

BILL ANALYSIS

S.B. 14
By: Perry
Intergovernmental Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The bill sponsor has informed the committee that, under existing law, political subdivisions charge developers impact fees for new developments to cover costs associated with the additional needs placed on the political subdivisions' water and wastewater systems associated with the new developments. The bill sponsor has also informed the committee of the need to incentivize the use of more efficient water and wastewater infrastructure and appliances in new developments to reduce both the cost of new housing and the impact of new developments to existing water and wastewater systems. S.B. 14 seeks to provide for such an incentive by requiring an applicable political subdivision to provide a credit against water and wastewater impact fees otherwise assessed to a development to a builder or developer for the construction, contribution, or dedication of an eligible facility, system, or product that results in water reuse, conservation, or savings.

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. 14 amends the Local Government Code to require a political subdivision, as defined under statutory provisions relating to the financing of capital improvements required by new development in certain local governments, to provide a credit against water and wastewater impact fees otherwise assessed to a development to a builder or developer for the construction, contribution, or dedication of an eligible facility, system, or product that results in water reuse, conservation, or savings. The bill establishes that a facility, system, or product eligible for such a credit includes a facility, system, or product that does any of the following:

- reduces per service unit water consumption, supply requirements, or necessary treatment and distribution infrastructure per service unit;
- decreases the need of wastewater collection and treatment facilities per service unit;
- diminishes the demand for stormwater and drainage facilities per service unit; or
- integrates practices or technologies that achieve water efficiency, reuse, or conservation performance that exceeds standard compliance requirements.

The bill requires a political subdivision that provides a credit under the bill's provisions to establish procedures for calculating and applying the credits in a fair and consistent manner and for reviewing and approving the credits.

EFFECTIVE DATE

January 1, 2026.