

1-1 By: Creighton S.B. No. 3016  
 1-2 (In the Senate - Filed March 14, 2025; April 7, 2025, read  
 1-3 first time and referred to Committee on Business & Commerce;  
 1-4 April 28, 2025, reported adversely, with favorable Committee  
 1-5 Substitute by the following vote: Yeas 6, Nays 5; April 28, 2025,  
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8	X			
1-9	X			
1-10				
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 COMMITTEE SUBSTITUTE FOR S.B. No. 3016 By: Creighton

1-21 A BILL TO BE ENTITLED  
 1-22 AN ACT

1-23 relating to state preemption of municipal and county regulation on  
 1-24 land use, structures, businesses, and related activities and  
 1-25 municipal boundaries and annexation.

1-26 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-27 SECTION 1. The legislature finds that:

1-28 (1) the state has historically been the exclusive  
 1-29 regulator of many aspects of commerce, trade, elections, and  
 1-30 criminal justice in this state;

1-31 (2) in recent years, several local jurisdictions have  
 1-32 sought to establish their own regulations of commerce, trade,  
 1-33 elections, and criminal justice that are different than the state's  
 1-34 regulations; and

1-35 (3) the local regulations have led to a patchwork of  
 1-36 regulations that apply inconsistently across this state.

1-37 SECTION 2. The purpose of this Act is to provide additional  
 1-38 statewide consistency by returning sovereign regulatory authority  
 1-39 powers to the state where those powers belong in accordance with the  
 1-40 Texas Constitution, including Section 5, Article XI, of that  
 1-41 constitution.

1-42 SECTION 3. This Act:

1-43 (1) may not be construed to prohibit a municipality or  
 1-44 county from building or maintaining a road, imposing a tax, or  
 1-45 carrying out any authority expressly authorized by statute;

1-46 (2) may not be construed to prohibit a home-rule  
 1-47 municipality from providing the same services and imposing the same  
 1-48 regulations that a general-law municipality is authorized to  
 1-49 provide or impose;

1-50 (3) does not affect the authority of a municipality or  
 1-51 county to conduct a public awareness campaign; and

1-52 (4) does not affect the authority of a municipality or  
 1-53 county to repeal or amend an existing ordinance, order, or rule that  
 1-54 violates the provisions of this Act for the limited purpose of  
 1-55 bringing that ordinance, order, or rule in compliance with this  
 1-56 Act.

1-57 SECTION 4. Chapter 102A, Civil Practice and Remedies Code,  
 1-58 is amended by adding Subchapter A and a subchapter heading to read  
 1-59 as follows:

1-60 SUBCHAPTER A. PRIVATE ACTION

2-1 SECTION 5. Sections 102A.001, 102A.002, 102A.003,  
2-2 102A.004, 102A.005, and 102A.006, Civil Practice and Remedies Code,  
2-3 are transferred to Subchapter A, Chapter 102A, Civil Practice and  
2-4 Remedies Code, as added by this Act, and amended to read as follows:

2-5 Sec. 102A.001. DEFINITION. In this subchapter [~~chapter~~],  
2-6 "person" means an individual, corporation, business trust, estate,  
2-7 trust, partnership, limited liability company, association, joint  
2-8 venture, agency or instrumentality, public corporation, any legal  
2-9 or commercial entity, or protected or registered series of a  
2-10 for-profit entity.

2-11 Sec. 102A.002. LIABILITY FOR CERTAIN REGULATION. (a) Any  
2-12 person who has sustained an injury in fact, actual or threatened,  
2-13 from a municipal or county ordinance, order, or rule adopted or  
2-14 enforced by a municipality or county in violation of any of the  
2-15 following provisions or a trade association representing the person  
2-16 has standing to bring and may bring an action against the  
2-17 municipality or county:

- 2-18 (1) Section 1.004, Agriculture Code;
- 2-19 (2) Section 1.109, Business & Commerce Code;
- 2-20 (3) Section 1.004, Finance Code;
- 2-21 (4) Section 30.005, Insurance Code;
- 2-22 (5) Section 1.005, Labor Code;
- 2-23 (6) Section 229.901, Local Government Code;
- 2-24 (7) Section 1.003, Natural Resources Code;
- 2-25 (8) Section 1.004, Occupations Code; or
- 2-26 (9) Section 1.004, Property Code.

