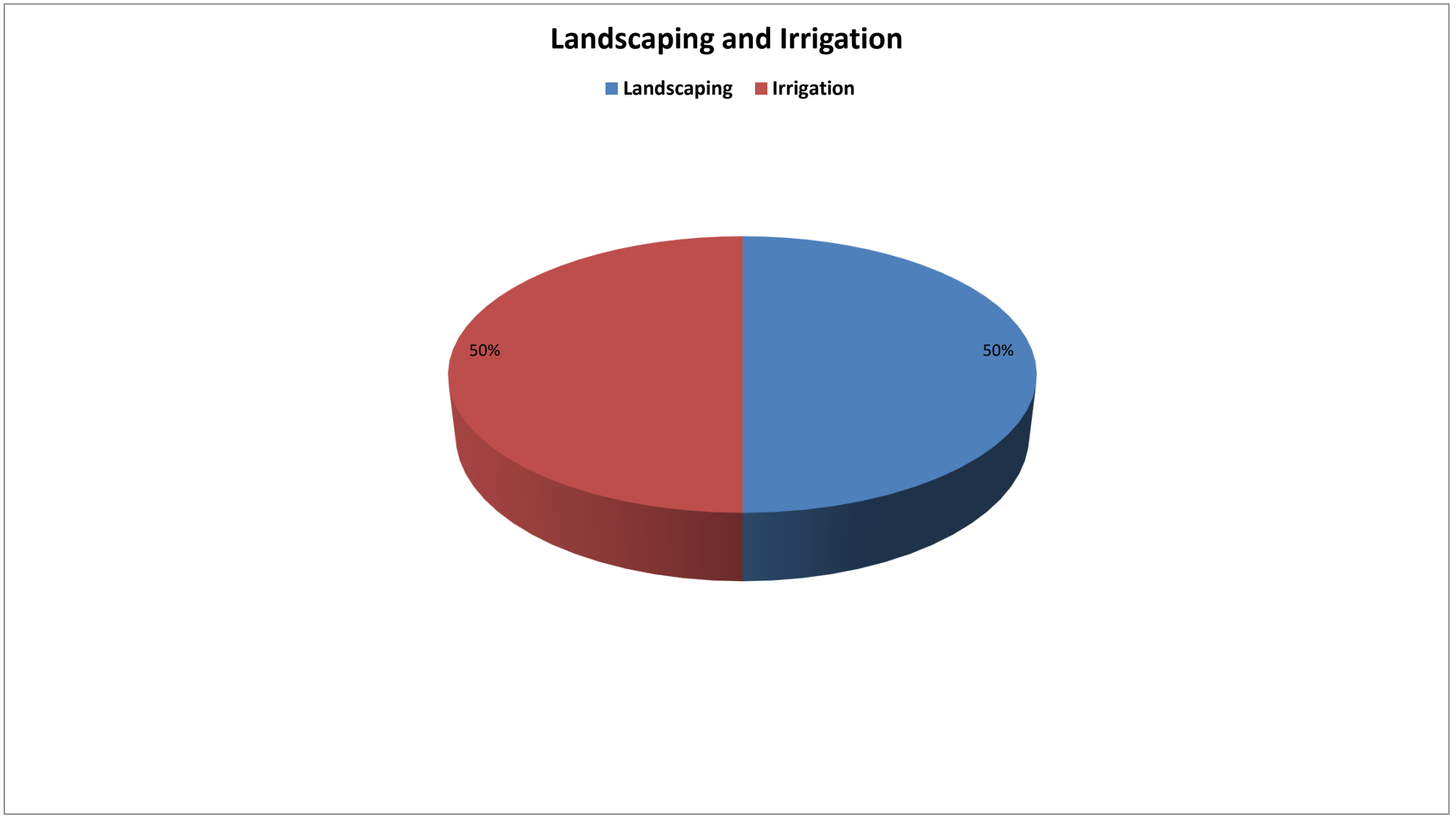
Debt Service Tax Rate	$	0.00371
M&O Rate		0.12879
	$	0.13250

Upper Kirby Work Order Summary
August 2025

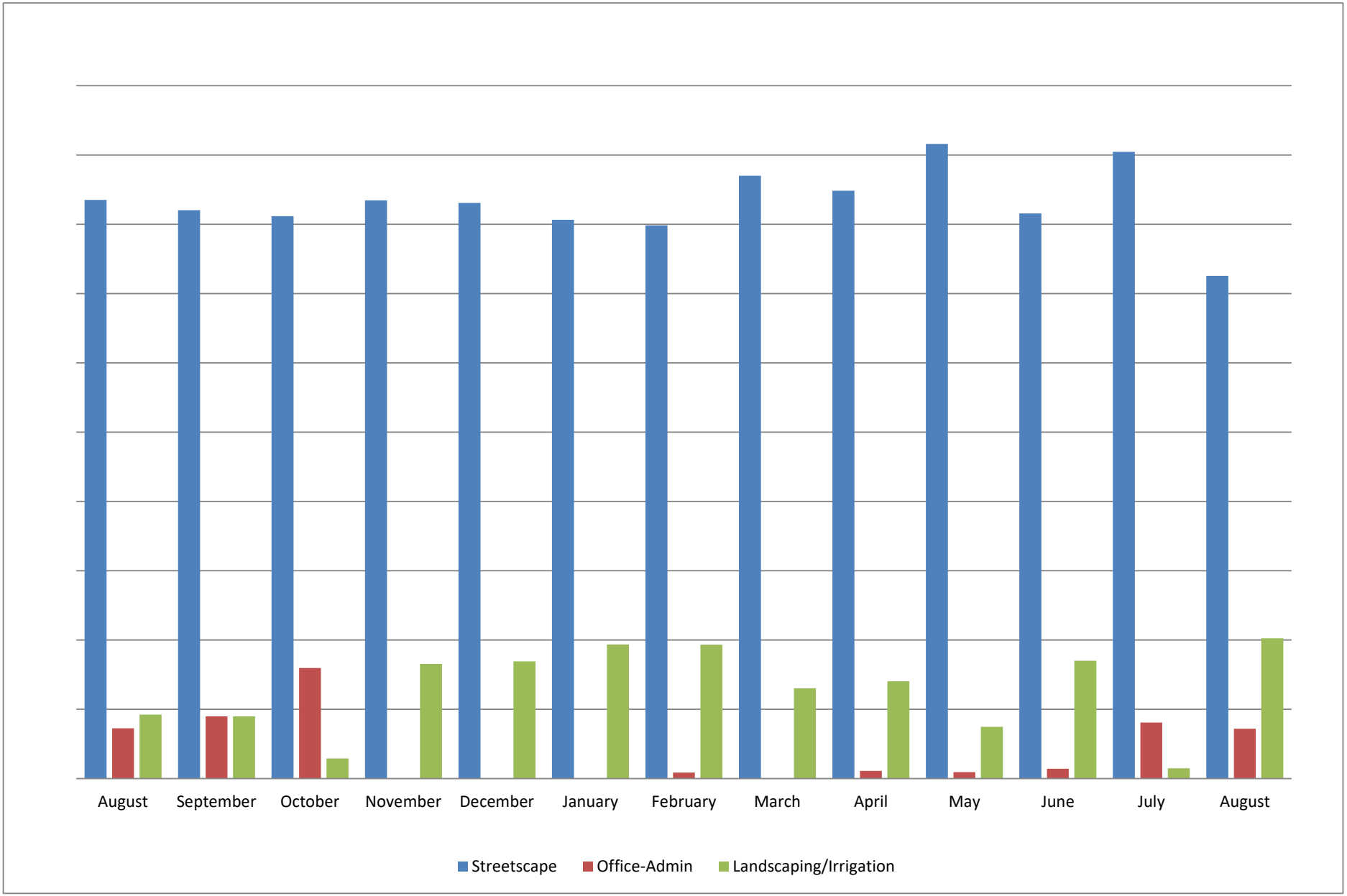


Zone	Labor Hours	Materials	Labor Cost
Streetscape	56.00	$ -	$ 1,624.00
Office-Administrative	11.00	$ -	$ 319.00
Landscaping	2.00	$ -	$ 58.00
Total	**69.00**	**$ -**	**$ 2,001.00**


Streetscape Maintenance and Repair
Streetscape Repair and Maintenance
Graffiti Abatement
Cleanup
3%
13%
84%


Landscaping and Irrigation
Landscaping
Irrigation
50%
50%

Monthly Work Order Summary
August 2024 - August 2025



Monthly Work Order Summary
Streetscape Maintenance

Address/ Intersection	Date Created	Asset	Work Description	Total Labor Hours	Total Spot Purchase Cost	Notes
UK District	3/1/25		Admin	1.00		
UK District	3/1/25		District Drive	1.00		
UK District	8/2/25		Company Truck	1.00		
UK District	8/2/25		District Drive	1.00		
UK District	8/2/25		Office/Admin	1.00		
UK District	8/2/25		Signage	1.00		
UK District	8/3/25		District Drive	1.00		
UK District	8/3/25		Office/Admin	1.00		
UK District	8/3/25		Phone Booths	2.00		
UK District	8/4/25		Company Truck	1.00		
UK District	8/4/25		District Drive	1.00		
UK District	8/4/25		Office/Admin	1.00		
UK District	8/4/25		Signage	1.00		
UK District	8/5/25		District Drive	1.00		
UK District	8/5/25		Electric	1.00		
UK District	8/5/25		Office/Admin	1.00		
UK District	8/5/25		Street Repairs	3.00		Filled holes in Eastside sidewalk
UK District	8/8/25		District Drive	2.00		
UK District	8/8/25		Electric	1.00		
UK District	8/8/25		Litter/Trash	1.00		
UK District	8/9/25		Company Truck	1.00		
UK District	8/9/25		District Drive	1.00		
UK District	8/9/25		Litter/Trash	2.00		
UK District	8/10/25		District Drive	1.00		
UK District	8/11/25		Company Truck	1.00		
UK District	8/11/25		District Drive	2.00		
UK District	8/11/25		Office/Admin	1.00		
UK District	8/11/25		Phone Booths	1.00		
UK District	8/12/25		District Drive	2.00		
UK District	8/12/25		Grafitti	1.00		
UK District	8/12/25		Litter/Trash	1.00		
UK District	8/12/25		Office/Admin	1.00		
UK District	8/16/25		District Drive	1.00		
UK District	8/16/25		Electric	1.00		
UK District	8/16/25		Litter/Trash	1.00		
UK District	8/17/25		District Drive	2.00		
UK District	8/17/25		Litter/Trash	1.00		
UK District	8/17/25		Signage	1.00		
UK District	8/18/25		Company Truck	1.00		
UK District	8/18/25		District Drive	2.00		
UK District	8/18/25		Office/Admin	1.00		
UK District	8/19/25		District Drive	1.00		
UK District	8/19/25		Grafitti	1.00		
UK District	8/19/25		Litter/Trash	1.00		
UK District	8/19/25		Signage	1.00		
UK District	8/22/25		Company Truck	1.00		
UK District	8/22/25		District Drive	2.00		
UK District	8/22/25		Phone Booths	1.00		
UK District	8/23/25		District Drive	2.00		

Monthly Work Order Summary
Streetscape Maintenance

UK District	8/23/25	Office/Admin	1.00	
UK District	8/24/25	District Drive	1.00	
UK District	8/24/25	Litter/Trash	1.00	
UK District	8/25/25	Company Truck	1.00	
UK District	8/25/25	District Drive	2.00	
UK District	8/25/25	Litter/Trash	1.00	
UK District	8/25/25	Office/Admin	1.00	
UK District	8/26/25	District Drive	2.00	
UK District	8/26/25	Office/Admin	1.00	
UK District	8/26/25	Signage	1.00	
UK District	8/30/25	Company Truck	1.00	
UK District	8/30/25	District Drive	2.00	
UK District	8/30/25	Electric	1.00	
UK District	8/30/25	Signage	1.00	
UK District	8/31/25	District Drive	1.00	
		Sum:	**78.00**	**0.00**

Monthly Work Order Summary

Landscape and Irrigation

Address/ Intersectio	Date Created	Asset	Work Description	Total Labor Hours	Total Spot Purchase Cost	Notes
UK District	8/18/25		Irrigation	1.00		
UK District	8/31/25		Landscaping	1.00		
			Sum:	**2.00**	**0.00**	

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Combined Balance Sheet -
Governmental Fund Type and Account Group
August 31, 2025

	Governmental Fund Type			Account Group	
	General Fund	Debt Service Fund	Capital Proj. Fund	General Fixed Assets	Totals
Assets					
Cash	$ 2,624,771				$ 2,624,771
Texpool	9,100,133	183,459	9,573,509		18,857,101
Accounts Receivable - Other	237,850				237,850
Accounts Rec. - Security Depos	16,025				16,025
Other Current Assets	6,806				6,806
				-	-
Total Assets	**$ 11,985,586**	**$ 183,459**	**$ 9,573,509**	**$ -**	**$ 21,742,554**
Liabilities and Equity					
Liabilities					
Accounts Payable	$ 133,917				$ 133,917
Total Liabilities	133,917	-	-	-	133,917
Equity					
Investment in Gen Fixed Assets				-	-
Restricted for Debt Service		183,459			183,459
Restricted for Capital Projects			9,573,509		9,573,509
Fund Balance:					
Assigned	11,851,669			-	11,851,669
Total Equity	11,851,669	183,459	9,573,509	-	21,608,637
Total Liabilities and Equity	**$ 11,985,586**	**$ 183,459**	**$ 9,573,509**	**$ -**	**$ 21,742,554**

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Statement of Revenues, Expenditures and Changes in Fund Balance
Month and Ten Months Ended
August 31, 2025

	Month Aug 2025	Year to Date	2025 Budget	YTD as a % of Budget
GENERAL OPERATING FUND				
Revenues				
Property Taxes	$ 3,032	$ 4,909,434	$ 4,724,818	103.9%
Contract Patrol	540	12,422	16,000	77.6%
Interest	33,353	284,980	85,000	335.3%
Total Revenues	**36,926**	**5,206,836**	**4,825,818**	**107.9%**
Expenditures				
Security & Public Safety	50,924	497,834	658,072	75.7%
Planning & Urban Design	79,677	1,039,660	5,029,890	20.7%
Public Relations & Business Development	18,423	422,952	492,794	85.8%
Program Support Services	59,750	410,554	455,471	90.1%
Total Expenditures	**208,774**	**2,370,999**	**6,636,226**	**35.7%**
Other Funding Sources				
Other Income	-		-	
Reserve for Litigated Taxes			260,000	
Unrestricted Contributions to Capital	-	-	2,450,000	
Long Term Debt			146,565	
Total Other Fund Sources	**-**	**-**	**2,856,565**	
Revenues Over (Under) Expenditures	**$ (171,848)**	**$ 2,835,837**	**$ 1,046,157**	
CAPITAL PROJECTS FUND				
Revenue				
Bond Income	-	-	-	
Grant Income	-	-		
Interest Income	34,878	343,316	200,000	
Total Revenue	**34,878**	**343,316**	**200,000**	
Other Financing Souces(Uses)				
Bond Fees	-			
Transfer from GOF		-		
Transfer to DSF	-			
	-	-	-	
Revenue Over (Under) Exps - CPF	**$ 34,878**	**$ 343,316**	**$ 200,000**	

