

AN ACT

relating to the provision by a political subdivision of credits against impact fees to builders and developers for certain water conservation and reuse projects.

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

SECTION 1. Subchapter B, Chapter 395, Local Government Code, is amended by adding Section 395.0231 to read as follows:

Sec. 395.0231. CONSERVATION AND REUSE CREDITS AGAINST WATER AND WASTEWATER FEES. (a) A political subdivision shall 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.

(b) A facility, system, or product eligible for a credit under this section includes a facility, system, or product that:

(1) reduces per service unit water consumption, supply requirements, or necessary treatment and distribution infrastructure per service unit;

(2) decreases the need of wastewater collection and treatment facilities per service unit;

(3) diminishes the demand for stormwater and drainage facilities per service unit; or

(4) integrates practices or technologies that achieve water efficiency, reuse, or conservation performance that exceeds

1 standard compliance requirements.

2 (c) A political subdivision that provides a credit under
3 this section shall establish procedures for:

4 (1) calculating and applying the credits in a fair and
5 consistent manner; and

6 (2) reviewing and approving credits under this
7 section.

8 SECTION 2. This Act takes effect January 1, 2026.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 14 passed the Senate on August 18, 2025, by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 14 passed the House on August 26, 2025, by the following vote: Yeas 133, Nays 6, one present not voting.

Chief Clerk of the House

Approved:

Date

Governor