



2025 TEXAS LEGISLATIVE SUMMARY

Following a successful interim - during which TMDA succeeded in obtaining a “documentary fee” increase from \$125 to 200 - our team turned its attention to legislative opportunities and threats.

TMDA had a very successful 2025 Texas legislative session, lobbying effectively on many pieces of proposed legislation to protect and promote the interests of TMDA members.

TMDA was once again represented at the Texas Capitol by Royce Poinsett of Poinsett PLLC, who has represented the association since 2008. Royce worked in conjunction with the TMDA Legislative Committee in analysing, tracking and advocating on dozens of pieces of legislation which impacted the rights and economic interests of Texas motorcycle dealers.

TMDA tracked over 40 pieces of legislative this session. The legislation described below received the most intense attention and advocacy from the TMDA Legislative Committee and the TMDA lobbyist, because they most directly affected the interests of TMDA members.

(Also attached below is a general overview of the 2025 Texas legislative session, written by Royce Poinsett for an upcoming issue of the *Texas Bar Journal*.)

1. Dealer Protections

As always, a main TMDA legislative priority is safeguarding motorcycle dealer protections and rights in Texas law. This session no bill was filed to directly challenge the licensed dealer system, as Rivian and Tesla appear to still be waiting to see if ongoing litigation against the current Texas dealer law bears any fruit. However, we should prepare for manufacturers to eventually renew their legislative efforts in Texas, especially since Tesla is rapidly expanding its manufacturing footprint and political influence in Texas.

HB 2963 (Capriglione/Hall) PASSED AS AMENDED BY TMDA

TMDA scored its most significant victory this session by fighting successfully to exempt all powersports vehicles from a very negative new law.

HB 2963 is “right to repair” legislation modelled after laws passed in a couple of other states. The “right to repair” movement arose from concerns regarding consumers’ increasing inability to repair their own digital electronic devices. Some have suggested that requiring manufacturers to make certain repair materials

widely available (including tools, manuals, and replacement parts) could lower consumer costs, extend device lifespans and increase competition in the repair market.

HB 2963 attempts to apply that philosophy to practically any product that contains a digital electronic component – including motorcycles. The new law requires a manufacturer of “digital electronic equipment” to make the tools, documentation, and replacement parts necessary to diagnose, maintain, or repair their products available, on fair and reasonable terms, to any independent repair provider or owner of the equipment. The new law defines “digital electronic equipment” extremely broadly, as any product that depends, wholly or partly, on digital electronics embedded in or attached to the product to function.” The new law defines “fair and reasonable terms” to mean that a manufacturer i) must make available tools, parts, and documentation without conditioning availability on the recipient being an authorized repair provider, at no cost or at the same or lower cost than what is charged to authorized providers, and ii) can only charge actual costs for physical materials. Under this new law, these resources will have to be made available to independent repair providers and product owners within one year of the product’s first sale in Texas.

The bill originally applied to all motorcycles, OHVs, autocycles, personal watercraft etc. So all powersports manufacturers would have been required to provide independent repair providers with all tools, parts, and documentation – things that dealers often have to obtain from manufacturers at great expense. The original bill therefore threatened to unfairly benefit independent repair providers, and create very unfair competition for Texas dealers.

TMDA’s lobbyist lobbied the bill authors and other legislators strenuously to expand the exemption to include OHVs. The bill authors were resistant to add the broader exemption, until TMDA’s efforts succeeded in “stalling” the bill in committee until the bill authors conceded. The final bill passed with a broad exemption for any “powersports vehicle,” defined as “(A) an autocycle; (B) a motorcycle; (C) a moped; (D) a motorboat, including a personal watercraft; or (E) an off-highway vehicle.”

So fortunately, due to TMDA legislative efforts this very threatening new law will not apply to Texas powersports dealers. But TMDA will need to carefully protect this broad exemption in future sessions.

SB 1029 (Nichols) DEFEATED

TMDA also succeeded in working with the Texas Automobile Dealers Association (TADA) to defeat negative legislation that would have allowed manufacturers to force dealers to advertise a used vehicle for sale even when the vehicle is not in the dealer’s possession and the dealer does not have the title to the used vehicle (contrary to TxDMV Advertising Rule, 43 TAC §215.245). The bill was promoted by General Motors, which under its CarBravo program is taking its off-lease vehicles that no dealer has purchased and asking its dealers to accept advertising these vehicles, knowing that numerous dealers may be advertising the same vehicle for sale.

TMDA and TADA opposed the bill, explaining that a dealer should not be forced or allowed to advertise a vehicle they have not had the opportunity to inspect, prep, or verify the condition of, and which they do not actually have in available inventory, which would risk eroding customer trust in dealers.