No assurance is provided on these financial statements

Unaudited
Accrual Basis

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Statement of Revenues, Expenditures and Changes in Fund Balance
Month and Ten Months Ended
August 31, 2025

	Month Aug 2025	Year to Date	2025 Budget	YTD as a % of Budget
DEBT SERVICE FUND				
Revenue				
Interest Income	668	6,579	15,000	43.9%
Total Revenue	668	6,579		
Expenditures				
Administrative Fee	-		750	0.0%
Interest - Bond	40,083	81,465	81,565	99.9%
Principal payments- Bond	-	65,000	65,000	100.0%
Total Debt Service Expenses	40,083	146,465	147,315	
Other Financing Sources (Uses)				
Bond Proceeds			-	
Transfer to/from CPF	-			
*	-	-	-	-
Revenue Over (Under) Exps - DSF	**$ (39,414)**	**$ (139,886)**	**$ (147,315)**	
Net Change in Consolidated Fund Balances	$ (176,384.21)	3,039,267		
Consolidated Fund Balances Beginning	$ 21,800,580	$ 18,584,929		
Consolidated Fund Balance Ending	**$ 21,624,196**	**$ 21,624,196**	**-**	
			-	

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Schedule of Expenditures
Planning and Design
Month and Ten Months Ended
August 31, 2025

	Month Aug 2025	Year to Date	2025 Budget	YTD as a % of Budget
Direct Expenditures				
Operations and Maintenance				
Landscape Maintenance				
Contract Maintenance	490	192,495	220,000	87.5%
Irrigation Repair/Replacement	-	13,930	75,000	18.6%
Plant Replacement	-	-	100,000	0.0%
Landscape Maint - Other	-	118,599		
Park Maintenance	15,000	150,000	180,000	83.3%
Phone Booth Maintenance	-	-	5,000	0.0%
Streetscape Repair & Mtn	24,880	214,139	245,000	87.4%
Tree Preservation	-	5,780	40,000	14.5%
US 59 Service Rd Maintenance	927	7,632	6,000	127.2%
Utilities - ROW	6,049	41,080	75,000	54.8%
Equipment Purchases	-	-	10,000	0.0%
Planning & Urban Design				
Transportation Consultant	4,696	61,761	160,000	38.6%
Program Management Consultants	-	1,103	20,000	5.5%
Streetscape Planning & Design	-	-	215,000	0.0%
Capital Improvements				
US 59 Improvements	-	12,800	-	#DIV/0!
West Alabama Utility Relocation			3,000,000	0.0%
Eastside Reconstruction	-		-	
West Alabama Reconstruction			1,000,000	0.0%
Total Direct Expenditures	**52,042**	**819,319**	**5,351,000**	**15.3%**
Allocation of Program Support Services	27,635	220,341	403,011	54.7%
Total Expenditures	79,677	1,039,660	5,754,011	18.1%

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Schedule of Expenditures
Public Relations
Month and Ten Months Ended
August 31, 2025

	Month Aug 2025	Year to Date	2025 Budget	YTD as a % of Budget
Direct Expenditures				
Public Relations	-	-	10,000	0.0%
Community Outreach			7,500	0.0%
Public Art			20,000	0.0%
Holiday Lighting/Banners	-	276,058	275,000	100.4%
Events			10,000	0.0%
Total Direct Expenditures	**-**	**276,058**	**322,500**	**85.6%**
Allocation of Program Support Services	18,423	146,894	268,674	54.7%
Total Expenditures	18,423	422,952	591,174	71.5%

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Schedule of Expenditures
Program Support Services
Month and Ten Months Ended
August 31, 2025

	Month Aug 2025	Year to Date	2025 Budget	YTD as a % of Budget
Direct Expenditures				
Payroll, Taxes and Benefits	87,718	593,391	1,125,194	52.7%
Levy Park Conservancy Payroll	53,527	468,326	994,308	47.1%
Legal - general and meeting	1,920	40,852	40,000	102.1%
Bond Issue Expenses	-	-	1,000	0.0%
Accounting Fees	14,200	132,372	175,000	75.6%
Audit Fees	-	16,250	26,000	62.5%
Insurance	-	36,063	33,000	109.3%
Bank Fees	525	5,370	6,500	82.6%
Dues & Seminars	-	19,484	18,740	104.0%
Legal Notices	-	1,850	-	0.0%
Office Rent	13,497	87,812	150,000	58.5%
Office Supplies	-	1,167	4,000	29.2%
Other Office	2,218	23,110	35,000	66.0%
Professional Development	1,090	1,915	3,000	63.8%
Travel	34	2,196	3,000	73.2%
Records Storage	124	1,079	2,000	53.9%
Contract Labor	-	-	2,500	0.0%
Consultant	-	-	5,000	0.0%
Appraisal District Fees	9,317	36,808	50,000	73.6%
Tax Consultant	-	-	6,000	0.0%
Vehicle	60	896	1,500	59.7%
Capital Outlay	-	-	5,000	0.0%
Total Direct Expenditures	**184,231**	**1,468,940**	**2,686,742**	**54.7%**
Support Allocations				
TIRZ Reimbursement - Admin	(12,000)	(120,000)	(274,480)	43.7%
Reimbursement Metro			-	
UKDF/LPC Reimbursement	(53,527)	(468,326)	(1,064,757)	44.0%
Programs				
Security & Public Safety	(12,896)	(102,826)	(188,072)	54.7%
Planning & Urban Design	(27,635)	(220,341)	(403,011)	54.7%
Public Relations & Business Development	(18,423)	(146,894)	(268,674)	54.7%
Total Expenditures	**59,750**	**410,554**	**487,748**	**84.2%**

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Schedule of Expenditures
Security and Public Safety
Month and Ten Months Ended
August 31, 2025

	Month Aug 2025	Year to Date	2025 Budget	YTD as a % of Budget
Direct Expenditures				
Security Patrol	38,028	395,008	470,000	84.0%
Total Direct Expenditures	**38,028**	**395,008**	**470,000**	**84.0%**
Allocation of Program Support Services	12,896	102,826	188,072	54.7%
Total Expenditures	50,924	497,834	658,072	75.7%

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Combined Balance Sheet -
Governmental Fund Type and Account Group
July 31, 2025

	Governmental Fund Type			Account Group	
	General Fund	Debt Service Fund	Capital Proj. Fund	General Fixed Assets	Totals
Assets					
Cash	$ 2,845,574				$ 2,845,574
Texpool	9,165,808	182,790	9,538,632		18,887,230
Accounts Receivable - Other	164,590				164,590
Accounts Rec. - Security Depos	16,025				16,025
Other Current Assets	6,806				6,806
				-	-
Total Assets	**$ 12,198,804**	**$ 182,790**	**$ 9,538,632**	**$ -**	**$ 21,920,226**
Liabilities and Equity					
Liabilities					
Accounts Payable	$ 147,990				$ 147,990
Total Liabilities	147,990	-	-	-	147,990
Equity					
Investment in Gen Fixed Assets				-	-
Restricted for Debt Service		182,790			182,790
Restricted for Capital Projects			9,538,632		9,538,632
Fund Balance:					
Assigned	12,050,815			-	12,050,815
Total Equity	12,050,815	182,790	9,538,632	-	21,772,236
Total Liabilities and Equity	**$ 12,198,804**	**$ 182,790**	**$ 9,538,632**	**$ -**	**$ 21,920,226**

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Statement of Revenues, Expenditures and Changes in Fund Balance
Month and Nine Months Ended
July 31, 2025

	Month July 2025	Year to Date	2025 Budget	YTD as a % of Budget
GENERAL OPERATING FUND				
Revenues				
Property Taxes	$ 93	$ 4,906,402	$ 4,724,818	103.8%
Contract Patrol	774	11,882	16,000	74.3%
Interest	33,481	251,626	85,000	296.0%
Total Revenues	**34,348**	**5,169,910**	**4,825,818**	**107.1%**
Expenditures				
Security & Public Safety	50,592	446,910	658,072	67.9%
Planning & Urban Design	171,309	959,983	5,029,890	19.1%
Public Relations & Business Development	17,514	404,529	492,794	82.1%
Program Support Services	59,707	350,804	455,471	77.0%
Total Expenditures	**299,122**	**2,162,226**	**6,636,226**	**32.6%**
Other Funding Sources				
Other Income	-		-	
Reserve for Litigated Taxes			260,000	
Unrestricted Contributions to Capital	-	-	2,450,000	
Long Term Debt			146,565	
Total Other Fund Sources	**-**	**-**	**2,856,565**	
Revenues Over (Under) Expenditures	**$ (264,774)**	**$ 3,007,685**	**$ 1,046,157**	
CAPITAL PROJECTS FUND				
Revenue				
Bond Income	-	-	-	
Grant Income	-	-		
Interest Income	34,806	308,438	200,000	
Total Revenue	**34,806**	**308,438**	**200,000**	
Other Financing Souces(Uses)				
Bond Fees	-			
Transfer from GOF		-		
Transfer to DSF	-			
	-	-	-	
Revenue Over (Under) Exps - CPF	**$ 34,806**	**$ 308,438**	**$ 200,000**	

No assurance is provided on these financial statements

Unaudited
Accrual Basis

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Statement of Revenues, Expenditures and Changes in Fund Balance
Month and Nine Months Ended
July 31, 2025

	Month July 2025	Year to Date	2025 Budget	YTD as a % of Budget
DEBT SERVICE FUND				
Revenue				
Interest Income	667	5,911	15,000	39.4%
Total Revenue	667	5,911		
Expenditures				
Administrative Fee	-		750	0.0%
Interest - Bond	-	41,383	81,565	50.7%
Principal payments- Bond	-	65,000	65,000	100.0%
Total Debt Service Expenses	-	106,383	147,315	
Other Financing Sources (Uses)				
Bond Proceeds			-	
Transfer to/from CPF	-			
*	-	-	-	-
Revenue Over (Under) Exps - DSF	**$ 667**	**$ (100,472)**	**$ (147,315)**	
Net Change in Consolidated Fund Balances	$ (229,301.66)	3,215,651		
Consolidated Fund Balances Beginning	$ 22,029,882	$ 18,584,929		
Consolidated Fund Balance Ending	**$ 21,800,580**	**$ 21,800,580**	**-**	
			-	

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Schedule of Expenditures
Planning and Design
Month and Nine Months Ended
July 31, 2025

	Month July 2025	Year to Date	2025 Budget	YTD as a % of Budget
Direct Expenditures				
Operations and Maintenance				
Landscape Maintenance				
Contract Maintenance	45,728	192,005	220,000	87.3%
Irrigation Repair/Replacement	4,563	13,930	75,000	18.6%
Plant Replacement	-	-	100,000	0.0%
Landscape Maint - Other	-	118,599		
Park Maintenance	15,000	135,000	180,000	75.0%
Phone Booth Maintenance	-	-	5,000	0.0%
Streetscape Repair & Mtn	61,710	189,259	245,000	77.2%
Tree Preservation	4,300	5,780	40,000	14.5%
US 59 Service Rd Maintenance	2,895	6,705	6,000	111.8%
Utilities - ROW	7,135	35,031	75,000	46.7%
Equipment Purchases	-	-	10,000	0.0%
Planning & Urban Design				
Transportation Consultant	3,707	57,065	160,000	35.7%
Program Management Consultants	-	1,103	20,000	5.5%
Streetscape Planning & Design	-	-	215,000	0.0%
Capital Improvements				
US 59 Improvements	-	12,800	-	#DIV/0!
West Alabama Utility Relocation			3,000,000	0.0%
Eastside Reconstruction	-		-	
West Alabama Reconstruction			1,000,000	0.0%
Total Direct Expenditures	**145,038**	**767,277**	**5,351,000**	**14.3%**
Allocation of Program Support Services	26,272	192,706	403,011	47.8%
Total Expenditures	171,309	959,983	5,754,011	16.7%

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Schedule of Expenditures
Public Relations
Month and Nine Months Ended
July 31, 2025

	Month July 2025	Year to Date	2025 Budget	YTD as a % of Budget
Direct Expenditures				
Public Relations	-	-	10,000	0.0%
Community Outreach			7,500	0.0%
Public Art			20,000	0.0%
Holiday Lighting/Banners	-	276,058	275,000	100.4%
Events			10,000	0.0%
Total Direct Expenditures	**-**	**276,058**	**322,500**	**85.6%**
Allocation of Program Support Services	17,514	128,471	268,674	47.8%
Total Expenditures	17,514	404,529	591,174	68.4%

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Schedule of Expenditures
Program Support Services
Month and Nine Months Ended
July 31, 2025

	Month July 2025	Year to Date	2025 Budget	YTD as a % of Budget
Direct Expenditures				
Payroll, Taxes and Benefits	83,459	505,673	1,125,194	44.9%
Levy Park Conservancy Payroll	47,391	414,799	994,308	41.7%
Legal - general and meeting	1,160	38,932	40,000	97.3%
Bond Issue Expenses	-	-	1,000	0.0%
Accounting Fees	28,170	118,172	175,000	67.5%
Audit Fees	-	16,250	26,000	62.5%
Insurance	366	36,063	33,000	109.3%
Bank Fees	521	4,845	6,500	74.5%
Dues & Seminars	-	19,484	18,740	104.0%
Legal Notices	-	1,850	-	0.0%
Office Rent	11,345	74,314	150,000	49.5%
Office Supplies	158	1,167	4,000	29.2%
Other Office	2,406	20,892	35,000	59.7%
Professional Development	-	825	3,000	27.5%
Travel	-	2,162	3,000	72.1%
Records Storage	105	955	2,000	47.7%
Contract Labor	-	-	2,500	0.0%
Consultant	-	-	5,000	0.0%
Appraisal District Fees	-	27,491	50,000	55.0%
Tax Consultant	-	-	6,000	0.0%
Vehicle	62	835	1,500	55.7%
Capital Outlay	-	-	5,000	0.0%
Total Direct Expenditures	**175,144**	**1,284,710**	**2,686,742**	**47.8%**
Support Allocations				
TIRZ Reimbursement - Admin	(12,000)	(108,000)	(274,480)	39.3%
Reimbursement Metro			-	
UKDF/LPC Reimbursement	(47,391)	(414,799)	(1,064,757)	39.0%
Programs				
Security & Public Safety	(12,260)	(89,930)	(188,072)	47.8%
Planning & Urban Design	(26,272)	(192,706)	(403,011)	47.8%
Public Relations & Business Development	(17,514)	(128,471)	(268,674)	47.8%
Total Expenditures	**59,707**	**350,804**	**487,748**	**71.9%**

