

AN ACT

relating to the powers of certain public utility agencies; granting the power of eminent domain.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter C, Chapter 572, Local Government Code, is amended by adding Sections 572.0585 and 572.0586 to read as follows:

Sec. 572.0585. EMINENT DOMAIN IN CERTAIN COUNTIES. (a) A public utility agency has the power of eminent domain to be exercised in the manner provided by this section. The public utility agency may acquire by condemnation, for the use and benefit of the agency, land, easements, and property inside the service area of the public utility agency, necessary for water, sanitary sewer, storm drainage, or flood drainage or control purposes or for any other of its projects or purposes. The public utility agency may elect to condemn either the fee simple title or a lesser property interest.

(b) The power of eminent domain shall be exercised in the manner provided in Chapter 21, Property Code, except that the public utility agency is not required to:

(1) give bond for appeal or bond for costs in any condemnation suit or other suit to which it is a party; or

(2) deposit more than the amount of any award in any suit.

1 (c) The power of eminent domain may not be used for the
2 condemnation of land for the purpose of acquiring rights to
3 underground water or of water or water rights.

4 (d) This section only applies to a public utility agency
5 domiciled in a county with a population of more than 1.2 million.

6 Sec. 572.0586. EXTENSION OF SERVICES. A public utility
7 agency shall hold a public hearing and provide an opportunity for
8 public comment before extending service to new customers located
9 outside the service area identified in the 10-year capital
10 improvements plan adopted in compliance with Chapter 395 that is in
11 effect when an application for extension of service is received.

12 SECTION 2. Section 572.0585, Local Government Code, as
13 added by this Act, takes effect only if this Act receives a
14 two-thirds vote of all the members elected to each house.

15 SECTION 3. Except as otherwise provided by this Act, this
16 Act takes effect immediately if it receives a vote of two-thirds of
17 all the members elected to each house, as provided by Section 39,
18 Article III, Texas Constitution. If this Act does not receive the
19 vote necessary for immediate effect, this Act takes effect
20 September 1, 2023.

President of the Senate

Speaker of the House

I certify that H.B. No. 4217 was passed by the House on May 11, 2023, by the following vote: Yeas 125, Nays 11, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 4217 was passed by the Senate on May 24, 2023, by the following vote: Yeas 30, Nays 1.

Secretary of the Senate

APPROVED: _____

Date

Governor