HB 3859 (Patterson)/SB 1917 (Middleton) FAILED

This session TADA (with TMDA assistance) unsuccessfully promoted a major bill that would have expanded rights for vehicle dealers (including motorcycle dealers). This TADA bill would have enacted an array of new dealer protections to ensure franchised dealers are reimbursed by a manufacturer or distributor for warranty and recall work at the same rate that a retail customer would pay for the work.

Unsurprisingly, manufacturers strongly opposed the bill, and unfortunately the bill never made it out of committee in either chamber. Some observers feel that some of the proposed legislation's provisions were a bit too "ambitious," and that TADA may need to compromise further with manufacturers on some provisions next session.

TMDA supported and testified in favor of this bill, and hopefully TMDA can work alongside TADA to pass a version of it next session.

2. Motorcycle Training Liability Protections

[HB 4904](#) (Guillen/Zaffirini) *PASSED*

Last session the TMDA lobbyist offered significant support to the certified motorcycle instructor community in passing SB 478 (Zaffirini/King), legislation to address significant problems plaguing the Texas motorcycle and ATV operator training and safety program.

This session the TMDA lobbyist similarly offered significant support in passing legislation providing strong liability protections for property owners who lease parking lots to instructors for use in trainings. Increasing liability and insurance rates have led to a growing shortage of leasable lots, and a resulting drop in Texas trainings. This new law provides that no trainee may sue a training property landowner unless the landowner causes harm through its gross negligence, recklessness, or intentional misconduct.

The instructor community is extremely grateful for TMDA's assistance in passing this legislation, which will hopefully increase the number of trainings offered statewide to new motorcycle owners.

3. Recreational Area Liability Protections

[HB 5624](#) (Buckley/Perry) *PASSED*

The TMDA lobbyist also offered significant support in passing legislation providing strong liability protections for property owners who charge riders to ride on their property, such as motocross tracks and other riding areas. Increasing liability and insurance rates have led to a growing number of these areas closing in recent years. This new law provides that no visitor may sue a riding area unless the owner causes harm through gross negligence or intentional misconduct.

The track owner community is extremely grateful for TMDA's assistance in passing this legislation, which should help more of these riding areas stay in business.

4. Business Inventory Tax Reduction

[HB 9](#) and [HJR 1](#) (Meyer/Bettencourt) *PASSED*

The Texas legislature continued its efforts to lower local property taxes. On the residential property front, Texas voters will be asked in November to approve two constitutional amendments raising homestead exemptions — one to raise the exemption from \$100,000 to \$140,000 generally and the second to raise it to \$200,000 for Texans with disabilities or who are 65 and older.

More relevant to dealers, on the business property front, under [HB 9](#) and [HJR 1](#) voters will have the opportunity to approve a constitutional amendment providing for a massive increase to the business inventory tax exemption from \$2,500 to \$125,000.

5. TxDMV-Related Bills

As always, TMDA kept a close eye on proposed legislation impacting TxDMV and its regulation of dealer activities. A few bills of note were passed this session:

[SB 1902](#) (Nichols/McQueeney) *PASSED*

This new law seeks to address a storage issue involving the new metal temporary plates system, by allowing the transfer of license plates removed from a motor vehicle on the sale or transfer of the vehicle to another qualifying vehicle if the license plates are appropriate for the class of vehicle to which the plates are being transferred. The bill also allows TxDMV to deny a dealer's access to the database of dealer-issued license plates if the dealer has been denied access to the temporary tag database due to fraudulently obtaining temporary tags from that database.

[HB 2522](#) (Dean/Hughes) *PASSED*

Fingerprints submissions are now required for a person who is an applicant for or holds a dealer general distinguishing number for 10 or more locations.

6. Miscellaneous Bills

TMDA assisted in the passage of these beneficial bills:

[SB 296](#) (Perry/Canales) *PASSED*

TMDA assisted in passing this legislation to provide that multiple traffic offense charges are eligible for dismissal following the successful completion of a single driving safety or motorcycle operator training course.

[HB 5033](#) (Bell/Flores) *PASSED*

Under this new law Texas will automatically repeal the remaining emissions inspection programs in 17 Texas counties if the U.S. Congress ever repeals or amends the federal Clean Air Act to eliminate the mandate.

TMDA quietly opposed and helped defeat the following negative bills:

[SB 229](#) (West) *DEFEATED*

This bill would have prevented dealers from offering cash discounts. It would have provided that a retail seller may not increase the cash price of a motor vehicle for a buyer who purchases a motor vehicle with i) the buyer's own money or ii) a loan from a third-party lender. It also would have prohibited a dealer from preventing a buyer from using these methods of payment.