2-27 (b) A person who has sustained an actual or threatened  
2-28 injury in fact from a municipal or county ordinance, order, or rule  
2-29 adopted or enforced in violation of Section 40.001 or 250A.001,  
2-30 Local Government Code, or a nonprofit organization or trade  
2-31 association representing the person, has standing to bring an  
2-32 action against the municipality or county.

2-33 Sec. 102A.003. REMEDIES. (a) A claimant is entitled to  
2-34 recover in an action brought under this subchapter [~~chapter~~]:

- 2-35 (1) declaratory and injunctive relief; and
- 2-36 (2) costs and reasonable attorney's fees.

2-37 (b) A municipality or county is entitled to recover in an  
2-38 action brought under this subchapter [~~chapter~~] costs and reasonable  
2-39 attorney's fees if the court finds the action to be frivolous.

2-40 Sec. 102A.004. IMMUNITY WAIVER. Governmental immunity of a  
2-41 municipality or county to suit and from liability is waived to the  
2-42 extent of liability created by this subchapter [~~chapter~~].

2-43 Sec. 102A.005. NOTICE. A municipality or county is  
2-44 entitled to receive notice of a claim against it under this  
2-45 subchapter [~~chapter~~] not later than three months before the date a  
2-46 claimant files an action under this subchapter [~~chapter~~]. The  
2-47 notice must reasonably describe:

- 2-48 (1) the injury claimed; and
- 2-49 (2) the ordinance, order, or rule that is the cause of  
2-50 the injury.

2-51 Sec. 102A.006. VENUE. (a) Notwithstanding any other law,  
2-52 including Chapter 15, a claimant may bring an action under this  
2-53 subchapter [~~chapter~~] in:

- 2-54 (1) the county in which all or a substantial part of  
2-55 the events giving rise to the cause of action occurred; or
- 2-56 (2) if the defendant is a municipality, a county in  
2-57 which the municipality is located.

2-58 (b) If the action is brought in a venue authorized by this  
2-59 section, the action may not be transferred to a different venue  
2-60 without the written consent of all parties.

2-61 SECTION 6. Chapter 102A, Civil Practice and Remedies Code,  
2-62 is amended by adding Subchapter B to read as follows:

2-63 SUBCHAPTER B. ATTORNEY GENERAL ENFORCEMENT

2-64 Sec. 102A.051. DEFINITION. In this subchapter,  
2-65 "no-new-revenue tax rate" means the no-new-revenue tax rate  
2-66 calculated under Chapter 26, Tax Code.

2-67 Sec. 102A.052. ATTORNEY GENERAL INVESTIGATION AND ACTION.

2-68 (a) The attorney general may investigate an alleged violation of a  
2-69 law described by Section 102A.002 by a municipality or county.

3-1 (b) The attorney general may bring an action for injunctive,  
 3-2 declaratory, or mandamus relief against a municipality or county if  
 3-3 the attorney general determines after conducting an investigation  
 3-4 under Subsection (a) that the municipality or county violated a law  
 3-5 described by Section 102A.002.

3-6 (c) Notwithstanding any other law, including Chapter 15,  
 3-7 the attorney general may bring an action under this section in:

3-8 (1) the county in which all or a substantial part of  
 3-9 the events giving rise to the cause of action occurred; or

3-10 (2) if the defendant is a municipality, a county in  
 3-11 which the municipality is located.