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Schedule of Expenditures
Security and Public Safety
Month and Nine Months Ended
July 31, 2025

	Month July 2025	Year to Date	2025 Budget	YTD as a % of Budget
Direct Expenditures				
Security Patrol	38,332	356,980	470,000	76.0%
Total Direct Expenditures	**38,332**	**356,980**	**470,000**	**76.0%**
Allocation of Program Support Services	12,260	89,930	188,072	47.8%
Total Expenditures	50,592	446,910	658,072	67.9%

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Combined Balance Sheet -
Governmental Fund Type and Account Group
June 30, 2025

	Governmental Fund Type			Account Group	
	General Fund	Debt Service Fund	Capital Proj. Fund	General Fixed Assets	Totals
Assets					
Cash	$ 2,455,432				$ 2,455,432
Texpool	9,200,672	182,123	9,503,826		18,886,622
Accounts Receivable - Other	860,731				860,731
Accounts Rec. - Security Depos	16,025				16,025
Other Current Assets	6,806				6,806
				-	-
Total Assets	**$ 12,539,667**	**$ 182,123**	**$ 9,503,826**	**$ -**	**$ 22,225,616**
Liabilities and Equity					
Liabilities					
Accounts Payable	$ 224,079				$ 224,079
Total Liabilities	224,079	-	-	-	224,079
Equity					
Investment in Gen Fixed Assets				-	-
Restricted for Debt Service		182,123			182,123
Restricted for Capital Projects			9,503,826		9,503,826
Fund Balance:					
Assigned	12,315,588			-	12,315,588
Total Equity	12,315,588	182,123	9,503,826	-	22,001,537
Total Liabilities and Equity	**$ 12,539,667**	**$ 182,123**	**$ 9,503,826**	**$ -**	**$ 22,225,616**

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Statement of Revenues, Expenditures and Changes in Fund Balance
Month and Eight Months Ended
June 30, 2025

	Month June 2025	Year to Date	2025 Budget	YTD as a % of Budget
GENERAL OPERATING FUND				
Revenues				
Property Taxes	$ 159	$ 4,906,309	$ 4,724,818	103.8%
Contract Patrol	504	11,108	16,000	69.4%
Interest	27,979	218,144	85,000	256.6%
Total Revenues	**28,641**	**5,135,561**	**4,825,818**	**106.4%**
Expenditures				
Security & Public Safety	45,182	396,317	658,072	60.2%
Planning & Urban Design	(150,386)	788,673	5,029,890	15.7%
Public Relations & Business Development	217,804	387,014	492,794	78.5%
Program Support Services	13,095	291,097	455,471	63.9%
Total Expenditures	**125,695**	**1,863,102**	**6,636,226**	**28.1%**
Other Funding Sources				
Other Income	-		-	
Reserve for Litigated Taxes			260,000	
Unrestricted Contributions to Capital	-	-	2,450,000	
Long Term Debt			146,565	
Total Other Fund Sources	**-**	**-**	**2,856,565**	
Revenues Over (Under) Expenditures	**$ (97,054)**	**$ 3,272,459**	**$ 1,046,157**	
CAPITAL PROJECTS FUND				
Revenue				
Bond Income	-	-	-	
Grant Income	-	-		
Interest Income	33,447	273,633	200,000	
Total Revenue	**33,447**	**273,633**	**200,000**	
Other Financing Souces(Uses)				
Bond Fees	-			
Transfer from GOF		-		
Transfer to DSF	-			
	-	-	-	
Revenue Over (Under) Exps - CPF	**$ 33,447**	**$ 273,633**	**$ 200,000**	

No assurance is provided on these financial statements

Unaudited
Accrual Basis

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Statement of Revenues, Expenditures and Changes in Fund Balance
Month and Eight Months Ended
June 30, 2025

	Month June 2025	Year to Date	2025 Budget	YTD as a % of Budget
DEBT SERVICE FUND				
Revenue				
Interest Income	641	5,244	15,000	35.0%
Total Revenue	641	5,244		
Expenditures				
Administrative Fee	-		750	0.0%
Interest - Bond	-	41,383	81,565	50.7%
Principal payments- Bond	-	65,000	65,000	100.0%
Total Debt Service Expenses	-	106,383	147,315	
Other Financing Sources (Uses)				
Bond Proceeds			-	
Transfer to/from CPF	-			
*	-	-	-	-
Revenue Over (Under) Exps - DSF	**$ 641**	**$ (101,139)**	**$ (147,315)**	
Net Change in Consolidated Fund Balances	$ (62,965.43)	3,444,953		
Consolidated Fund Balances Beginning	$ 22,092,847	$ 18,584,929		
Consolidated Fund Balance Ending	**$ 22,029,882**	**$ 22,029,882**	**-**	
			-	

No assurance is provided on these financial statements

Unaudited
Accrual Basis

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Schedule of Expenditures
Planning and Design
Month and Eight Months Ended
June 30, 2025

	Month June 2025	Year to Date	2025 Budget	YTD as a % of Budget
Direct Expenditures				
Operations and Maintenance				
Landscape Maintenance				
Contract Maintenance	21,969	146,277	220,000	66.5%
Irrigation Repair/Replacement	1,164	9,368	75,000	12.5%
Plant Replacement	-	-	100,000	0.0%
Landscape Maint - Other	16,255	118,599		
Park Maintenance	60,000	120,000	180,000	66.7%
Phone Booth Maintenance	-	-	5,000	0.0%
Streetscape Repair & Mtn	11,579	127,548	245,000	52.1%
Tree Preservation	980	1,480	40,000	3.7%
US 59 Service Rd Maintenance	-	3,810	6,000	63.5%
Utilities - ROW	8,731	27,896	75,000	37.2%
Equipment Purchases	-	-	10,000	0.0%
Planning & Urban Design				
Transportation Consultant	3,639	53,359	160,000	33.3%
Program Management Consultants	368	1,103	20,000	5.5%
Streetscape Planning & Design	-	-	215,000	0.0%
Capital Improvements				
US 59 Improvements	12,800	12,800	-	#DIV/0!
West Alabama Utility Relocation			3,000,000	0.0%
Eastside Reconstruction	(304,012)		-	
West Alabama Reconstruction			1,000,000	0.0%
Total Direct Expenditures	**(166,528)**	**622,238**	**5,351,000**	**11.6%**
Allocation of Program Support Services	16,142	166,435	403,011	41.3%
Total Expenditures	(150,386)	788,673	5,754,011	13.7%

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Schedule of Expenditures
Public Relations
Month and Eight Months Ended
June 30, 2025

	Month June 2025	Year to Date	2025 Budget	YTD as a % of Budget
Direct Expenditures				
Public Relations	-	-	10,000	0.0%
Community Outreach			7,500	0.0%
Public Art			20,000	0.0%
Holiday Lighting/Banners	207,043	276,058	275,000	100.4%
Events			10,000	0.0%
Total Direct Expenditures	**207,043**	**276,058**	**322,500**	**85.6%**
Allocation of Program Support Services	10,761	110,957	268,674	41.3%
Total Expenditures	217,804	387,014	591,174	65.5%

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Schedule of Expenditures
Program Support Services
Month and Eight Months Ended
June 30, 2025

	Month June 2025	Year to Date	2025 Budget	YTD as a % of Budget
Direct Expenditures				
Payroll, Taxes and Benefits	(7,673)	422,214	1,125,194	37.5%
Levy Park Conservancy Payroll	48,081	367,408	994,308	37.0%
Legal - general and meeting	**20,964**	**37,772**	40,000	94.4%
Bond Issue Expenses	-	-	1,000	0.0%
Accounting Fees	**33,605**	**90,003**	175,000	51.4%
Audit Fees	-	**16,250**	26,000	62.5%
Insurance	-	**35,697**	33,000	108.2%
Bank Fees	545	**4,324**	6,500	66.5%
Dues & Seminars	-	**19,484**	18,740	104.0%
Legal Notices	1,350	**1,850**	-	0.0%
Office Rent	7,548	**62,969**	150,000	42.0%
Office Supplies	106	**1,009**	4,000	25.2%
Other Office	2,561	**18,486**	35,000	52.8%
Professional Development	-	**825**	3,000	27.5%
Travel	358	2,162	3,000	72.1%
Records Storage	105	850	2,000	42.5%
Contract Labor	-	-	2,500	0.0%
Consultant	-	-	5,000	0.0%
Appraisal District Fees	-	**27,491**	50,000	55.0%
Tax Consultant	-	-	6,000	0.0%
Vehicle	61	**773**	1,500	51.5%
Capital Outlay	-	-	5,000	0.0%
Total Direct Expenditures	**107,612**	**1,109,566**	**2,686,742**	**41.3%**
Support Allocations				
TIRZ Reimbursement - Admin	(12,000)	(96,000)	(274,480)	35.0%
Reimbursement Metro			-	
UKDF/LPC Reimbursement	(48,081)	(367,408)	(1,064,757)	34.5%
Programs				
Security & Public Safety	(7,533)	(77,670)	(188,072)	41.3%
Planning & Urban Design	(16,142)	(166,435)	(403,011)	41.3%
Public Relations & Business Development	(10,761)	(110,957)	(268,674)	41.3%
Total Expenditures	**13,095**	**291,097**	**487,748**	**59.7%**

No assurance is provided on these financial statements

Unaudited
Accrual Basis

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Schedule of Expenditures
Security and Public Safety
Month and Eight Months Ended
June 30, 2025

	Month June 2025	Year to Date	2025 Budget	YTD as a % of Budget
Direct Expenditures				
Security Patrol	37,649	318,648	470,000	67.8%
Total Direct Expenditures	**37,649**	**318,648**	**470,000**	**67.8%**
Allocation of Program Support Services	7,533	77,670	188,072	41.3%
Total Expenditures	45,182	396,317	658,072	60.2%

HARRIS COUNTY IMPROVEMENT DISTRICT #3
QUARTERLY INVESTMENT REPORT
3RD QUARTER FISCAL YEAR 2025
MAY 1, 2025 to
JULY 31, 2025

Transaction Date		General Fund	Capital Project Fund	Debt Service Fund
		TexPool	TexPool	TexPool
5/1/2025	Beginning Bal	$ 7,292,080.94	$ 9,435,856.95	$ 180,820.65
May 25	Withdrawals	(96,457.21)		
May 25	Deposits			
May 25	Interest 4.3077%	26,478.34	34,521.70	661.53
Jun 25	Withdrawals	(49,408.44)		
Jun 25	Deposits	2,000,000.00		-
Jun 25	Interest 4.2970%	27,978.75	33,447.36	640.98
Jul 25	Withdrawals	(68,346.25)		
Jul 25	Deposits		-	-
Jul 25	Interest 4.3120%	33,482.08	34,805.53	666.97
7/31/2025	**Balance**	**$ 9,165,808.21**	**$ 9,538,631.54**	**$ 182,790.13**

The investments for the District for the period are in compliance with the Public Funds Investment Act, the District's investment policy and the District's investment strategy.

Investment Officer: _____

	2025 Budget	2025 Estimate	2026 Budget	2027 Budget	2028 Budget	2029 Budget	2030 Budget	*Notes*
REVENUE								
Contract Patrol	16,000	13,522	13,500	13,500	13,500	13,500	13,500	
Interest	300,000	344,980	250,000	25,000	25,000	25,000	25,000	
Property Taxes ($.1325/$100)	5,117,811	4,909,401	4,943,986	5,092,306	5,245,075	5,402,427	5,402,427	*2026 Value includes estimate for litigated taxes per tax consultant's recommendaiton*
Disaster Recovery Grants (FEMA)								
Reserve for Litigated Taxes				(190,000)	(190,000)	(190,000)	(190,000)	
Total Standard Revenue	**5,433,811**	**5,267,903**	**5,207,486**	**4,940,806**	**5,093,575**	**5,250,927**	**5,250,927**	
EXPENDITURES								
Security & Public Safety								
Police Patrol	**470,000**	**471,629**	**545,000**	**545,000**	**561,350**	**578,191**	**595,536**	*2026 includes officer rate adjustment and the addition of three additional 8-hour shifts per week*
Constituent Reporting Tool			**26,000**	**22,000**	**22,000**	**22,000**	**22,000**	*Development and launch of HCID 3 app and web interface for constituent reporting of security and maintenance issues*
Total Security & Public Safety	**470,000**	**471,629**	**571,000**	**567,000**	**583,350**	**600,191**	**617,536**	
Public Relations & Business Development								
PR & Business Development-General	10,000		10,000	10,000	10,000	10,000	10,000	
Community Outreach	7,500	-	7,500	7,500	7,500	7,500	7,500	
Public Art	20,000	-	20,000	20,000	20,000	20,000	20,000	
Events	10,000	2,500	10,000	10,000	10,000	10,000	10,000	
Holiday Lighting	275,000	276,058	280,000	280,000	325,000	325,000	325,000	
Total Public Relations & Business Development	**322,500**	**278,558**	**327,500**	**327,500**	**372,500**	**372,500**	**372,500**	
Operations and Maintenance								
Landscape Maintenance								
Contract Maintenance	220,000	256,184	260,000	260,000	267,800	275,834	284,109	
Plant Replacement	100,000	118,599	100,000	100,000	100,000	100,000	103,000	
Irrigation Repair/Replacement	75,000	25,930	65,000	66,950	65,000	65,000	66,950	
US 59 Service Road Maintenance	6,000	9,632	10,000	10,000	10,000	10,000	10,300	
Levy Park Maintenance	180,000	180,000	180,000	180,000	180,000	180,000	185,400	
Phone Booth maintenance	5,000	4,213	5,000	5,000	5,000	5,000	5,150	
Utilities - ROW	75,000	53,080	75,000	75,000	75,000	77,250	79,568	
Streetscape Replacement /Repair-ROW Maintenance	245,000	241,859	245,000	245,000	245,000	245,000	252,350	
Equipment Purchases	10,000	10,000	5,000	10,000	10,000	10,000	10,300	
Tree Preservation	40,000	5,780	40,000	40,000	41,200	42,436	43,709	
Total Operations and Maintenance	**956,000**	**905,277**	**985,000**	**991,950**	**999,000**	**1,010,520**	**1,040,836**	