[HB 1196](#) (Manuel) *DEFEATED*

This bill would have required operators of all-terrain vehicles in Texas to hold evidence of financial responsibility for their vehicles.

TMDA supported these bills that did not pass; hopefully we can help them pass next session:

[HB 1921](#) (Virdell) *FAILED*

Would have allowed unregistered side-by-side ROVs and utility vehicles bearing license plates to operate on non-interstate highways with speed limits not more than 65 mph.

[SB 2439](#) (Zaffirini/Phelan) *FAILED*

Would have repealed the requirement to obtain a safety certificate to operate an OHV on public land or beach.

TMDA also closely monitored many other pieces of legislation that did not pass, on issues including:

Banning police “profiling” based on an individual operating a motorcycle or wearing motorcycle-related or motorcycle club-related paraphernalia rather than on the individual's behavior.

Allowing motorcycle “lane-splitting” in certain circumstances.

If you have any questions regarding TMDA’s legislative efforts or any activities of the Texas legislature, feel free to reach out to Trey Sralla or Royce Poinsett.

Below please see Royce’s general overview of the 2025 Texas legislative session, written for an upcoming issue of the *Texas Bar Journal*.



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The 89th Session Overview

By Royce Poinsett

(for publication in the September issue of the Texas Bar Journal)

The 2025 Texas legislative session was the latest in a series vying for “the most conservative ever.” When the dust settled, this 140-day gathering had made a very strong case for that title.

Governor Abbott presented the GOP-controlled legislature with a focused set of seven priorities including a public school choice/voucher program, continued property tax relief and bail reform. Lieutenant Governor Dan Patrick laid out an ever more ambitious overlapping agenda of 40 priorities including banning products with synthetic tetrahydrocannabinol (THC), targeting alleged liberal ideology (and promoting conservative ideology and religion) in public and higher education and assisting in federal deportation efforts. The lieutenant governor passed all 40 of his priorities through an amenable Texas Senate in relatively short order.

In prior sessions many of these “movement conservative” proposals might have stalled in a Texas House more oriented toward “traditional business conservative” attitudes. But in the 2024 GOP primaries a frustrated governor and lieutenant governor (alongside energized Republican grassroots activists and generous megadonors) had successfully targeted dozens of open seats and “traditional business conservative” incumbents, largely over their opposition to vouchers or their 2023 vote to impeach GOP Attorney General Ken Paxton.

Most of the 26 departed GOP legislators were replaced with “movement conservatives,” and the Texas House’s ideological center of gravity shifted significantly. Embattled Speaker Dade Phelan surrendered the gavel and was replaced by Dustin Burrows, and the new speaker and realigned House proved to be largely willing and productive allies to the governor and lieutenant governor. The House voted to end the longstanding bipartisan practice of having some committees chaired by minority party legislators, and proceeded to pass all but a handful of the governor’s and lieutenant governor’s priority bills.

The Republican leadership did fail to coalesce on one of the lieutenant governor’s main priorities. SB 3 would have banned the consumable hemp products with synthetic THC that have proliferated in Texas since the legislature legalized hemp farming in 2019. The governor vetoed that bill, opining that an outright ban would not survive legal challenges. The governor is suggesting a more regulatory-focused approach, and will call legislators back for a 30-day special session beginning on July 21 on that and other issues (potentially including a mid-decade congressional redistricting requested by the Trump administration to bolster the GOP’s slim majority in the U.S. House).

Major Legislation of the 2025 Regular Session

Texas legislators filed more than 8,700 bills and passed over 1,200, with the governor vetoing 28 measures. Some of the most significant legislative action is summarized here.

State budget. SB 1 enacts a balanced two-year state budget with a record \$338.0 billion in overall spending, a 1.2% increase over the prior biennium’s budget. HB 500 provides another \$16.0 billion in supplemental appropriations. As discussed below, billions of spending in various arenas is contingent on voter approval of constitutional amendments in November. The legislature left over \$3.9 billion in projected revenue unspent and another almost \$24 billion parked in the state’s “rainy day fund.”

Property tax relief. The Republican leadership continues to pour energy and treasure into local property tax relief. Under SB 4 and SJR 2 Texas voters can approve raising the general homestead exemption from \$100,000 to \$140,000, and under SB 23 and SJR 85 can approved raising the exemption for Texans over 65 or with disabilities from \$110,000 to \$200,000. On the business property front, under HB 9 and HJR 1 voters can approve a massive increase to the business inventory tax exemption from \$2,500 to \$125,000.

All told the legislature allocated over \$10 billion in state funds toward this new property tax relief through property tax compression (essentially, using state funds to “buy down” local school taxes) and over \$41 billion to sustain similar relief established in prior sessions. More than 15% of the state’s current spending is now devoted to property tax relief.

