

BILL ANALYSIS

S.B. 612
By: Hinojosa, Juan "Chuy"
Natural Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

As the Rio Grande Valley rapidly urbanizes, agricultural land is increasingly being converted into housing and commercial developments. The bill sponsor has informed the committee that, to accommodate this growth, retail public utilities and developers must extend and upgrade potable water and wastewater lines to previously unserved or underserved areas, serving hundreds of thousands of new residents each decade. These infrastructure expansions often require utilities and developers to cross irrigation canals, pipelines, and drainage ditches owned by various irrigation districts, water control and improvement districts, water improvement districts, and drainage districts who do not sell potable water to residents. The bill sponsor has further informed the committee that as water districts in Hidalgo, Cameron, and Willacy Counties face declining revenue from reduced agricultural irrigation and untreated water customers, most crossings are resolved amicably, but several water districts seeking to continue their existence recoup lost revenue by charging utilities exorbitant crossing or easement fees. S.B. 612 seeks to address the ongoing imposition of excessive fees and overly burdensome engineering and construction standards on real estate developers in the Rio Grande Valley by extending some of the safeguards established for utilities to developers, as defined by the bill.

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. 612 amends the Water Code to prohibit a district whose territory is located wholly or partly in a county located on the Gulf of Mexico and an international border or adjacent to such a county from imposing on an applicable developer that proposes to construct a water or sewer pipeline or associated infrastructure in the district's service area a fee that is greater than the actual, reasonable, and documented costs incurred by the district for review, legal services, engineering services, inspection, construction, repair, and infrastructure relocation or conversion associated with the construction, and any other related costs incurred by the district in association with the construction or a subdivision. The bill defines "developer" for purposes of statutory provisions relating to pipeline fees and requirements imposed by certain districts as a person who owns land in an applicable district who, as follows:

- has divided or proposes to divide the land into two or more parts; or
- requests more than two water or sewer service connections on a single contiguous tract of land.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2025.