

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 612
By: Hinojosa, Juan "Chuy"
Water, Agriculture and Rural Affairs
5/5/2025
Committee Report (Substituted)

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.

(Original Author's/Sponsor's Statement of Intent)

C.S.S.B. 612 amends current law relating to the authority of certain conservation and reclamation districts to impose fees for the construction of certain pipelines and associated infrastructure.

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 Section 49.2127, Water Code, by amending Subsection (a) and adding Subsection (e), as follows:

(a) Defines "developer."

(e) Prohibits a district from imposing on a 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.

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