Program Support Services								
Harris Co Appraisal Dist Fees	50,000	36,808	50,000	50,000	50,000	50,000	50,000	
Tax Consultant	6,000	5,500	6,000	6,000	6,000	6,000	6,000	
Legal	40,000	43,000	40,000	40,000	40,000	40,000	40,000	
Legal Notices/Public Postings		1,850	2,000	2,000	2,000	2,000	2,000	
Bond Expenses	1,000	878	1,000	1,000	1,000	1,000	1,000	*Rate has been increased*
Accounting	175,000	161,000	175,000	175,000	175,000	175,000	180,250	
Audit	26,000	16,250	26,000	26,000	26,000	26,000	26,000	
Vehicle Maintenance & expenses	1,500	1,015	1,500	3,000	3,000	3,000	3,000	
Insurance - Property, liability, Workers comp	33,000	22,063	30,000	33,000	33,000	33,000	33,000	
Payroll and Taxes, Benefits	1,125,194	1,078,224	1,158,950	1,193,719	1,229,530	1,266,416	1,304,408	
Levy Park Conservancy Payroll, Taxes, Benefits	994,308	946,960	995,000	1,024,850	1,055,596	1,087,263	1,119,881	
Consultants	5,000	-	5,000	5,000	5,000	5,000	5,000	
Contract Labor	2,500	-	2,500	2,500	2,500	2,500	2,500	
Bank/Payroll service fees	6,500	6,370	6,500	6,500	6,500	6,500	6,500	
Professional Development	3,000	825	3,000	3,000	3,000	3,000	3,000	*Assumes 2-3 professional development conferences or workshops*
Travel	3,000	2,312	3,000	2,500	2,500	2,500	2,500	*Assumes travel for 2-3 in-state conferences or workshops*
Dues & Subscription	18,740	19,484	20,000	20,000	20,000	20,000	20,000	
Office supplies	4,000	2,887	4,000	4,000	4,000	4,000	4,000	
Records Storage	2,000	2,094	2,000	2,000	2,000	2,000	2,000	
Office Other	35,000	25,636	35,000	35,000	35,000	35,000	35,000	
Rent - Office	150,000	111,812	150,000	150,000	150,000	150,000	150,000	
Capital Outlay	5,000	-	5,000	5,000	5,000	5,000	5,000	
Total Program Support Services	**2,686,742**	**2,484,968**	**2,721,450**	**2,790,069**	**2,856,626**	**2,925,179**	**3,001,040**	
Planning & Urban Design								
Transportation Consultant-Goodman	160,000	79,261	205,000	160,000	160,000	160,000	160,000	*Includes $35K in FEMA desaster recovery pursuit and management-Goodman*
Program Management Consultants - Gunda	20,000	2,103	20,000	20,000	20,000	20,000	20,000	
Streetscape Planning & Design - Mobility	215,000	-	275,000	75,000	75,000	75,000	75,000	*Remainder of the updating of the mobility plan - Ardurra/Gunda Corp*
US 59 Underpass Design								
Urban Planning and Design - Other		-						
Total Planning & Urban Design	**395,000**	**81,364**	**500,000**	**255,000**	**255,000**	**255,000**	**255,000**	
Reimbursement by Affiliated Organizations								
Reimbursement Metro								
Reimbursement UKDF\LPC	(1,064,757)	(1,009,687)	(1,067,600)	(1,099,628)	(1,132,617)	(1,166,595)	(1,201,593)	
Reimbursement UKRA	(274,480)	(289,000)	(296,640)	(296,640)	(296,640)	(296,640)	(305,539)	
Total Reimbursement by Affiliated Organizations	**(1,339,237)**	**(1,298,687)**	**(1,364,240)**	**(1,396,268)**	**(1,429,257)**	**(1,463,235)**	**(1,507,132)**	
O&M CIP Expense								
Long Term Debt	146,465	146,465	148,765	148,765	145,965	148,065	146,965	
Direct Capital Funding	2,600,000	5,250,000	2,650,000	2,000,000	1,500,000	1,400,000	1,350,000	
Total CIP Expense	2,746,465	5,396,465	2,798,765	2,148,765	1,645,965	1,548,065	1,496,965	
Total Expenditures	6,237,470	8,319,574	6,539,475	5,684,016	5,283,184	5,248,219	5,276,744	
Revenues Over (Under) Expenditures	**(803,659)**	**(3,051,671)**	**(1,331,989)**	**(743,210)**	**(189,609)**	**2,708**	**(25,817)**	
Beginning Fund Balance	**5,399,440**	**9,310,755**	**6,259,084**	**4,927,095**	**4,183,886**	**3,994,277**	**3,996,984**	
Reserve-Debt Service								**Balance should equal approximately 75% of expenditures in future years in order to maintain current credit rating*
Ending Fund Balance	**4,595,781**	**6,259,084**	**4,927,095**	**4,183,886**	**3,994,277**	**3,996,984**	**3,971,168**	
Balance as % of Expenditures	75%	75%	75%	74%	76%	76%	75%	

HARRIS COUNTY IMPROVEMENT DISTRICT No. 3

CAPITAL PROJECT CASH FLOW

	2025	2025 Estimate	2026	2027	2028	2029	2030	*Notes*
REVENUE								
Bond Proceeds								
Grant		45,000		2,650,000		2,500,000	1,500,000	*Represents West Alabama Grant Award*
O&M Capital Funding	2,600,000	5,250,000	2,650,000	2,000,000	1,500,000	1,400,000	1,350,000	
	2,600,000	**5,295,000**	**2,650,000**	**4,650,000**	**1,500,000**	**3,900,000**	**2,850,000**	
Capital Improvements								
Bissonnet Utility Relocation						3,000,000		
Bissonnet Reconstruction					100,000	200,000	1,000,000	
Shepherd Utility Relocation								
Shepherd Reconstruction								
West Alabama Utility Relocation	3,000,000		3,000,000	2,500,000				
West Alabama Reconstruction	1,000,000	45,000	250,000	2,650,000		2,500,000	1,500,000	*Includes FTA local match and acquisitions*
Eastside Reconstruction/Elbert Pedestrian Connection					250,000	200,000		
US 59 Improvements								
Kirby Drive Utility Relocation					3,000,000			
Kirby Drive Improvements				150,000		2,500,000		
Richmond Avenue Utility Relocation								
Richmond Avenue Improvements								
Greenbriar Improvements								
Buffalo Speedway Utility Relocation				1,500,000	200,000			
Buffalo Speedway Improvements-Westheimer to 59				250,000	3,000,000	500,000	1,000,000	
Wayfinding			100,000					
Total Capital Improvements	3,120,000	45,000	3,350,000	7,050,000	6,550,000	8,900,000	3,500,000	
Total Expenditures	**3,120,000**	**45,000**	**3,350,000**	**7,050,000**	**6,550,000**	**8,900,000**	**3,500,000**	
Revenue Over/Under Expenditures	-670,000	5,250,000	-700,000	-2,400,000	-5,050,000	-5,000,000	-650,000	
Beginning Fund Balance	**8,237,940**	**9,230,193**	**14,480,193**	**13,780,193**	**11,380,193**	**6,330,193**	**1,330,193**	
Ending Fund Balance	**7,567,940**	**14,480,193**	**13,780,193**	**11,380,193**	**6,330,193**	**1,330,193**	**680,193**	

Year	Taxable Assessed Value	Tax Rate	Collection Rate	Tax Collections
2024	3,769,000,312	0.1350	99%	5,037,269
2025	3,882,070,321	0.1325	99%	5,092,306
2026	3,998,532,431	0.1325	99%	5,245,075
2027	4,118,488,404	0.1325	99%	5,402,427
2028	4,242,043,056	0.1325	99%	5,564,500

Year	Taxable Assessed Value	Tax Rate	Collection Rate	Tax Collections
2024	3,769,000,312	0.1320	99%	4,925,330
2025	3,882,070,321	0.1320	99%	5,073,089
2026	3,998,532,431	0.1320	99%	5,225,282
2027	4,118,488,404	0.1320	99%	5,382,041
2028	4,242,043,056	0.1320	99%	5,543,502

Year	Taxable Assessed Value	Tax Rate	Collection Rate	Tax Collections
2024	3,769,000,312	0.1300	99%	4,850,703
2025	3,882,070,321	0.1300	99%	4,996,225
2026	3,998,532,431	0.1300	99%	5,146,111
2027	4,118,488,404	0.1300	99%	5,300,495
2028	4,242,043,056	0.1300	99%	5,459,509

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TO: SKLaw Clients

FROM: SKLaw

DATE: August 1, 2025

RE: Cybersecurity Training and AI Training

Cybersecurity Awareness Training and AI Training

This brief memorandum outlines the mandatory Cybersecurity Training Program and Artificial Intelligence (AI) Training Program requirements for all Board members, ensuring compliance with new state laws. These training initiatives will educate Board members on the best practices for safeguarding information resources.

Effective September 1, 2025, all Board members are required to annually:

1. complete a certified Cybersecurity Training Program;
2. complete a certified AI Training Program; and
3. submit Cybersecurity and AI Training completion forms to the Texas Department of Information Resources.

The statewide Cybersecurity Training Program, AI Training Program, and the completion forms are available at no costs and can be accessed on the Texas Department of Information Resources website at: https://dir.texas.gov/information-security/statewide-cybersecurity-awareness-training.

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89th TEXAS LEGISLATURE

REGULAR SESSION

LEGISLATION IMPACTING SPECIAL DISTRICTS

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July 8, 2025

INTRODUCTION

This memorandum is intended to provide an overview of laws enacted by the 89th Texas Legislature which impact special districts, including powers, operations, finance, transparency, elections, infrastructure, and land & economic development. The Legislature ended its regular biennial 140-day session adjourning, sine die, on June 2, 2025. The Governor's veto period ended on June 22, 2025.

The session opened with little change in the Senate under the continued leadership of Lt. Gov. Patrick. In the House of Representatives, however, the story was quite different after a tumultuous 2024 election cycle. Opening days in the House were dominated with deep division in the Republican membership over the selection of a new Speaker. After a contentious election process, Rep. Dustin Burrows (R-Lubbock) emerged as the winner. There was concern for House dysfunction in the aftermath, and initially there was some negative impact, but the House eventually overcame the concerns for a remarkably productive session. Speaker Burrows clearly consolidated his power base.

When all was said and done, the leadership in the House and Senate, together with the Governor, substantially achieved all of their priorities in a sweeping conservative agenda that included significant policy shifts across education, taxation, and social/cultural norms. Gov. Abbott proclaimed it his best session yet. The session ended quietly with little drama, apart from a final spurt of activity that triggered a veto in connection with legislation attempting to ban hemp-related THC products.

For urban counties and large cities, the session was again difficult. A barrage of authority reducing legislation continued. Fortunately, special districts were not targeted to the same degree. Nonetheless, they are always at risk of being inadvertently affected by the more broad-based local government bills. There were also a number of problematic bills directly impacting special districts. As usual, through the hard work of key legislators and the special district community and its advocates, the problematic concerns with the broad-based and the specific bills, with a couple of notable exceptions, were generally ameliorated to satisfactory levels.

With respect to water planning at the state level, the Legislature responded to mounting drought conditions, aging infrastructure, and rapid population growth with a far-reaching package of laws aimed at securing the state's long term water future. The centerpiece of the effort is a $20 billion investment in water infrastructure and supply development. The program is largely dependent on the passage of a related Constitutional Amendment this November (see HJR 7 & SB 7).

What follows in this memo is a categorization, along with brief summaries, of all bills that finally passed that are of interest to special districts. We hope you find the information helpful.

SKLaw stands ready to answer questions regarding any of these new Texas laws.

A July special session now looms for topics relating to several bills vetoed by the Governor, including SB 1253 which provides for certain builder and developer credits for impact fees. The special session will also address the vetoed THC ban bill. As the Governor has wide discretion for the subjects of special sessions, there could be other issues added, including a prohibition on hiring lobbyists by local governments ('taxpayer funded lobbying') and a mid-decade congressional redistricting update.

LEGEND

CCN – Certificate of Public Convenience and Necessity
CPA – Comptroller of Public Accounts
DIR – Department of Information Resources
DPS – Department of Public Safety
ETJ – Extraterritorial Jurisdiction
EPP – Emergency Preparedness Plan
ESD – Emergency Services District
FEMA – Federal Emergency Management Agency
GLO – General Land Office
HB – House Bill
HJR – House Joint Resolution
IRC – International Residential Code
LID – Levee Improvement District
LPA – Limited Purpose Annexation
MMD – Municipal Management District
MUD – Municipal Utility District
OAG – Office of Attorney General
OEM – Office of Emergency Management
PFIA – Public Funds Investment Act
PID – Public Improvement District
PUC – Public Utility Commission
PSI – Pounds per Square Inch
SB – Senate Bill
SJR – Senate Joint Resolution
SOS – Texas Secretary of State
SPA – Strategic Partnership Agreement
SPD – Special Purpose District
TCEQ – Texas Commission on Environmental Quality
TREC – Texas Real Estate Commission
TDEM – Texas Department of Emergency Management
TIRZ – Tax Increment Reinvestment Zone
TOMA – Texas Open Meetings Act
TPIA – Texas Public Information Act
TWDB – Texas Water Development Board
USACE – United States Army Corps of Engineers

CONSTITUTIONAL AMENDMENTS

Taxation exemption – personal property used for the production of income

HJR 1 **Proposing a constitutional amendment to authorize the legislature to exempt from ad valorem taxation a portion of the market value of tangible personal property a person owns that is held or used for the production of income.**

DESCRIPTION: Enabling constitutional amendment for HB 9. Exempts from ad valorem taxation $125,000 of the market value of tangible personal property used for the production of income.

EFFECTIVE: To be submitted to voters at an election to be held November 4, 2025.

Taxation exemption – residence homestead with fire damage

SJR 84 **Proposing a constitutional amendment to authorize the legislature to provide for a temporary exemption from ad valorem taxation of the appraised value of an improvement to a residence homestead that is completely destroyed by fire.**

DESCRIPTION: Enabling constitutional amendment for Senate Bill 467. Exempts from ad valorem taxation the appraised value of an improvement to a residence homestead that is completely destroyed by fire and authorizes the legislature to prescribe the duration of the exemption and additional eligibility requirements through general law.

EFFECTIVE: To be submitted to voters at an election to be held November 4, 2025.

Dedication of sales tax revenue to Texas Water Fund

HJR 7 **Proposing a constitutional amendment to dedicate a portion of the revenue derived from the state sales and use taxes to the Texas water fund to provide for the allocation and use of that revenue.**

DESCRIPTION: Enabling constitutional amendment for Senate Bill 7. Dedicates $1 billion in sales tax revenue to the Texas Water Fund annually until 2047.

