

BILL ANALYSES: HOUSE BILL 530 AND SENATE BILLS 395, 743

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ISSUE

Of late, several Texas cities and counties have established guaranteed income programs (GIPs), which employ redistributive means to provide regular cash payments to select members of a community, with no strings attached and no work requirement. These publicly-administered programs tend to be “organized around the principles of collectivism, social justice, and government control” ([Quintero & Kirwin, 2024, p. 2](#)). Despite certain constitutional and statutory limitations, numerous Texas cities and counties have attempted to establish these types of programs, including the cities of Austin and San Antonio, as well as El Paso and Harris counties.

LEGISLATION

This session, policymakers in the Texas House and the Texas Senate have introduced identical legislative measures to prohibit political subdivisions from establishing GIPs. These specific measures include House Bill (HB) 530 and Senate Bill (SB) 395. Additionally, a substantially similar measure, SB 743, has been introduced. SB 743 differs in a negligible manner and seeks to achieve the same purpose.

Section 1

Adds Section 140.014 to the Local Government Code to statutorily define a GIP as a program in which an individual is issued an unconditional cash payment on a regular basis to be used by the individual for any purpose. For HB 530 and SB 395, a separate provision exempts programs that require an individual to seek employment, perform work, or attend career or job training as a condition of receiving payment. For SB 743, no such similar allowance is made.

Included in this section is also a specific prohibition barring any political subdivision from adopting any local rule, regulation, or ordinance establishing or providing for the operation of a GIP.

Section 2

Provides protection to any GIP established or sustained by a political subdivision before the effective date of the Act, if passed, until the earlier of January 1, 2026, or the expiration of the local rule, regulation, or ordinance providing authorization.

Section 3

This section states that this Act will take immediate effect if it receives a vote of two-thirds of all the members elected to each house in accordance with Sec 39, Article III of the Texas Constitution. If the Act is passed but does not receive enough votes to take immediate effect then the Act will take effect September 1, 2025.

RECOMMENDATION(S) FOR IMPROVEMENT

- Amend the legislative proposal to include programs that provide cash payments to both individuals and “households.” Consider that GIPs vary widely in their design and operation, but many are commonly structured so as to provide cash to households.
- Consider that progressives are experimenting with a wide variety of cash transfer programs, including conditional cash transfer (CCT) programs,¹ unconditional cash transfer (UCT) programs,² universal basic income (UBI) programs,³ and GIPS. Amend the legislative proposal, where necessary, to ensure that loopholes are addressed preemptively.

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- 1 Under the CCT policy design, “an eligible party may receive a cash subsidy upon completion of a particular activity or meeting a certain requirement. These programs are commonly employed by authorities to induce certain behaviors, like ‘attending school, completing financial counseling, or working a certain number of hours’” (Quintero & Kirwin, 2024, p. 5).
 - 2 Under the UCT policy design, “an eligible party—which is usually determined on the basis of annual income or socioeconomic status—may receive a cash grant without having to perform any particular action and, as a general rule, recipients can ‘spend the money however they see fit’” (Quintero & Kirwin, 2024, p. 5).
 - 3 Under the UBI policy design, “a monthly cash grant given to all members of a community without means test, regardless of personal desert, with no strings attached and, under most proposals, at a sufficient high level to enable a life free from economic insecurity” (Quintero & Kirwin, 2024, p. 5).

REFERENCES

- HB 530. Introduced. 89th Texas Legislature. Regular. (2025). <https://capitol.texas.gov/BillLookup/History.aspx?LegSess=89R&Bill=HB530>
- Quintero, J., & Kirwin, M. (2025). *Rise of the transfer state: Guaranteed income programs in Texas' cities and counties*. Texas Public Policy Foundation. https://www.texaspolicy.com/wp-content/uploads/2024/11/2024-11-TPP-Guaranteed-Income-Program-Quintero-Kirwin_FINAL.pdf
- SB 395. Introduced. 89th Texas Legislature. Regular. (2025). <https://capitol.texas.gov/BillLookup/History.aspx?LegSess=89R&Bill=SB395>

ABOUT THE AUTHOR



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Prior to joining TPPF John served in the University system as a Graduate Assistant until he was given the opportunity to teach Principles of American Government. John holds a Master of Arts in Political Science from Texas State University and a Bachelor of Arts in Political Science from Sam Houston State University.

As a proud Eagle Scout John is an avid camper and enjoys spending time in the outdoors as well as at home with his wife.

