

The Texas Legislature convenes once every two years, with the 90th Session beginning in January 2027. Committees meet periodically throughout the interim to shape the policy agenda for the upcoming session. Given recent trends of state-level efforts to limit municipal authority, we are monitoring these charges closely as we prepare for what could again be a challenging environment for local governance.

The March 2026 interim charges issued by House Speaker Dustin Burrows and Lt. Gov. Dan Patrick include several directives with direct implications for Texas municipalities, focusing on local revenue limitations, state-driven efforts to accelerate development processes, and expanded oversight of municipal spending and infrastructure management.

1. Municipal Finance & Revenue Restrictions

State leaders are prioritizing further cuts to property taxes and increased scrutiny of how cities manage and spend their funds.

- **Property Tax Relief:** Committees are evaluating the impact of increasing the homestead exemption and lowering the eligibility age for senior tax freezes from 65 to 55.
- **Federal Fund Oversight:** Lawmakers are investigating how local governments spend directly distributed federal funds (like ARPA), specifically targeting "guaranteed-income pilot programs" to ensure they align with state-approved "legitimate purposes".

2. Development & Permitting Mandates

To address housing affordability, charges recommend stripping away local regulatory "barriers" and standardizing development processes.

- **Fee Scrutiny:** Committees will examine the collection and use of local government fees, including impact fees, permit and inspection fees, and drainage charges, to ensure they do not exceed legal authority.
- **Expedited Permitting:** There is a directive to study third-party reviews of plats and property development plans to bypass local government timelines.
- **Pre-Approved Plans:** Lawmakers are exploring the feasibility of state-mandated processes for the pre-approval of residential building plans, allowing developers to reuse plans across municipalities without separate local approvals.

3. Infrastructure & Cybersecurity Oversight

Cities are increasingly viewed through the lens of state-wide grid and security reliability.

- **Data Center Regulation:** The Texas House State Affairs Committee is reviewing the regulatory framework for data centers, with instructions to "streamline regulations" while allowing communities to manage growth.

- **Critical Infrastructure Security:** Studies are evaluating risks from remote-access technologies in local infrastructure (like water or power systems) that could be vulnerable to foreign adversaries.
- **Water Infrastructure:** Oversight is ongoing for the implementation of recently passed water supply and flood mitigation grants, which cities frequently apply for through the Texas Water Development Board.

Links:

House of Representatives Interim Charges PDF:

<https://www.house.texas.gov/pdfs/speaker/F-Interim-Charges-3.25.pdf>

Lieutenant Governor Interim Charges PDF: <https://www.ltgov.texas.gov/wp-content/uploads/2026/03/2026-Interim-Charges.pdf>

Texas 2036 article: Understanding interim charges in the Texas Legislature

<https://texas2036.org/posts/understanding-interim-charges-in-the-texas-legislature/>