EFFECTIVE: To be submitted to voters at an election to be held November 4, 2025.

Taxation exemption – animal feed

HJR 99 **Proposing a constitutional amendment authorizing the legislature to exempt from ad valorem taxation tangible personal property consisting of animal feed held by the owner of the property for sale at retail.**

DESCRIPTION: Exempts from ad valorem taxation tangible personal property consisting of animal feed for sale. Enabling constitutional amendment for HB 1399.

EFFECTIVE: To be submitted to voters at an election to be held November 4, 2025.

Taxation exemption – market value of real property – border security

HJR 34 **Proposing a constitutional amendment to authorize the legislature to provide an exemption from ad valorem taxation of the amount of the market value of real property located in a county that borders the United Mexican States that arises from the installation or construction on the property of border security infrastructure and related improvements.**

DESCRIPTION: Exempts from taxation real property in a county that borders Mexico on which border security infrastructure is installed. Enabling constitutional amendment for HB 247.

EFFECTIVE: To be submitted to voters at an election to be held November 4, 2025.

Taxation exemption – market value of real property – veteran

HJR 133 **Proposing a constitutional amendment authorizing the legislature to provide for an exemption from ad valorem taxation of all or part of the market value of the residence homestead of the surviving spouse of a veteran who died as a result of a condition or disease that is presumed under federal law to have been service-connected.**

DESCRIPTION: Exempts from taxation all or part of the market value of a veteran's surviving spouse residence homestead if (1) the veteran died as a result of a service-connected condition/disease, (2) federal law presumes the condition/disease is service-connected, and (3) the surviving spouse has not remarried since the veteran's death. Enabling constitutional amendment for HB 2508.

EFFECTIVE: To be submitted to voters at an election to be held November 4, 2025.

CONTRACTING & PROCUREMENT

Notice requirements of a Public Improvement District

HB 2468 **Relating to the right of a purchaser to terminate a contract of purchase and sale of real property for failure to provide notice that the property is located in a public improvement district.**

DESCRIPTION: This bill amends Section 5.0141(b), Property Code, to provide that, if a contract for purchase and sale of real property is entered into without the seller providing the required notice of obligations related to a public improvement district, the purchaser has the right to terminate the contract for any reason not later than the seventh day after the date the purchaser receives the notice; and further provides that the purchaser may terminate the contract under this subsection only if the municipality

or county filed a copy of the service plan with the county clerk in accordance with Section 372.013, Local Government Code, before the contract was entered into. Provides that Section 5.0141, Property Code, as amended by the Act, applies only to a sale or conveyance of property for which a binding contract is executed on or after the effective date of the Act.

EFFECTIVE: Immediately.

Arbitration Provisions in Insurance Contracts

SB 455 **Relating to arbitration provisions in certain surplus lines insurance contracts.**

DESCRIPTION: This bill amends Section 981.101 of the Insurance Code to add subsections (d) and (e). These subsections stipulate that a surplus lines insurance contract for a risk located wholly within the State of Texas containing an arbitration agreement must provide (1) that the arbitration be conducted in Texas, and be governed by Texas law, and (2) that the insurance contract be interpreted under Texas law; unless the insurer and the policyholder agree to a different venue after the insurer provides written notice of its request for a different venue, and the insurer provides the policyholder with a premium credit for the costs incurred as a result of the change in venue. These provisions further state that for surplus lines insurance contracts over 2 million dollars in insured value, the insurer and policyholder may agree to a different arbitration venue and governance under another state's laws if the agreement is in a form. Section 981.101 (d) and (e) only apply to a surplus lines insurance contract delivered, issued for delivery, or renewed on or after January 1, 2026.

EFFECTIVE: September 1, 2025.

Competitive procurement methods requirements

SB 1173 **Relating to the amount of an expenditure made by certain political subdivisions for which a competitive procurement method may be required.**

DESCRIPTION: This bill raises the local government competitive procurement thresholds for certain political subdivisions from $50,000 to $100,000. Applies primarily to school districts, hospital districts, municipalities, counties, and metropolitan rapid transit authorities. Of note is Section 3 of the bill, which amends Section 252.021(a), Local Government Code, concerning procurement by municipalities. Pursuant to Section 49.278(b), Water Code, this provision applies to districts concerning high technology procurements. The revisions stated in this bill are only applicable to a purchase made on or after the effective date.

EFFECTIVE: September 1, 2025.

Fees for the construction of certain pipelines and associated infrastructure

SB 612 **Relating to the authority of certain conservation and reclamation districts to impose fees for the construction of certain pipelines and associated infrastructure.**

DESCRIPTION: This bill amends Section 49.2127, Water Code, specifically applicable to districts located wholly or partially in Hidalgo, Cameron or Willacy Counties, by amending Subsection (a) and adding Subsection (e). The bill defines "developer" as a person who owns land in an applicable district who has divided the land into two or more parts, or requests more than two water or sewer service connections on a single contiguous tract of land. It further provides that an applicable district may not impose on a developer that proposes to construct a water or sewer pipeline or associated infrastructure in the district's service area a fee that is greater than the actual, reasonable, and documented costs incurred by the district for review, legal services, engineering services, inspection, construction, repair, and infrastructure relocation or conversion associated with the construction, and any other related costs incurred by the district in association with the construction of a subdivision.

EFFECTIVE: Immediately.

Payment of funds under certain construction contracts

HB 3005 **Relating to the payment of funds under certain construction contracts.**

DESCRIPTION: This bill amends Section 2251.002, Government Code, by adding Subsection (c) to stipulate that, for statutory provisions related to prompt payment for goods and services under public works construction contracts, a bona fide dispute does not include an audit of the public work project that continues for more than 60 days after the date of substantial completion of the project.

EFFECTIVE: September 1, 2025.

ELECTIONS

Integration of early voting and election day voting processes

SB 2753 **Relating to the integration of early voting by personal appearance and election day voting, including the manner in which election returns are processed and other related changes.**

DESCRIPTION: Streamlines election processes by reducing the early voting period from 17 days to 12 days, requiring early voting locations to also serve as election day polling places and adjusting other related requirements. The bill also addresses the consolidation of election infrastructure and reduces administrative burdens, particularly for smaller counties.

- Integration of Early and Election Day Voting – the bill seeks to merge early voting and election day operations;
- Reduced Early Voting Period – the early voting period is shortened from 17 to 12 days before election day;
- Consolidated Polling Places – early voting locations, including the main polling place and branch locations, will also serve as election day polling places;
- Flexibility in Precinct Consolidation – greater flexibility in combining voting precincts after redistricting, removing limitations that previously applied to certain counties; and
- Reduced Administrative Burden – by integrating early and election day voting, the bill aims to simplify procedures and reduce the administrative load on local election officials, especially in smaller counties.

EFFECTIVE: September 1, 2025.

Early voting ballot instructions

HB 2259 **Relating to the instructions for an application form for an early voting ballot.**

DESCRIPTION: Subchapter A, Chapter 84, Election Code, is amended by adding Section 84.0112 to read as follows:

"OFFICIAL APPLICATION FORM INSTRUCTIONS. (a) The secretary of state shall prescribe instructions to be printed for the officially prescribed application form for an early voting ballot. The instructions must:

(1) be presented in portrait orientation on a single piece of paper that is 8-1/2 by 11 inches;

(2) be printed in Calibri or Aptos font in at least 12-point font or the largest font size that allows the instructions to fit on a single piece of paper, as determined by the secretary; and

(3) contain bold print, as determined necessary by the secretary, to adequately relate the instructions to an item on the application.

(b) The secretary shall prescribe instructions to be printed along with the officially prescribed application form for an early voting ballot in each language appropriate to the demographic composition of this state in the form and manner prescribed by Subsection (a)."

EFFECTIVE: September 1, 2025.

Wireless communication device at a polling place

HB 3909 **Relating to the use of a wireless communication device at a polling place.**

DESCRIPTION: Amends current law relating to the use of a wireless communication device at a polling place to change from "within 100 feet of a voting station" to "within a room in which voting is taking place."

Section 61.014, Election Code, is amended by amending Subsection (a) and adding Subsection (e) to read as follows:

"(a) Except as permitted by Sections 61.012 and 61.013, a [A] person may not use a wireless communication device within a room in which voting is taking place."

"(e) The secretary of state shall require a presiding judge to post a notice that states the prohibition on the use of a wireless communication device in a prominent and reasonably visible location outside of a room in which voting is taking place."

EFFECTIVE: September 1, 2025.

Ineligibility to serve as a poll watcher

HB 493 **Relating to ineligibility to serve as a poll watcher.**

DESCRIPTION: Section 33.006(b), Election Code, was amended to require a affidavit executed by an appointee to state that the appointee has not been finally convicted of a felony of the first or second degree or a felony offense in connection with conduct directly attributable to an election.

Also, Section 33.035, Election Code, was amended to make a person ineligible to serve as a watcher in an election if the person has been finally convicted of a felony in the first or second degree; or in connection with conduct directly attributable to an election.

EFFECTIVE: September 1, 2025.

Personal information of election officials and their employees

SB 1540 **Relating to maintaining the confidentiality of the personal information of election officials and their employees.**

Amends Section 1.005(4-a), Election Code, to redefine "election official" to mean –

(A) a county clerk;
(B) a permanent or temporary deputy county clerk;
(C) an elections administrator;
(D) a permanent or temporary employee of an elections administrator;
(E) an election judge;

(F) an alternate election judge;
(G) an early voting clerk;
(H) a deputy early voting clerk;
(I) an election clerk;
(J) the presiding judge of an early voting ballot board;
(K) the alternate presiding judge of an early voting ballot board;
(L) a member of an early voting ballot board;
(M) the chair of a signature verification committee;
(N) the vice chair of a signature verification committee;
(O) a member of a signature verification committee;
(P) the presiding judge of a central counting station;
(Q) the alternate presiding judge of a central counting station;
(R) a central counting station manager;
(S) a central counting station clerk;
(T) a tabulation supervisor;
(U) an assistant to a tabulation supervisor; [and]
(V) a chair of a county political party holding a primary election or a runoff primary election; and
(W) the chair of a state executive committee of a political party that nominates by primary election under Subtitle B, Title 10.

Amends Section 552.1175(a), Government Code, to add "current or former election official, as defined by Section 1.005, Election Code, or employee, volunteer, or designee of an election official, or an employee of the secretary of state's office who performs duties relating to elections" as an additional official excepted from required disclosure.

EFFECTIVE: September 1, 2025.

Election system equipment security

SB 2216 **Relating to security of election system equipment.**

DESCRIPTION: Amends Section 123.034, Election Code, to require that equipment used in the operation of a voting system be stored in a locked room.

Amends Section 129.051, Election Code, by adding Subsections (a-1), (h), and (i), as follows:

(a-1) Requires that the inventory of electronic information storage media maintained under Subsection (a) (relating to requiring the general custodian of election records to create and maintain an inventory of all electronic information storage media) include information on the polling location at which the storage media will be used.

(h) Requires the general custodian of election records to place security seals on each unit of voting system equipment to prevent unauthorized access to the equipment.

(i) The general custodian of election records shall create a procedure for documenting:

(1) which specific seals are placed on each unit of voting system equipment; and (2) any instances where the seals are removed, including the identity of the individual who removed the seals and accessed the voting system equipment and the purpose for accessing the equipment.

EFFECTIVE: September 1, 2025.

Election practices and procedures

SB 2217 **Relating to certain election practices and procedures.**

DESCRIPTION: Amends the Election Code to include among the specific requirements and standards consistent with the Election Code that the secretary of state is required to prescribe, for the certification of an electronic device used to accept voters at a polling place, requirements for the device to do the following:

- produce a report with all information required to be included on a combination form under statutory provisions relating to the acceptance of voters and to persons providing assistance to voters in marking a ballot; and

- produce a copy of the list of all voters who were accepted to vote, including a reference to the voter's county election precinct and polling location where the voter was accepted to vote.

The bill requires the general custodian of election records for an authority holding an election that uses an electronic device certified by the secretary of state to accept voters to prepare a report including that information and list not later than the 30th day after election day.

The bill establishes that such a report is an election record and requires the report to be retained by the general custodian of election records for the period for preserving the precinct election records.

SB 2217 requires the general custodian of election records, not later than the 30th day after election day, to prepare a reconciliation of the total number of votes cast and the total number of voters accepted to vote by personal appearance at each polling place in the custodian's county during the early voting period and on election day respectively.

The bill requires the general custodian to post the results of a reconciliation on the county's website in the same location that the county provides information on election results.

SB 2217 requires provisional ballots cast during the early voting period, when the early voting ballot board reports the results of a count of accepted provisional ballots, to be included with the results for early voting by personal appearance and requires provisional ballots cast on election day to be included with the results for election day.

SB 2217 requires the presiding judge of an early voting polling place to prepare a reconciliation of votes and voters at the close of each day of early voting. The bill requires the presiding judge to investigate any discrepancy between the number of votes and voters revealed by such a reconciliation and document the cause of the discrepancy. The bill requires official tabulation of ballots to be conducted at a central counting station if a reconciliation and investigation reveals:

- a discrepancy of one percent or more between the total number of votes and voters;

- or a discrepancy between the total number of votes and voters was the result of an incorrect tabulation or other malfunction of voting system equipment at the early voting polling place.

These provisions apply only to the processing of election results for early voting in electronic voting systems that require voters to deposit voted ballots directly into a unit of automatic tabulating equipment and does not entail the counting of ballots at a central counting station.

SB 2217 requires the presiding election judge, immediately after closing a polling place that requires a voter's ballot to be scanned at the polling place with an optical scanner at the end of the period for early voting by personal appearance and on election day, to generate a report from each optical scanner used at the polling place regarding the total number of ballots scanned by that scanner during the period for early voting by personal appearance or election day, as applicable. The bill prohibits the report from including information on the number of votes received by a candidate or for or against any proposition.

SB 2217 requires the presiding judge of the central counting station in an election using centrally counted optical scan ballots to prepare a report regarding the total number of ballots scanned by each optical scanner from each data storage device and requires the presiding judge to prepare the report for such a device before the information from the storage device is read into a central accumulator. The bill requires the presiding judge to prepare one report for the total number of ballots from each specific data storage device.

The bill prohibits a report regarding the total number of ballots scanned by each optical scanner from each data storage device that is prepared before the opening of polling locations on election day from containing information on the number of votes cast for any candidate or for or against any proposition. The bill defines a central accumulator as a part of a voting system that tabulates or consolidates the vote totals for multiple precincts.

SB 2217 requires an election system for an election held on or after September 1, 2026, that uses a central accumulator to be capable of producing a report with the total number of votes received by each candidate and for or against each proposition for each polling place.

EFFECTIVE: September 1, 2025.

