**BILL ANALYSIS**

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| Senate Research Center | S.B. 1253 |
| 89R12881 DNC-F | By: Perry |
|  | Water, Agriculture and Rural Affairs |
|  | 3/11/2025 |
|  | As Filed |

**AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

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 development.

S.B. 1253 is intended to incentivize the use of more efficient water and wastewater infrastructure and appliances in new developments by providing for credits against those impact fees when such equipment is installed by the developer, ultimately reducing both the cost of new housing and the impact of new developments to existing water and wastewater systems.

As proposed, S.B. 1253 amends current law relating to the authority of a political subdivision to provide credits against impact fees to builders and developers for certain water conservation and reuse 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 Subchapter B, Chapter 395, Local Government Code, by adding Section 395.0231, as follows:

Sec. 395.0231. CONSERVATION AND REUSE CREDITS AGAINST WATER AND WASTEWATER FEES. (a) Authorizes a 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.

(b) Provides that 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, drainage, and flood control facilities per service unit; or

(4) integrates practices or technologies that achieve water efficiency, reuse, or conservation performance that exceed standard compliance requirements.

(c) Requires a political subdivision that provides a credit under this section to establish procedures for calculating and applying the credits in a fair and consistent manner and reviewing and approving credits under this section.

SECTION 2. Effective date: September 1, 2025.