

BILL ANALYSIS

Senate Research Center
2025S0012-1

S.B. 612
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Water, Agriculture and Rural Affairs
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

As the Rio Grande Valley rapidly urbanizes, agricultural land is increasingly being converted into housing and commercial developments. To accommodate this growth, retail public utilities (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 (collectively referred to as "water districts") that do not sell potable water to residents. 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. However, several water districts seeking to continue their existence sought to recoup lost revenue by charging utilities exorbitant crossing or easement fees.

In 2021, the 87th Legislature passed S.B. 2185, which amended Chapter 49 of the Water Code to add Section 49.2127 to establish restrictions on the requirements and fees that a water district located wholly or partly in Hidalgo, Cameron, or Willacy County may impose on utilities that proposes to construct a water or sewer pipeline or associated infrastructure in the district's service area.

S.B. 612 addresses the ongoing imposition of excessive fees and overly burdensome engineering and construction standards on real estate developers in the Rio Grande Valley. The bill extends the same safeguards established for utilities under Water Code Section 49.2127 to developers as defined by the bill.

As proposed, S.B. 612 amends current law relating to fees for pipeline construction imposed by certain districts.

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 Sections 49.2127(a) and (d), Water Code, as follows:

(a) Defines "developer."

(d) Prohibits a district from imposing on a developer or retail public utility that proposes to construct a water or sewer pipeline or associated infrastructure in the district's service area requirements for constructing the pipeline that are unduly burdensome or a fee greater than certain costs. Makes conforming changes.

SECTION 2. Effective date: upon passage or September 1, 2025.