Authority of political subdivisions to change date of general elections

SB 1494 **Relating to the authority of certain political subdivisions to change the date of their general elections.**

DESCRIPTION: SB 1494 amends the Election Code to authorize 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 to change the date on which it holds that election to the November uniform election date in odd-numbered years. The governing body must make that change not later than December 31, 2025.

Does NOT apply to MUDs, but does apply to all other special purpose districts.

EFFECTIVE: Immediately.

Opportunity to correct defects in early voting ballot

SB 2964: **Relating to an opportunity to correct certain defects in an early voting ballot voted by mail.**

DESCRIPTION: SB 2964 amends the Election Code regarding timely receipt of a carrier envelope by the Early Voting Clerk that does not fully comply with the applicable requirements for voting by mail.

SB 2964 requires the early voting clerk to return the carrier envelope, together with a corrective action form, to the voter not later than the second day after the defect is discovered. The bill requires the secretary of state to develop the corrective action form that may be completed and submitted to an early voting clerk to correct a defect.

SB 2964 requires the early voting clerk to include with the notice delivered to the voter a brief explanation of each defect in the noncomplying ballot and a notice that the voter may take the following actions:

- cancel the voter's application to vote by mail by submitting a request for the cancellation to an election officer; or
- correct the defect in the voter's ballot by doing the following:
    - submitting the corrective action form by mail or by common or contract carrier; or
    - coming to the early voting clerk's office not later than the sixth day after election day.

The bill requires an early voting clerk to send defect notices uniformly by mail or uniformly by common or contract carrier. SB 2964 expands the authorization of an early voting clerk to notify the voter of the defect by telephone to include notification by email and specifies that the

authorization applies if the clerk determines that it would not be possible for the voter to receive the notice of defect within a reasonable time to correct the defect. The bill authorizes the clerk to inform the voter that the voter may request to have the voter's application to vote by mail canceled, submit a corrective action form by mail or by common or contract carrier, or come to the early voting clerk's office in person not later than the sixth day after election day to correct the defect. The bill requires an early voting clerk, in addition to sending a voter notice of the defect or notifying the voter of the defect by telephone or email, to notify the voter of a discovered defect using the online tool provided to each early voting clerk that enables a person who submits an application for a ballot to be voted by mail to receive notice of and, if possible, correct a defect in the person's application and ballot. The bill requires the clerk to permit a voter, if possible, to correct a defect using the online tool.

SB 2964 entitles a poll watcher to observe an early voting clerk when the clerk is sending a voter notice of the defect or notifying the voter of the defect by telephone or email.

SB 2964 replaces an authorization for the secretary of state to prescribe any other procedures necessary to implement provisions relating to correcting certain defects in an early voting ballot voted by mail, including requirements for posting notice of any deliveries, with an authorization for the secretary to prescribe any procedures necessary to implement the bill's provisions. SB 2964 applies only to an election held on or after the bill's effective date.

EFFECTIVE: September 1, 2025.

Text of ballot propositions to increase taxes

SB 1025 **Relating to the text of ballot propositions that increase taxes.**

DESCRIPTION: SB 1025 relates to a ballot proposition that increases taxes. The bill provides that the ballot proposition must state the amount of or maximum tax rate of the tax or tax increase for which approval is sought; and, 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"; or with respect to a proposition that only seeks voter approval of the reduction of a tax, state the amount of tax rate reduction or the tax rate for which approval is sought.

EFFECTIVE: Immediately.

Combination of election precincts

SB 985 **Relating to the combination of certain election precincts.**

DESCRIPTION: SB 985 is applicable when a District contracts for a joint election with a County and provides that a County may combine county election

precincts to avoid unreasonable expenditures for election equipment, supplies, and personnel.

EFFECTIVE: September 1, 2025.

Authority to cancel elections on a measure to authorize the issuance of bonds

HB 2253 **Relating to the authority to cancel certain elections on a measure to authorize the issuance of bonds.**

DESCRIPTION: HB 2253 modifies state election law to allow local entities to cancel bond elections if a disaster is declared by the Governor under Chapter 418, Government Code, regarding a natural disaster or disaster threatening the health, safety, or general welfare of the authority's residents. The disaster must be declared by the Governor no earlier than 90 days before the election date. The election may only be cancelled up to 74 days before election day.

Cancellation requirements:

- An open public meeting called by the governing body with reasonable notice.
- A majority vote to cancel.
- A determination that without cancellation, there would be:
    - Damage to the election system, or
    - Risk of harm to election workers or voters

If cancelled:

- Notices must be posted at each polling location during early voting and on election day.
- A county election officer may consolidate notices for multiple authorities under contract.

EFFECTIVE: Immediately.

Text on application for a ballot to be voted by mail

HB 3697 **Relating to the text on an application for a ballot to be voted by mail.**

DESCRIPTION: Amends Section 84.011(b), Election Code, regarding formatting: the application form for early voting ballot by mail must be at least 8" x 9" and printed in at least 10-point black text.

EFFECTIVE: September 1, 2025.

Audit of election using electronic voting system

SB 827 **Relating to the audit of an election using an electronic voting system.**

DESCRIPTION: Amends Section 127.201, Election Code regarding manual audit of electronic voting systems. This bill only applies to elections using electronic voting systems.

Generally replaces precinct with "polling location" or adds "polling location" if it was not previously specified.

- To ensure accuracy, the general custodian of election records shall conduct a manual count of all the races in at least 1% of election day polling locations and 1% of the early voting locations, whichever is greater.
- The general custodian shall conduct a manual count of all the races contained on the ballots by mail in at least one percent of the precincts in which a ballot by mail was cast and in which the ballots were counted using automatic tabulating equipment, or in three precincts in which a ballot by mail was cast and in which the ballots were counted using automatic tabulating equipment, whichever is greater.
- Adds guidelines for appointments of the people who will perform the audit, timeline for when the count will occur, who can be present during the count, how often an audit is required, and publication/notice of the results of the audit.

EFFECTIVE: September 1, 2025.

Accommodating voters with disabilities

HB 521 **Relating to accommodating voters with a disability; creating a criminal offense.**

DESCRIPTION: Enhances accessibility for voters with disabilities, specifically curbside voting, while introducing more stringent oversight and penalties to prevent misuse.

- Designated Curbside Parking – polling places must reserve at least one parking space for curbside voting, clearly marked with a phone/intercom number for election officer assistance and a warning that electioneering is prohibited within 20 feet;
- Voter Oath Requirement – before curbside voting, voters must sign a sworn statement under penalty of perjury affirming they physically cannot enter the polling location or are requesting disability accommodation;
- Ballot Handling Protocols – election officers delivering ballots curbside are barred from marking ballots unless explicitly allowed under separate assistance rules. In locations with four or more officers, two must perform curbside delivery together;
- Reporting for Assistants – anyone transporting or assisting seven or more curbside voters must complete a disclosure form;

- New Criminal Offenses; and
- Expanded No-Electioneering Zone.

EFFECTIVE: September 1, 2025.

Office hours of authority during election period

HB 640 **Relating to the office hours of an election authority during an election period.**

DESCRIPTION: Amends Section 31.122(b) of the Texas Election Code. Originally, "regular business day" only applied explicitly to independent school districts; HB 640 broadens that definition to include any political subdivision's regular office hours. Thus, any public office—whether county, city, or school district—is covered by the same standard.

EFFECTIVE: September 1, 2025.

Election supplies and conduct of elections

HB 1661 **Relating to election supplies and the conduct of elections; creating criminal offenses; increasing criminal penalties.**

DESCRIPTION: Strengthens election supply requirements while introducing tougher penalties for non-compliance including:

- Ballot Provision Requirements – each precinct must be provided with ballots equal to:
  - The turnout percentage from the last comparable election, plus 25%.
- Total ballots cannot exceed the total number of registered voters – unless the County is in a countywide polling-place program.
- Criminal Penalties
- Upgrades other election offenses related to ballot distribution, polling place supply protocols and interference with election activities.

EFFECTIVE: September 1, 2025.

FINANCE AND PUBLIC FUNDS

Financial Transparency for Bonds

HB 3526 **Relating to fiscal transparency for bonds issued by local governmental entities.**

DESCRIPTION: Aims to improve public access to information about local government bonds. The bill mandates by September 1, 2026, a public, searchable database for bond proposals and issues, enhancing transparency and accountability. It also requires the attorney general to share information

with the Bond Review Board for mandated reports. Key provisions include:

- Requires each local government to submit reports before and after bond elections, and annually by September 30 and requires the Bond Review Board to submit a biennial report to the Legislature.
- Public Database – requires creation of a publicly accessible, searchable online database containing specific information about local government bond proposals and issues.
- Attorney General Role – AG will share information with the Bond Review Board to be included in their reports.
- Enhanced Transparency – designed to ensure that taxpayers can easily access information about local government bonds, promoting informed decision-making and accountability.

EFFECTIVE: September 1, 2025.

Creation/maintenance of a database taxing unit bond, tax, and bond-related project info

HB 103 **Relating to the creation and maintenance of a database of taxing unit bond, tax, and bond-related project information; providing a civil penalty.**

DESCRIPTION: This bill will require the Comptroller and the Bond Review Board to develop and maintain a database of current and historical information regarding taxes imposed and bonds issued by each taxing unit in the State of Texas. This bill requires a taxing unit to provide to the comptroller data for each proposed bond independent of any other proposed bond, bond refinancing, or property tax to be included in the database. Such data to be provided includes: language of the bond ballot, project interest and sinking tax rate/project tax rate for debt service, bond election results, projects to be funded by the bond, an accounting of the use of proceeds of any issued bond, and a description of the increase in tax rate as a result of the bond. This database will also require all property tax assessment from a tax rate election including adopted tax rate, voter-approval rate, difference between said rates, tax rate from preceding year, and votes casts in favor and against of proposition (this also applies to maintenance tax rates).

If the data is not sent to the comptroller, the comptroller will send written notice describing the information needed from the taxing unit and will notify the taxing unit is liable for a civil penalty of $1,000 if not provided on or before the 30th day after written notice received.

EFFECTIVE: September 1, 2025.

Electronic submission of securities and proceedings to the AG

HB 4395 **Relating to electronic submission and delivery of public securities and records of proceedings for those securities.**

DESCRIPTION: The bill requires an issuer to submit to the attorney general the following documents, including any related correspondence or supplemental information, in an electronic format and accompanied by an electronic signature, if applicable:

(1) a public security, record of proceedings, or credit agreement required to be submitted to the attorney general for approval under Section 1202.003; and (2) an amendment to a public security, record of proceedings, or credit agreement approved or registered under this chapter.

EFFECTIVE: January 1, 2026

Financing of water supply projects

SB 1261 **Relating to the financing of water supply projects included in the state water plan; authorizing the issuance of obligations.**

DESCRIPTION: This bill creates a new legal framework (Chapter 1373, Government Code) allowing public entities to issue financial obligations (like bonds) to fund large water supply projects outline in the state water plan. Eligible projects include: (1) must be included as recommended strategies in the State Water Plan, and (2) must have cumulative capital costs of at least $750 million. MUD's or any public entities can issue these obligations and can issue them to: (1) finance/refinance eligible projects, (2) refund prior debts related to these projects, and (3) cover issuance and delivery costs. These obligations cannot be backed by property taxes (ad valorem taxes) but can be secure by project-related revenues, water supply contracts, or other allowable non-tax revenue streams. The obligations cannot exceed 50 years or the weighted average useful life of the project – whichever is less.

EFFECTIVE: September 1, 2025.

LAND USE & PROPERTY

Residential property interests controlled by certain entities

HB 4211 **Relating to certain residential property interests controlled by certain entities.**

DESCRIPTION: Amends Title 12, Property Code, by adding Section 223, Business Entity-Owned Residential Arrangements, to provide a modern legal update to Texas housing law by extending certain protections to individuals involved in real property transactions from transfer restrictions, hidden fees, mandatory arbitration, and discriminatory practices. Specifically, "owners" can now sell or transfer their interest without needing

managing entity approval and managing entities are prohibited from imposing fees or sharing in transfer proceeds. A violation of this chapter is a deceptive trade practice actionable under Subchapter E, Chapter 17, Business & Commerce Code. A court that finds a violation of this chapter may enjoin a managing entity or a person affiliated with the managing entity from taking action in furtherance of development of or construction on residential property used in a residential arrangement subject to an action under this section, including: (1) filing a petition with the Texas Commission on Environmental Quality for the creation of a municipal utility district under Chapter 49, Water Code; (2) taking action in connection with a petition for the creation of a district described by Subdivision (1) filed with the Texas Commission on Environmental Quality before the issuance of the injunction; or (3) receiving, directly or indirectly, any public money or benefit.

Section 301.042, Property Code, was also amended by adding Subsection (a-1) to read as follows: (a-1) Subsection (a) does not apply to the sale, rental, or occupancy of a dwelling that is a single-family house, duplex, triplex, or quadruplex located on a subdivided lot in a parcel of land 25 acres or greater owned by a religious organization, association, or society or a nonprofit institution or organization operated, supervised, or controlled by or in conjunction with a religious organization, association, or society.

EFFECTIVE: Immediately.

Zoning changes

HB 24 **Relating to procedures for changes to a zoning regulation or district boundary.**

DESCRIPTION: The bill raises the threshold to formally protest a zoning change. It requires owners of at least 60% of nearby property, up from 20%, to sign off against land use changes. If homeowners meet this new threshold, it wouldn't require three-fourths of elected officials voting in favor to move the change forward like current law, instead, it would be a simple majority. The bill also makes clear that the right to protest what is being built next door does not apply when a city is rewriting rules for every piece of land. Cities would also no longer be required to mail notice about these changes to every property owner.

EFFECTIVE: September 1, 2025.

Prohibition of certain foreign ownership of property

SB 17 **Relating to the purchase or acquisition of an interest in real property by certain aliens or foreign entities.**

DESCRIPTION: The bill bans citizens, governments and companies headquartered in certain foreign countries from purchasing real property (China, North Korea, Russia and Iran). The governor would also be granted the power to determine the countries.

EFFECTIVE: September 1, 2025.

MUNICIPAL

Mixed-use residential and multi-family development in municipalities

SB 840 **Relating to certain municipal regulation of certain mixed-use and multifamily residential development projects and conversion of certain commercial buildings to mixed-use and multifamily residential occupancy.**

DESCRIPTION: The bill amends the Local Government Code to set out provisions relating to the regulation of mixed-use and multifamily residential use and development that are applicable only to a municipality with a population greater than 150,000 that is wholly or partly located in a county with a population greater than 300,000. The bill requires a municipality to allow mixed-use residential use and development or multi-family residential use and development in a zoning classification that allows office, commercial, retail, warehouse, or mixed-use use or development as an allowed use under the classification.