3-12 Sec. 102A.053. EFFECTS OF PENDENCY OF ACTION. (a) During  
 3-13 the pendency of an action brought under Section 102A.052, with  
 3-14 respect to a municipality or county defending the action:

3-15 (1) the comptroller shall withhold payment of any  
 3-16 money due to the municipality or county under Section 321.502 or  
 3-17 323.502, Tax Code;

3-18 (2) the municipality or county may not adopt an ad  
 3-19 valorem tax rate that exceeds the municipality's or county's  
 3-20 no-new-revenue tax rate;

3-21 (3) the municipality or county may not adopt a budget  
 3-22 that exceeds the total expenditures of the budget under which the  
 3-23 municipality or county is operating at the time the attorney  
 3-24 general brings the action under Section 102A.052; and

3-25 (4) the municipality or county may not receive state  
 3-26 grant funds and any pending application for such funds shall be  
 3-27 denied.

3-28 (b) Section 109.004(a)(1), Local Government Code, does not  
 3-29 apply to a municipality if the comptroller is withholding payments  
 3-30 from the municipality in accordance with Subsection (a)(1) of this  
 3-31 section.

3-32 (c) Notwithstanding Section 120.002, Local Government Code,  
 3-33 a county may not hold an election under that section if the  
 3-34 comptroller is withholding payments from the county in accordance  
 3-35 with Subsection (a)(1) of this section.

3-36 Sec. 102A.054. ACTION PROCEDURES. (a) A municipality or  
 3-37 county defending an action brought under Section 102A.052 has the  
 3-38 burden of proof to establish that the municipality or county  
 3-39 complied with the law that is the subject of the action.

3-40 (b) The trial court shall set an action brought under  
 3-41 Section 102A.052:

3-42 (1) for an initial hearing not later than the 30th day  
 3-43 after the date the municipality or county defending the action was  
 3-44 served with process for the action; and

3-45 (2) for a trial on the merits not later than the 90th  
 3-46 day after the date the municipality or county defending the action  
 3-47 was served with process for the action, unless:

3-48 (A) the municipality or county and the attorney  
 3-49 general agree to a later date; and

3-50 (B) the court determines that holding trial at a  
 3-51 later date is in the interest of justice.

3-52 Sec. 102A.055. APPELLATE JURISDICTION; EXPEDITED APPEAL.  
 3-53 (a) The Fifteenth Court of Appeals has exclusive intermediate  
 3-54 appellate jurisdiction of an action brought Section 102A.052. A  
 3-55 party must appeal the action not later than the 30th day after the  
 3-56 date the judgment is signed.

3-57 (b) An appellate court shall expedite an appeal of an action  
 3-58 brought under Section 102A.052.

3-59 Sec. 102A.056. RESOLUTION OF ACTION IN FAVOR OF ATTORNEY  
 3-60 GENERAL. (a) If the attorney general prevails in an action brought  
 3-61 under Section 102A.052:

3-62 (1) the municipality or county defending the action  
 3-63 may not, during the five fiscal years following the year in which  
 3-64 the judgment becomes final:

3-65 (A) adopt an ad valorem tax rate that exceeds the  
 3-66 municipality's or county's no-new-revenue tax rate; or

3-67 (B) receive state grant funds; and

3-68 (2) the court issuing the final judgment resolving the  
 3-69 action shall provide in the judgment that the state is entitled to

4-1 recover from the municipality or county defending the action a  
4-2 penalty equal to the balance of the suspense account maintained for  
4-3 the municipality or county under Section 321.501 or 323.501, Tax  
4-4 Code, as applicable, that exists on the date the judgment is signed.

4-5 (b) The comptroller shall, on receipt of a copy of the final  
4-6 judgment in an action brought under Section 102A.052, deposit the  
4-7 balance of the suspense account maintained for the municipality or  
4-8 county defending the action under Section 321.501 or 323.501, Tax  
4-9 Code, as applicable, as of the date the judgment is signed to the  
4-10 credit of the general revenue fund.

4-11 (c) Section 109.004(a)(1), Local Government Code, does not  
4-12 apply to a municipality subject to a final judgment in an action  
4-13 brought under Section 102A.052 for six state fiscal years following  
4-14 the date the judgment is signed.

