

## Administrative:

## Texas: New Law Addresses Whether Administrative Agencies are Entitled to Deference from Reviewing Courts

*S.B.* 14, signed by gov. 4/23/25. According to accompanying bill notes, recently enacted legislation seeks to codify Texas' agency deference standard by providing that Texas courts are *not* required to defer to Texas agencies' legal determinations. Specifically, the enacted legislation provides that a Texas court is *not* required to give deference to a state agency's legal determination regarding the construction, validity, or applicability of the law or a rule adopted by the state agency responsible for the rule's administration, implementation, or other enforcement; however, a Texas court may choose to give consideration to a legal determination made by a state agency that is "reasonable and does not conflict with the plain language of the statute." Regarding questions of law, the legislation provides that the reviewing court "shall review all questions of law de novo, including the interpretation of constitutional or statutory provisions or rules adopted by a state agency, without giving deference to any legal determination by a state agency;" however, a Texas court may choose to give consideration to a legal does not conflict with the plain language of the statute." Please contact us with any questions. **URL:** https://capitol.texas.gov/BillLookup/History.aspx?LegSess=89R&Bill=SB14 **URL:** https://capitol.texas.gov/tlodocs/89R/analysis/pdf/SB00014H.pdf

Robert Topp (Houston)
Managing Director
Deloitte Tax LLP
rtopp@deloitte.com

Robin Robinson (Houston) Specialist Executive Deloitte Tax LLP rorobinson@deloitte.com Grace Taylor (Houston) Senior Manager Deloitte Tax LLP grtaylor@deloitte.com

Chris Blackwell (Austin) Senior Manager Deloitte Tax LLP cblackwell@deloitte.com

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms or their related entities (collectively, the "Deloitte organization") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.

## About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organization"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte provides industry-leading audit and assurance, tax and legal, consulting, financial advisory, and risk advisory services to nearly 90% of the Fortune Global 500<sup>®</sup> and thousands of private companies. Our professionals deliver measurable and lasting results that help reinforce public trust in capital markets, enable clients to transform and thrive, and lead the way toward a stronger economy, a more equitable society and a sustainable world. Building on its 175-plus year history, Deloitte spans more than 150 countries and territories. Learn how Deloitte's approximately 415,000 people worldwide make an impact that matters at www.deloitte.com.