EFFECTIVE: September 1, 2025.

Municipal impact fees

SB 1883 **Relating to the approval of land use assumptions, capital improvement plans, and impact fees.**

DESCRIPTION: The bill amends multiple sections of Chapter 395 of the Local Government Code addressing impact fees. Sec. 395.051(a) is amended to require the affirmative vote of two-thirds of the governing body of the political subdivision for the imposition of an impact fee. Sec. 395.0515 is added prohibiting a political subdivision from increasing the amount of an impact fee for three years from the later of the date the fee was adopted or most recently increased. Sec. 395.059 is added to require the political subdivision to undergo an independent audit before increasing an impact fee or adopting a new impact fee.

EFFECTIVE: September 1, 2025.

Municipal moratorium on property development

HB 2559 **Relating to the imposition by a municipality of a moratorium on property development in certain circumstances.**

DESCRIPTION: Under current law, a municipality has the power to institute a moratorium on property development affecting residential property and commercial property, but there are different procedural requirements for the two types of property, which can deny developers equitable due process and transparency. The bill addresses this issue by revising provisions relating to moratoriums on property development in order to impose additional transparency, notice, and approval requirements and provide fairness and due process to developers.

The bill replaces the requirement for the municipality to make a final determination on the imposition of a moratorium within 12 days after the date of the first public hearing with a requirement for the municipality's governing body to begin a final determination on such imposition not later than the 12th day after the date of the second public hearing. The bill lengthens the minimum separation between the minimum two readings of the ordinance imposing the moratorium from a separation of at least 4 days to a separation of not less than 28 days. The bill requires the ordinance to receive the affirmative vote of at least three-fourths of all members of the governing body on final reading in order to take effect. HB 2559 also addresses the expiration and extension of a moratorium.

EFFECTIVE: September 1, 2025.

Size and density of residential lots in certain municipalities

SB 15 **Relating to size and density requirements for residential lots in certain municipalities.**

DESCRIPTION: Applies to residential lots in a municipality with a population of more than 150,000 that is wholly or partly located in a county with a population of more than 300,000. The bill's provisions apply only to a tract of land located in such a municipality that will be platted and located in an area zoned for single-family homes, is five acres or more, and has no recorded map or plat. Areas excluded from this bill are:

(1) one mile of a campus of the perimeter of a law enforcement training center in a county that has a population of 2,600,000 or more but less than 2,700,000;

(2) 3,000 feet of an airport or military base; or

(3) 15,000 feet of the boundary of a military base if the area is designated by a municipality or joint airport zoning board, as applicable, as a military airport overlay zone with a clear zone and accident potential zone designation, as described by the military base's air installation compatible use zone report.

SB 15 prohibits an applicable municipality from adopting or enforcing an ordinance, rule, or other measure that requires the following:

(1) a residential lot to be larger than 3,000 square feet, wider than 30 feet, or deeper than 75 feet; or

(2) if regulating the density of dwelling units on a residential lot, a ratio of dwelling units per acre that prevents a single-family home from being built on a residential lot that is at least 3,000 square feet.

SB 15 also prohibits an applicable municipality from adopting or enforcing an ordinance, rule, or other measure that requires a small lot,

defined by the bill as a residential lot that is 4,000 square feet or less, to have the following:

(1) a building, waterway, plane, or other setback greater than five feet from the front or back of the property or greater than five feet from the side of the property;

(2) covered parking;

(3) more than one parking space per unit;

(4) off-site parking;

(5) more than 30 percent open space or permeable surface;

(6) fewer than three full stories not exceeding 10 feet in height measured from the interior floor to ceiling;

(7) a maximum building bulk;

(8) a wall articulation requirement; or

(9) any other zoning restriction that imposes restrictions inconsistent with this prohibition, including restrictions through contiguous zoning districts or uses or from the creation of an overlapping zoning district.

EFFECTIVE: September 1, 2025.

Removing land from municipality for failure to provide services

SB 1844 **Relating to disannexation of certain areas of a municipality for failure to provide services.**

DESCRIPTION: Amends the Local Government Code to revise the disannexation petition process if a municipality fails or refuses to provide certain services. Petition may be from a majority of the property owners of an area, including one or more lots, tracts, or parcels, or a portion of a lot, tract, or parcel. Services are expanded to include failure of a municipality to provide water and wastewater services. The bill provides that with respect to a cause of action brought by the signers of a petition in district court following the failure or refusal of the governing body of the municipality to disannex the area, specifies that the Texas Rules of Civil Procedure under which such a case must be advanced and heard without further delay are rules for expedited actions. The bill requires the district court in such a case to award attorney's fees to the signers of the petition on finding that a valid petition was filed with the municipality and the municipality failed to perform certain obligations or perform in good faith. The bill expands the circumstances under which the district court must enter an order disannexing the area to include a finding by the court that a valid petition was filed with the municipality and that the municipality failed to make the requisite water and wastewater connections as provided by the bill.

SB 1844 exempts an area located in an area previously designated as an industrial district, under provisions providing for the creation of an industrial district in a municipality's extraterritorial jurisdiction, from provisions relating to the disannexation of certain areas of a municipality for failure of the provision of services.

EFFECTIVE: September 1, 2025.

Release of certain areas from municipality's extraterritorial jurisdiction

HB 2512 **Relating to the release of certain areas from a municipality's extraterritorial jurisdiction by petition or election.**

DESCRIPTION: (1) Provides that an extraterritorial jurisdiction of a City can be reduced without the written consent by ordinance and resolution of the governing body of the municipality to comply with Subchapter D and Subchapter E, Chapter 42, Local Government Code; (2) amended subsection (a) by adding the requirement that a resident may only file for release of an area if the resident resides in the area subject to the release, Section 42.152, Local Government Code, Subchapter E; and (3) amended Subchapter E, Chapter 42, Local Government Code, by adding Section 42.157 which provides the opportunity to have the landowner's property remain within the municipality's extraterritorial jurisdiction.

EFFECTIVE: September 1, 2025.

Rates established by municipalities for water or sewer service

HB 685 **Relating to rates established by municipalities for water or sewer service for certain entities.**

DESCRIPTION: Subchapter Z, Chapter 552, Local Government Code, was amended by adding Section 552.916 to prohibit a municipality from establishing a rate for water or sewer utility service applicable only to entities that qualify for a sales tax or ad valorem tax exemption that is higher than a rate established for entities that receive comparable utility service.

EFFECTIVE: Effective September 1, 2025.

Certificate of public convenience and necessity

HB 1318 **Relating to a certificate of public convenience and necessity to provide water or sewer service in an area incorporated or annexed by a municipality.**

DESCRIPTION: Modifies the process for granting a Certificate of Convenience and Necessity (CCN) to municipalities that provide water or sewer services within newly incorporated or annexed areas by limiting the Texas Public Utility Commission (PUC) authority. Although the PUC will continue to determine whether or not to grant a CCN to a municipality, the PUC will no longer determine if a property has been rendered worthless or valueless for the purposes of compensation. Rather, a court or jury now

preside over property transfers and compensation decisions. Further, when a municipality now seeks to provide water or sewer service post-annexation, the CCN process is more streamlined to ensure smoother transitions from private or regional utilities to municipal systems. If the municipality desires to use the property or provide service before the legal process concludes, the municipality may, pay the amount awarded into a court registry.

EFFECTIVE: September 1, 2025.

Connection of utilities by certain entities located in extraterritorial jurisdiction

SB 1566 **Relating to connection of utilities by certain entities in certain subdivisions formerly located in a municipality's extraterritorial jurisdiction.**

DESCRIPTION: Section 212.012(c), Local Government Code, was amended to add (c)(4) providing that a special district may serve or connect land with water, sewer, electricity, gas, or other utility service regardless of whether the entity is presented with or otherwise holds a certificate applicable to the land issued under Section 212.0115 if the land was removed from a municipality's extraterritorial jurisdiction under Subchapter D or E, Chapter 42, Local Government Code, and the entity holds a certificate of convenience and necessity to serve the land.

EFFECTIVE: Immediately.

OPEN GOVERNMENT, TRANSPARENCY & ETHICS

Cybersecurity Training

HB 1500 **Relating to the continuation and functions of the Department of Information Resources**

DESCRIPTION: Amends the Texas Government Code to require annual cybersecurity training to all elected and appointed officials.

EFFECTIVE: September 1, 2025.

Artificial Intelligence Training

HB 3512 **Relating to artificial intelligence training programs for certain employees and officials of state agencies and local governments**

DESCRIPTION: Requires elected and appointed officials to complete artificial intelligence training and submit report to Department of Information Resources.

EFFECTIVE: September 1, 2025.

Public information requests – vehicle license plate numbers

HB 1893 **Relating to the disclosure under the public information law of a motor vehicle license plate number captured in a video recording obtained or maintained by a law enforcement agency.**

DESCRIPTION: Amends Section 552.130, Government Code, and 730.007, Transportation Code, to classify license plate numbers captured in a video recording that is obtained and/or maintained by a law enforcement agency as non-confidential information. Law enforcement agencies may disclose video recordings that capture license plate numbers, without redactions, in response to a TPIA request for public information.

EFFECTIVE: September 1, 2025.

Disclosure under Public Information law

HB 5093 **Relating to disclosure under the public information law of certain contact information of a notary public that is maintained by the secretary of state.**

DESCRIPTION: Amends Section 552.1165, Government Code, to permit the SOS to disclose the home address, home telephone number, or electronic mail address of a notary public in response to a request for public information under the TPIA, however, such disclosure is not required.

EFFECTIVE: September 1, 2025.

Notice of meeting and budget

HB 1522 **Relating to notice of a meeting held under the open meetings law and posting of budget.**

DESCRIPTION: Provides that 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. Requires that a notice of a meeting at which a governmental body will discuss or adopt a budget for the governmental body must include (1) 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 (2) a taxpayer impact statement if the proposed budget is adopted, including a balanced budget funded at the no-new-revenue tax rate.

EFFECTIVE: September 1, 2025.

Virtual Meetings for TIRZs

SB 2145 **Relating to the authority of the advisory body of a public improvement district and the board of directors of a**

reinvestment zone to hold a meeting by a telecommunication device.

DESCRIPTION: The bill expands authority for TIRZ boards to hold meetings by video conference or teleconference. It provides that if the chair or vice chair is physically present at a meeting, then any number of other board members may participate virtually for all purposes. The impact of this bill for local government corporations who manage or administer TIRZs and meet simultaneously with them is unclear and under review.

EFFECTIVE: September 1, 2025.

Notice of property located in public improvement district

HB 2468 **Relating to the right of a purchaser to terminate a real property purchase contract for failure of seller to provide notice that the property is located in a public improvement district.**

DESCRIPTION: Provides that if at the time of contracting for the sale of real property a seller does not provide purchaser notice that the land being purchased is located in a public improvement district, the purchaser can terminate the contract for any reason not later than the seventh day after the date the purchaser receives the notice and only if the municipality or county filed a copy of the service plan with the county clerk in accordance with Section 372.013, Local Government Code, before the date the contract was entered into.

EFFECTIVE: Immediately.

Open meeting and information related to cybersecurity measures

HB 3112 **Relating to the application of the open meetings law and public information law to government information related to certain cybersecurity measures.**

DESCRIPTION: Provides that a governmental body is not required to deliberate in open meeting a cybersecurity measure, policy, or contract solely intended to protect a critical infrastructure facility located in the jurisdiction of the governmental body. Information is excepted from the requirements of public disclosure if it relates to (1) a cybersecurity measure, policy, or contract solely intended to protect a critical infrastructure facility located in the jurisdiction of the governmental body; (2) coverage limits and deductible amounts for insurance or other risk mitigation coverages acquired for the protection of information technology systems, critical infrastructure, operational technology systems, or data of a governmental body or the amount of money set aside by a governmental body to self-insure against those risks; (3) cybersecurity incident information reported pursuant to state law; and (4) network schematics, hardware and software configurations, or encryption information or information that identifies the detection, investigation, or response practices for suspected or confirmed cybersecurity incidents if the disclosure of such information would facilitate unauthorized access to data or information, whether physical or virtual or information

technology resources, including a governmental body's existing or proposed information technology system. A governmental body may disclose information made confidential to comply with applicable state or federal law or court order. Provides provisions for a governmental body that is required to disclose information related to these matters.

EFFECTIVE: Immediately.

Open meetings violations

HB 3711 **Relating to assistance in the investigation of certain open meetings offenses by the open records division of the attorney general's office.**

DESCRIPTION: Requires a law enforcement agency that submits to a district attorney, criminal district attorney, or county attorney a probable cause report stating that an identified person has committed a criminal open meeting offense to also submit a copy to the open records division of the attorney general's office. Provides that an investigating agency may request the assistance of the open records division of the attorney general's office in the investigation of the offense and provides that such division may assist. If cessation of prosecution or termination of the investigation of a case occurs, the attorney shall publish on any Internet website maintained by the attorney's office, for one year 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 or terminating the investigation of the case.

EFFECTIVE: September 1, 2025.

Address for requesting public information

HB 4214 **Relating to public access to the mailing address and electronic mail address designated by a governmental body to receive a request for public information.**

DESCRIPTION: Provides that not later than October 1 of each year, each governmental body shall notify the attorney general of the current mailing address and electronic mail address designated by the governmental body for receiving written requests for public information. Requires the attorney general to create and maintain on attorney general's Internet website a publicly accessible database of the mailing addresses and electronic mail addresses provided by governmental bodies. Provides that the comptroller can link the governmental entity website containing the information instead of or in addition to reproducing it on the comptroller's website if information required to be posted by the comptroller.

EFFECTIVE: Immediately.

Open records response

HB 4219 **Relating to a governmental body's response to a request for public information.**

DESCRIPTION: Provides that if a governmental body has no responsive information to a public information request, written notice to such effect must be made to the requestor not later than the 10th business day after the date the request is received. 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, written notice to the requestor shall be made not later than the 10th business day after the date the request is received indicating that the information is being withheld and identifying the specific previous determination the governmental body is relying on to withhold the requested information.

Provides that if a governmental body makes a request for determination under Government Code Section 552.301, the request must state the specific exceptions that apply. Also provides that if a complaint is received and the attorney general determines that a governmental body failed to properly respond to a request, the attorney general may require the public information officer of such governmental body to complete training.

EFFECTIVE: September 1, 2025.