4-15 (d) Notwithstanding Section 120.002, Local Government Code,  
4-16 a county may not hold an election under that section if the county  
4-17 has been the subject of an adverse final judgment in an action  
4-18 brought under Section 102A.052 before the sixth anniversary of the  
4-19 date the judgment is signed.

4-20 Sec. 102A.057. RESOLUTION OF ACTION IN FAVOR OF  
4-21 MUNICIPALITY OR COUNTY. If a municipality or county prevails in an  
4-22 action brought under Section 102A.052, the comptroller shall  
4-23 immediately send to the municipality or county any balance of the  
4-24 suspense account maintained for the municipality or county under  
4-25 Section 321.501 or 323.501, Tax Code, as applicable, being held  
4-26 under Section 102A.053(a)(1) as of the date the final judgment  
4-27 resolving the action is signed.

4-28 SECTION 7. Subtitle C, Title 2, Local Government Code, is  
4-29 amended by adding Chapter 40 to read as follows:

4-30 CHAPTER 40. PREEMPTION

4-31 Sec. 40.001. PREEMPTION. Unless expressly authorized by  
4-32 another statute, a municipality may not adopt, enforce, or maintain  
4-33 an ordinance or rule regulating conduct in a field of regulation  
4-34 that is occupied by a provision of this subtitle. An ordinance or  
4-35 rule that violates this section is void, unenforceable, and  
4-36 inconsistent with this subtitle.

4-37 SECTION 8. Subtitle C, Title 7, Local Government Code, is  
4-38 amended by adding Chapter 250A to read as follows:

4-39 CHAPTER 250A. PREEMPTION

4-40 Sec. 250A.001. PREEMPTION. Unless expressly authorized by  
4-41 another statute, a municipality or county may not adopt, enforce,  
4-42 or maintain an ordinance, order, or rule regulating conduct in a  
4-43 field of regulation that is occupied by a provision of this title.  
4-44 An ordinance, order, or rule that violates this section is void,  
4-45 unenforceable, and inconsistent with this title.

4-46 SECTION 9. Subchapter B, Chapter 102A, Civil Practice and  
4-47 Remedies Code, as added by this Act, applies only to a cause of  
4-48 action that accrues on or after the effective date of this Act.

4-49 SECTION 10. Every provision, section, subsection,  
4-50 sentence, clause, phrase, or word in this Act, and every  
4-51 application of the provisions in this Act to every person, group of  
4-52 persons, or circumstances, is severable from each other. If any  
4-53 application of any provision in this Act to any person, group of  
4-54 persons, or circumstances is found by a court to be invalid,  
4-55 preempted, or unconstitutional for any reason whatsoever, then the  
4-56 remaining applications of the Act to all other persons and  
4-57 circumstances shall be severed and preserved and shall remain in  
4-58 effect. All constitutionally valid applications of the provisions  
4-59 in this Act shall be severed from any applications that a court  
4-60 finds to be invalid, preempted, or unconstitutional, because it is  
4-61 the legislature's intent and priority that every single valid  
4-62 application of every statutory provision be allowed to stand alone.  
4-63 The legislature further declares that it would have enacted this  
4-64 Act, and each provision, section, subsection, sentence, clause,  
4-65 phrase, or word, and all constitutional applications of the  
4-66 provisions of this Act, irrespective of the fact that any  
4-67 provision, section, subsection, sentence, clause, phrase, or word,  
4-68 or applications of this Act, were to be declared invalid,  
4-69 preempted, or unconstitutional.

5-1 SECTION 11. The Texas Supreme Court has exclusive and  
5-2 original jurisdiction over a challenge to the constitutionality of  
5-3 this Act or any part of this Act and may issue injunctive or  
5-4 declaratory relief in connection with the challenge.

5-5 SECTION 12. This Act takes effect September 1, 2025.

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