Public education. HB 2 provides public schools with \$8.5 billion in new funding for teacher and staff pay raises, early learning, special education, armed campus security and other priorities. SB 2 creates “education savings accounts” to allocate public money to pay for private school tuition and expenses of around \$10,500 for most students, \$2,000 for homeschoolers and up to \$30,000 for special education students (beginning with the 2026-2027 school year). Funding is capped at \$1 billion for the first two years, with future legislatures determining how large the program will eventually become.

HB 6 provides public schools with more flexibility in disciplining disruptive and violent students. HB 1481 requires school districts to adopt policies restricting student cell phone access and usage during the school day.

SB 10 requires the display of the Ten Commandments in public school classrooms, and SB 11 requires schools to set aside time for students and staff to take part in voluntary prayer and scripture reading. SB 13 gives school boards (as opposed to school librarians) final say over the materials allowed in public school libraries.

Higher education. SB 2972 limits the time, manner and place of protest activities on college campuses. SB 37 gives public university system boards of regents (appointed by the governor) new authority over the hiring of top administrators and the approval of curriculum content, and limits the power of faculty senates.

Immigration and foreign activity. SB 8 requires Texas sheriffs to collaborate with federal authorities in carrying out immigration enforcement in local jails. SB 17 bans citizens of China, Russia, North Korea and Iran (excepting U.S. citizens or permanent residents) from owning land in Texas.

Energy. The state budget appropriates an additional \$5 billion to the Texas Energy Fund to further incentivize the construction of new power generation to meet the state’s fast-growing energy needs, and \$350 million to a new Texas Advanced Nuclear Development Fund (established by HB 14). SB 6 gives Texas the authority to shut off power to “large load” facilities (such as bitcoin mining, data centers and factories) during power shortages.

Business law. A package of wide-ranging corporate law reforms (SB 29, SB 1057, SB 2337 and HB 40), including new liability protections for companies and their officers and directors, seeks to entice more companies to incorporate in Texas.

Judicial pay raises. SB 293 increases the base pay for district court judges from \$140,000 to \$175,000.

Media production. SB 3 allots \$1.5 billion over 10 years for increased rebates to attract more film, television, commercial and video game production to Texas, with enhanced incentives for “faith-based” productions.

Housing supply. SB 15 overrides municipal zoning rules to allow new subdivisions with smaller lots, while HB 24 significantly reduces the ability of neighboring landowners to block zoning changes.

Water infrastructure. If voters approve, SB 7 and HJR 7 will allot \$20 billion over 20 years to continue securing the state’s future water infrastructure and supply.

Bail reform. In a sweeping overhaul of the Texas bail system, SB 9 restricts who is eligible for release on cashless personal bonds and allows the state to appeal bail decisions, SB 40 bars cities from using public funds to bail defendants out of jail and SJR 5 (if approved by voters) will require judges, in certain cases, to deny bail to individuals accused of committing specific violent felonies.

Dementia research. SB 5 and SJR 3 create the Dementia Prevention and Research Institute of Texas to study dementia, Alzheimer’s disease, Parkinson’s disease and other brain conditions, and if approved by voters will dedicate \$3 billion in state funding.

Abortion. SB 31 clarifies when doctors may perform abortions in situations where the mother’s life is threatened. SB 33 prohibits cities from using taxpayer dollars to assist people in traveling out-of-state to obtain an abortion.

Transgender issues. HB 229 strictly defines “man” and “woman” based on an individual’s reproductive organs at birth, and applies the new definitions across all state statutes and records.

Gaming. SB 3070 scraps the scandal-plagued Texas Lottery Commission and transfers lottery and bingo oversight to the Texas Department of Licensing and Regulation, with a new ban on online lottery ticket sales. Bills authorizing casinos and sports betting did not even receive a hearing this session.

Technology. HB 149 imposes some initial “guardrails” around the use of artificial intelligence by state agencies and private businesses, although pending federal legislation may preempt state-level regulation. SB 441 establishes civil liability for the creation and distribution of “deepfake” sexual images of nonconsenting individuals. SB 2420 establishes age verification and parental consent requirements for a minor to download, or make purchases within, applications.

Bills for the Real World – and the Weird World

Doing away with “The Devil’s Time.” With HB 1393 Texas joins 18 other states in calling on the federal government to make daylight savings time year-round.

Death from above. SB 1245 adds invasive aoudad sheep (which apparently are not really sheep, but that is another story) to the short list of unlucky species (alongside coyotes and feral hogs) that may be legally hunted from a helicopter.

Smile! (If you can.) The governor vetoed SB 378, which would have shut down “Botox parties” hosted by estheticians, cosmetologists and barbers without supervision by a physician.

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