

BILL ANALYSIS

Senate Research Center
88R19049 ANG-F

S.B. 2601
By: Hinojosa
Transportation
4/21/2023
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current law, the Texas Department of Transportation (TxDOT) can provide financial assistance to certain utilities as defined by Section 203.091, Transportation Code, for utility relocations if required for improvements of highway systems. Currently, the utility must be a political subdivision or a utility operated by a political subdivision. This excludes water supply corporations (WSCs).

WSCs, going back to 1920, were created to provide water services to areas that were not served by existing municipalities or private water companies. They were governed by boards of directors and operated as nonprofit entities. Currently, there are over 800 WSCs in Texas. Some WSCs experiencing urban growth are finding new roads proliferating at an uncommon rate in their respective service delivery areas. The financial pressure on pipe and facilities relocation on WSCs can be tremendous, thereby diverting a WSC's focus away from needed capacity building and more on infrastructure relocation.

S.B. 2601 will allow WSCs operating under Chapter 67, Water Code, to apply for utility relocation funds under TxDOT.

As proposed, S.B. 2601 amends current law relating to payment of costs related to the relocation of certain utility facilities for state highway projects.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 203.092(a-4), Transportation Code, as follows:

(a-4) Requires a utility, notwithstanding another provision of Section 203.092 (Reimbursement for Relocation of Utility Facilities), to make a relocation of a utility facility required by improvement of the state highway system at the expense of this state if the Texas Transportation Commission determines that:

(1) the utility meets certain criteria, including being a water supply or sewer service corporation organized and operating under Chapter 67 (Nonprofit Water Supply or Sewer Service Corporations), Water Code;

(2) makes no changes to this subdivision; and

(3) the utility meets certain criteria, including, if the utility is a political subdivision or is owned or operated by a political subdivision, the political subdivision meets certain criteria.

Makes nonsubstantive changes.

SECTION 2. Effective date: upon passage or September 1, 2023.