

BILL ANALYSIS

C.S.H.B. 3875
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Intergovernmental Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The bill author 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 author has also informed the committee of the need to incentivize the use of more efficient water and wastewater infrastructure and appliances in new developments in order to reduce both the cost of new housing and the impact of new developments to existing water and wastewater systems. C.S.H.B. 3875 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

C.S.H.B. 3875 amends the Local Government Code to require a political subdivision, as defined under statutes 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 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, drainage, and flood control facilities per service unit; or
- integrates practices or technologies that achieve water efficiency, reuse, or conservation performance that exceed 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

September 1, 2025.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 3875 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

Whereas the introduced authorized 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, the substitute requires such a political subdivision to do so.