

BILL ANALYSIS

S.B. 2601
By: Hinojosa
Transportation
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Under current law, the Texas Department of Transportation (TxDOT) can provide financial assistance to certain utilities for utility relocations if required for improvements of highway systems. Currently, the utility must be a political subdivision or a utility owned or operated by a political subdivision. This excludes water supply or sewer service corporations (WSCs), which were created to provide services to areas that were not served by existing municipalities or private water companies and are governed by boards of directors and operate as nonprofit entities. Currently, there are over 800 WSCs in Texas, some of which are experiencing urban growth and finding new roads proliferating at an uncommon rate in their respective service delivery areas. The financial pressure on pipe and facilities relocation can be tremendous, thereby diverting a WSC's focus away from needed capacity building and more toward infrastructure relocation. S.B. 2601 seeks to allow WSCs organized and operating under applicable Water Code provisions to apply for utility relocation funds.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 2601 amends the Transportation Code to include a water supply or sewer service corporation organized and operated under applicable Water Code provisions among the utilities whose required relocation of a utility facility for state highway projects is at the state's expense if the Texas Transportation Commission determines the following:

- that a financial condition would prevent the utility from being able to pay the cost of relocation in full or in part at the time of relocation or, if paid at that time, the payment would adversely affect the utility's ability to operate or provide essential services to its customers; and
- that the utility would not be able to receive a state infrastructure bank loan under applicable state law to finance the cost of the relocation and is otherwise unable to finance that cost.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2023.