

1-1 By: Leach (Senate Sponsor - Middleton) H.B. No. 2266
 1-2 (In the Senate - Received from the House May 12, 2023;
 1-3 May 12, 2023, read first time and referred to Committee on Business
 1-4 & Commerce; May 21, 2023, reported favorably by the following vote:
 1-5 Yeas 6, Nays 4, one present not voting; May 21, 2023, sent to
 1-6 printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14		X		
1-15				X
1-16		X		
1-17	X			
1-18		X		
1-19		X		

1-20 A BILL TO BE ENTITLED
 1-21 AN ACT

1-22 relating to judicial review of certain local laws applicable to
 1-23 state license holders.

1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-25 SECTION 1. This Act may be cited as the Regulations with
 1-26 Economic Impact in Need of Scrutiny (REINS) Act.

1-27 SECTION 2. The purpose of this Act is to provide a judicial
 1-28 remedy to ensure that a state license holder has the right to engage
 1-29 in an occupation or business activity authorized by and regulated
 1-30 under state law without burdensome or inconsistent local regulation
 1-31 of the state license holder's occupation or lawful business
 1-32 activities.

1-33 SECTION 3. Title 2, Occupations Code, is amended by adding
 1-34 Chapter 60 to read as follows:

1-35 CHAPTER 60. JUDICIAL REVIEW OF CERTAIN LOCAL LAWS AFFECTING
 1-36 LICENSE HOLDERS

1-37 Sec. 60.001. DEFINITIONS. In this chapter:

1-38 (1) "Local law" means an ordinance, rule, regulation,
 1-39 or other measure adopted by the governing body of a municipality
 1-40 that establishes requirements for, imposes restrictions on, or
 1-41 otherwise regulates the occupation or business activity of a
 1-42 license holder within the municipality or the municipality's
 1-43 extraterritorial jurisdiction.

1-44 (2) "License holder" means an individual or entity
 1-45 that, under state law, in order to practice the individual's
 1-46 occupation or conduct the entity's business in this state, is
 1-47 required to obtain a license, permit, registration certificate, or
 1-48 other evidence of authority from, and is subject to regulation by, a
 1-49 state licensing authority.

1-50 (3) "State licensing authority" means a state agency,
 1-51 department, board, or commission or the executive or administrative
 1-52 officer of a state agency, department, board, or commission that
 1-53 issues a license, permit, registration certificate, or other
 1-54 evidence of authority to an individual or entity authorizing the
 1-55 individual to practice the individual's occupation or the entity to
 1-56 conduct the entity's business in this state.

1-57 Sec. 60.002. SUIT TO ENJOIN ENFORCEMENT OF CERTAIN LOCAL
 1-58 LAWS AFFECTING LICENSE HOLDERS. (a) A license holder subject to a
 1-59 local law may bring an action under this section to enjoin the
 1-60 enforcement of the local law if the local law:

1-61 (1) establishes requirements for, imposes

2-1 restrictions on, or otherwise regulates the occupation or business
2-2 activity of the license holder in a manner that is more stringent
2-3 than the requirements, restrictions, or regulations imposed on the
2-4 license holder under state law; or

2-5 (2) would result in an adverse economic impact on the
2-6 license holder.

2-7 (b) A license holder must bring the action in a district
2-8 court in:

2-9 (1) a county that includes any territory of the
2-10 municipality that adopted the local law; or

2-11 (2) Travis County.

2-12 (c) The license holder bringing the action under this
2-13 section must show by a preponderance of the evidence that the local
2-14 law is a local law described by Subsection (a). The license holder
2-15 may provide evidence regarding the adverse economic impact of
2-16 similar local laws in other jurisdictions inside or outside of this
2-17 state.

2-18 (d) If the license holder satisfies the burden of proof
2-19 required by Subsection (c), the municipality defending the action
2-20 has the burden of establishing by clear and convincing evidence
2-21 that the local law:

2-22 (1) does not conflict with state law; and

2-23 (2) is necessary and narrowly tailored to protect
2-24 against actual and specific harm to the public's health or safety.

2-25 (e) The court may grant any prohibitory or mandatory relief
2-26 warranted by the facts, including a temporary restraining order,
2-27 temporary injunction, or permanent injunction.

2-28 (f) If the license holder prevails in the action, the court
2-29 shall award to the license holder court costs and reasonable and
2-30 necessary attorney's fees to be paid by the municipality defending
2-31 the action.

2-32 (g) This section does not apply to a local law that
2-33 establishes requirements for, imposes restrictions on, or
2-34 otherwise regulates:

2-35 (1) a sexually oriented business under Chapter 243,
2-36 Local Government Code;

2-37 (2) a massage parlor as defined by Section 234.101,
2-38 Local Government Code; or

2-39 (3) any conduct under Chapter 393, Finance Code, and
2-40 any conduct related to a credit services organization, as defined
2-41 by Section 393.001, Finance Code, or a credit access business, as
2-42 defined by Section 393.601, Finance Code, if the local law:

2-43 (A) was adopted before January 1, 2023; and

2-44 (B) would have been valid under the law as it
2-45 existed before the date this chapter was enacted.

2-46 (h) Notwithstanding any other provision of this section:

2-47 (1) a license holder may not bring an action under this
2-48 section against a municipality if the license holder is an employee
2-49 of the municipality; and

2-50 (2) an association of municipal employees who are
2-51 license holders may not bring an action under this section if the
2-52 action relates to a local law governing the working conditions of
2-53 those employees.

2-54 SECTION 4. This Act takes effect immediately if it receives
2-55 a vote of two-thirds of all the members elected to each house, as
2-56 provided by Section 39, Article III, Texas Constitution. If this
2-57 Act does not receive the vote necessary for immediate effect, this
2-58 Act takes effect September 1, 2023.

2-59 * * * * *