Public information provided to governing board member

HB 4310 **Relating to a special right of access under the public information law for a member of a governing board.**

DESCRIPTION: Provides that a member of the governing board of a governmental body or nongovernmental entity may inspect, duplicate, or inspect and duplicate public information maintained by the governmental body or the non-governmental entity if the member is acting in the member's official capacity. Provides that the public information requested must be provided promptly and without charge. Provides that confidential information under law shall be redacted and that information subject to attorney-client privilege is not subject to disclosure to a member of a governing board unless the attorney-client relationship upon which the privilege is based applies to the member. A governmental body or non-governmental entity shall inform the member if such information responsive to the request is withheld. Provides that the governing body of the governmental entity may require a confidentiality agreement and provides provisions for the requesting board member to seek an attorney general decision on the confidentiality of such information.

EFFECTIVE: September 1, 2025.

Public meeting disruptions

HB 5238 **Relating to the criminal offense of disrupting a meeting or procession.**

DESCRIPTION: Provides that a person, whether in person or virtual, commits an offense if, with intent to prevent or disrupt a lawful meeting, procession, or gathering, the person obstructs or interferes with the meeting, procession, or gathering by, among other things, electronic disturbance, including hacking, of any virtual component of the meeting, procession, or gathering.

EFFECTIVE: September 1, 2025.

Exception from public information disclosure

SB 765 **Relating to the confidentiality of fraud detection and deterrence information under the public information law.**

DESCRIPTION: Information relating to fraud detection and deterrence measures is confidential and excepted from the requirements of public information disclosure. Provides listed examples of fraud detection information.

EFFECTIVE: September 1, 2025.

Publication of public notices

SB 1062 **Relating to the type of newspaper required for publication of public notices.**

DESCRIPTION: 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: Effective immediately.

Public improvement district service plans

SB 1106 **Relating to publication of public improvement district service plans and assessments on certain public internet websites.**

DESCRIPTION: Requires within 7 days, posting on the respective entity's Internet site, a copy of the service plan approved, amended, or updated by a municipality or county. Requires a notice of the hearing to be mailed to the owners of property liable for assessment. Requires providing the assessment roll and amended assessment rolls to appraisal districts. Requires providing contact information and other public improvement district details.

EFFECTIVE: January 1, 2026.

POWERS & REGULATIONS (MUDs, MMDs, TIRZs, *etc.*)

Procedure for authorizing a suspended or denied discharge permit

SB 1302 **Relating to eligibility to use a general permit to discharge waste into or adjacent to waters in this state.**

DESCRIPTION: Amends Section 26.040 of the Water Code, to prohibit discharging waste into the State's waters or adjacent waters under a general permit that has been suspended or denied by the TCEQ, until the executive director of the TCEQ authorizes use of the permit. The executive director may not authorize a suspended or denied permit through automatic processes.

EFFECTIVE: September 1, 2025.

Regulation of artesian wells

HB 4630 **Relating to the regulation of artesian water wells by the Texas Commission on Environmental Quality.**

DESCRIPTION: Amends Subchapter F, Chapter 11, Water Code, to clarify that the regulations concerning artesian wells only apply to those artesian wells that are outside the boundaries of a groundwater conservation district, subsidence district or other conservation reclamation district with the authority to regulate the drilling, spacing or production of water wells.

EFFECTIVE: Immediately.

Geothermal Water Conveyance Projects

HB 4370 **Relating to the projects undertaken by a public improvement district, municipal management district, water control and improvement district, fresh water supply district, or municipal utility district.**

DESCRIPTION: The bill provides authority for MMDs, MUDs, and certain other special districts to undertake projects pertaining to geothermal water conveyance facilities or improvements.

EFFECTIVE: September 1, 2025.

SAFETY/EMERGENCY PREPAREDNESS & MANAGEMENT

Public Utility Agencies

HB 1584 **Relating to the creation of a list of priority facilities by electric utilities.**

DESCRIPTION: Mandates electric utilities to create a list of priority facilities for service restoration after emergencies. This list includes critical facilities like hospitals, police stations, and water facilities, and the bill ensures this list is confidential and provided to the Texas Division of Emergency Management during declared emergencies. The bill defines "priority facilities" as those considered crucial for public safety, including hospitals, police stations, fire stations, and critical water and wastewater facilities. Electric utilities are required to create and maintain a list of these priority facilities within their service areas. During a declared natural disaster or other emergency, the utility must provide the priority facility list to the Texas Division of Emergency Management. Bill also allows facilities to request from their utility whether they are on the priority list, and the utility must respond within 14 days.

EFFECTIVE: September 1, 2025.

TCEQ water quality testing of public drinking water supply systems

SB 1662 **Relating to notice provided to certain public drinking water supply systems before water quality testing.**

DESCRIPTION: Amends Section 341.0317, Health and Safety Code, to authorize the TCEQ to conduct testing of a public drinking water supply system, upon providing notice not more than 24 hours in advance, to investigate a complaint concerning the quality of drinking water, if the system's drinking water is supplied from an underground source.

EFFECTIVE: September 1, 2025.

Prosecution of certain criminal offenses for unlawful disclosure of residence address or telephone number

HB 3425 **Relating to the prosecution of certain criminal offenses involving the unlawful disclosure of a residence address or telephone number.**

DESCRIPTION: Provides a better shield for public servants from dangerous and retaliatory disclosures of personal contact information by amending Section 36.06, Texas Penal Code, to criminalize the posting or electronic disclosure of a public servant's home address or phone number on a publicly accessible website, with intent to cause or threaten harm, as a retaliatory act for service or status of the public official. Further, if the public servant sends a written request to the poster for removal and the poster either fails to remove the post within 48 hours of reposts it anytime within 4 years, then harmful intent is assumed. Also amend

Section 42.07, Texas Penal Code, to criminalize posting or electronic disclosure of anyone's residence address or phone number with intent to threaten or harm and makes it a Class B misdemeanor, escalating to a Class A, if bodily injury occurs. However, these modifications do not apply to public servants who publish addresses/phone numbers as part of their official duties, in compliance with state law.

EFFECTIVE: September 1, 2025.

TAXATION

Ad valorem taxation exemption of appraised value of tangible personal property

HB 9 **Relating to an exemption from ad valorem taxation of a portion of the appraised value of tangible personal property that is held or used for the production of income.**

DESCRIPTION: Amends heading of Section 11.145, Tax Code, to "Income-Producing Tangible Personal Property" and eliminates "having a value of less than $2,500". Amends Section 11.145, Tax Code, to provide that a person is entitled to an exemption from taxation of $125,000 (from $2,500) of the appraised value of tangible personal property the person owns that is held or used for the production of income. Adds Section 22.01(j), Tax Code, to require a person to render their tangible personal property that is held or used for income if they believe its market value is at least $125,000.

EFFECTIVE: Requires constitutional amendment that would allow this bill to go into effect for the 2025 tax year.

Mandates on Housing Finance Corporations

HB 21 **Relating to housing finance corporations.**

DESCRIPTION: Amends Section 394.004, Local Government Code, to provide that Chapter 394 (Housing Finance Corporations in Municipalities and Counties) applies only to a residential development at least 90 percent of which is for use by or is intended to be occupied by households of low and moderate income. Adds Section 394.0045, Local Government Code, to provide that Chapter 551 (Open Meetings), Government Code, and Chapter 552 (Public Information), Government Code, apply to a housing finance corporation. Amends Section 394.031, Local Government Code, by adding Subsection (c), to provide that the area in which a housing finance corporation is authorized to own real property for residential development or engage in residential development is limited to:

1) for a housing finance corporation sponsored by a municipality, the boundaries of the municipality;
2) for a housing finance corporation sponsored by a county, the boundaries of the county; or

3) for a housing finance corporation sponsored by more than one local government, the boundaries of each municipal sponsor and of each county sponsor.

Amends Section 394.031, Local Government Code, by adding Subsection (c), to provide that a housing finance corporation is authorized to own real property for residential development or engage in residential development outside an area described by Subsection (c) only if a resolution or order approving that ownership or development in the outside area is adopted by the governing bodies of: each municipality that contains any part of the outside area in which the corporation proposes to own real property for residential development or engage in residential development; for a residential development or home located in the unincorporated area of a county, each county that contains any part of the outside area in which the corporation proposes to own real property for residential development or engage in residential development; and any housing finance corporation sponsored by a municipality or county described above, as applicable.

EFFECTIVE: Immediately.

Effect of a disaster and associated costs on calculation and adoption procedure for tax rate

HB 30 **Relating to the effect of a disaster and associated costs on the calculation of certain tax rates and the procedure for adoption of a tax rate by a taxing unit.**

DESCRIPTION: Amends Section 26.042, Tax Code, to define "disaster relief cost", "disaster relief rate" and "essential assistance" and provide for a calculation for the new disaster relief rate. Provides that Section 26.042(a-2), Tax Code, only applies to a taxing unit that is wholly or partially located in a declared disaster area relating to the cost to remove debris or wreckage in the taxing unit and provides how to calculate the voter-approval tax rate.

EFFECTIVE: January 1, 2026.

Ad valorem residence homestead exemption of surviving spouse

HB 2508 **Relating to an exemption from ad valorem taxation of the residence homestead of the surviving spouse of a veteran who died as a result of a qualifying condition or disease.**

DESCRIPTION: Adds Section 11.136, Tax Code, titled "Residence Homesteads of Surviving Spouses of Certain Qualifying Veterans", to provide for an exemption from ad valorem taxation of the residence homestead of the surviving spouse of a veteran who dies as a result of a qualifying condition or disease.

EFFECTIVE: Requires constitutional amendment that would allow this bill to go into effect for the 2025 tax year.

Ad valorem taxation exemption of property owned by charitable organization

HB 2525 **Relating to the exemption from ad valorem taxation of certain property owned by a charitable organization that is engaged in providing housing and related facilities and services to persons who are at least 62 years of age.**

DESCRIPTION: Amends Section 11.18(d), Tax Code, to provide an exemption from ad valorem taxation of certain property owned by a charitable organization that is engaged in providing housing and related facilities and services to persons who are at least 62 years of age without regard to the residents' ability to pay or as an organization that provides charitable housing and services in an amount that is not less than 4% of their net resident revenue. To be eligible for this exemption a charitable organization must have been in existence for at least 20 years.

EFFECTIVE: January 1, 2026.

WATER RESOURCES

Supplemental budget bill

HB 500 **Relating to making supplemental appropriations and reductions in appropriations and giving direction and adjustment authority regarding appropriations**

DESCRIPTION: Provides additional funding for various state agencies and departments, including the Texas Water Development Board (TWDB), for the 2024-2025 biennium. A key aspect of HB 500 is allocating significant funds to the Texas Water Fund, which is managed by the TWDB, for water infrastructure projects. A significant portion of the bill's funding goes to the Texas Water Fund, with a one-time investment of $2.5 billion. This fund is used for various water-related projects, including new water supply projects (like desalination), repairing old infrastructure, conservation efforts, and flood mitigation

EFFECTIVE: Immediately.

Groundwater Conservation Districts – permit criteria

HB 1633 **Relating to the criteria considered by groundwater conservation districts before granting or denying a permit or permit amendment.**

DESCRIPTION: Before granting or denying a permit or permit amendment for a water well, requires groundwater conservation districts to consider, amongst other criteria, whether the proposed use of water unreasonably affects wells that are registered with the groundwater conservation district and exempt from the requirement to obtain a permit.

EFFECTIVE: Immediately.

Prohibition on wastewater discharge – Devils River in Val Verde County

HB 3333 **Relating to a restriction on permits authorizing direct dischargers of waste or pollutants into water in certain river segments and drainage areas.**

DESCRIPTION: Prohibits TCEQ from issuing a permit authorizing the discharge from a wastewater treatment facility of any waste, effluent, or pollutants into certain parts of the Devils River in Val Verde County.

EFFECTIVE: September 1, 2025.

Texas Water Development Board and Water Infrastructure Funding

SB 7 **Relating to the oversight and financing of certain water infrastructure matters under the jurisdiction of the Texas Water Development Board.**

DESCRIPTION: Amends the Water Code related to infrastructure development, legislative oversight, and performance and accountability of the Texas Water Development Board. Requires TWDB to facilitate joint planning and coordination between entities related to the development of infrastructure to transport water. Makes various changes to the New Water Supply for Texas Fund including allowing it to be used for water and wastewater reuse projects, acquisition of water or water rights originating outside of Texas, reservoir projects, and infrastructure projects to transport or integrate into a water supply system. Amends eligible uses, sources, and requirements of the Texas Water Fund, amends financial assistance issued from the Economically Distressed Areas Program, amends eligible uses of the Water Bank, and restructures the SWIFT Advisory Committee and other advisory committees and makes certain changes. Requires TWDB to develop and maintain online tools that provides information about financial assistance availability through the TWDB.

EFFECTIVE: September 1, 2025, but certain sections of the legislation effective September 1, 2027, but only if HJR 7 is approved by voters.

Interlocal contract – authorizing water research

SB 480 Relating to the authority of a local government to enter into an interlocal contract with certain governmental entities to participate in water research or planning activities.

DESCRIPTION: Authorizes local governments to enter into contracts with local, state, or federal governmental entities for water research or water planning purposes.

EFFECTIVE: Immediately.

Injection well authorization – Edwards Aquifer

SB 616 **Relating to aquifer storage and recovery projects that transect a portion of the Edwards Aquifer.**

DESCRIPTION: Authorizes TCEQ to permit the injection of water into formations beneath the Edwards Aquifer for an aquifer storage and recovery project that meets various requirements.

EFFECTIVE: Immediately.

Water withdrawal – Edwards Aquifer

SB 863 **Relating to water withdrawn from the Edwards Aquifer and to the use of certain reclaimed water in an aquifer storage and recovery project.**

DESCRIPTION: Prohibits transporting water from the Edwards Aquifer outside of the boundaries of the Edwards Aquifer Authority via pipeline or other means for any purpose. Requires water withdrawn from the Edwards Aquifer to be used within the boundaries of the Edwards Aquifer Authority or within the boundaries of a retail public utility that meets certain criteria. Authorizes the TCEQ to permit the use of Class V injection wells for the injection of treated reclaimed water.

EFFECTIVE: September 1, 2025.

Texas water assistance program - definition of a rural political subdivision

SB 971 **Relating to the definition of a rural political subdivision for the purposes of the Texas Water Assistance Program.**

DESCRIPTION: Redefines "rural political subdivision" to eliminate ambiguity in the definition as it applies to the Texas Water Assistance Program.

EFFECTIVE: Immediately.

Public utility agencies

SB 1169 **Relating to the provision of water or sewer service by public entities operating jointly or concurrently.**

DESCRIPTION: Expands the authority of public utility agencies to allow public utility agencies to issue revenue bonds and anticipation notes, levy special assessments, and access funding from the North American Development Bank. Clarifies the process for adding or withdrawing public entities from public utility agencies and allows consumers to appeal rate increases to the PUC. Limits the power of eminent domain.

EFFECTIVE: Immediately.