

BILL ANALYSIS

C.S.S.B. 1202
By: King
Land & Resource Management
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The bill sponsor has informed the committee that an analysis conducted by consultants at McKinsey & Company revealed that administrative barriers to the plan review process have led to delayed municipal permitting and that this analysis shows that burdensome municipal regulations hamper Texas residents who wish to install home backup power generation. The bill sponsor has also informed the committee that regulatory bottlenecks, costly fees, and slow permitting processes can cause property owners to wait months before receiving permission to install backup power systems across Texas at a time when Texans are seeking to prepare for catastrophic weather events. C.S.S.B. 1202 seeks to remedy this issue by providing for certain third parties to review development documents and conduct development inspections required to install home backup power generation as an alternative to review and inspection by the regulatory authority.

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.S.B. 1202 amends the Local Government Code to provide for the following, with respect to the state law authorizing a person to perform a third-party review or conduct an inspection, as applicable, of a property development document when a regulatory authority does not approve, conditionally approve, or disapprove such a document by the statutory deadline:

- authorizes a person who may perform such a review to review a development document required by a regulatory authority to install a home backup power installation without having to submit the document to the authority for review; and
- authorizes a person who may conduct such an inspection to conduct a development inspection required by a regulatory authority to install a home backup power installation without having to request the inspection from the authority.

The bill establishes that these authorizations are notwithstanding that state law and defines "home backup power installation" as an electric generating facility, an energy storage facility, a standby system, and any associated infrastructure and equipment, intended to provide electrical power to a one-family or two-family dwelling, regardless of whether the facility or system is capable of participating in a wholesale electric market, that is connected at 600 volts or less. The bill establishes that its provisions relating to third-party review or inspection for home backup power installations do not limit the authority of an electric utility to implement the utility's tariff

or an electric cooperative or a municipally owned utility to enforce interconnection and service policies.

C.S.S.B. 1202 requires a regulatory authority to do the following:

- post on the authority's website each law, rule, standard, fee schedule, and other document necessary for a person to review a document or conduct an inspection as authorized by the bill; or
- provide on request an electronic copy of such information not later than the second business day after the date the regulatory authority receives the request.

The bill authorizes a person who reviews a document or conducts a development inspection under the bill's provisions to use software designed to automate the required review without that person performing additional manual review and to rely on the accuracy and completeness of the specified information provided by a regulatory authority.

C.S.S.B. 1202 authorizes a person reviewing a development document or conducting a development inspection of a home backup power installation, if a regulatory authority has not posted on the authority's website or provided upon request the information required by the bill, to use the applicable building code standards of the International Residential Code, as adopted under applicable Local Government Code provisions, for a dwelling located in a municipality or the applicable residential building code standards prescribed under state law for a dwelling located in the unincorporated area of a county. The bill prohibits a regulatory authority that has not posted or provided a fee schedule as required by the bill from charging a fee for issuance of an approval, permit, or certification for a home backup power installation.

C.S.S.B. 1202 requires a regulatory authority to issue each approval, permit, or certification applicable to a review of a document or inspection conducted under the bill's provisions not later than the second business day after the date the authority receives the notice from the reviewer or inspector that approves the document or inspection. The bill authorizes a person to begin construction of a home backup power installation on submission of such notice that approves the development document.

C.S.S.B. 1202 expressly does not limit or otherwise affect a regulatory authority's civil liability or immunity, including applicable liability under Civil Practice and Remedies Code provisions establishing governmental and municipal tort liability, and a regulatory authority's governmental immunity, applicable to a development document or development inspection conducted under the bill's provisions.

C.S.S.B. 1202 prohibits a regulatory authority from imposing a fee related to the review of a development document or the inspection of an improvement conducted under the bill's provisions and subjects a person who reviews such a document or conducts such an inspection under the bill's provisions to the third-party review or inspection requirements applicable under current law when a regulatory authority does not approve, conditionally approve, or disapprove a development document or conduct an inspection, as applicable, by the statutory deadline. The bill authorizes a person who reviews a development document or conducts a development inspection, under either the bill's provisions or current law, to provide notice of the results of the review or inspection by email to the applicable regulatory authority's email address if the regulatory authority has not prescribed a format for such notice. The bill prohibits the format prescribed by a regulatory authority from limiting such a person from using software designed to automate the review or approval process without that person performing additional manual review.

EFFECTIVE DATE

September 1, 2025.

COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE

While C.S.S.B. 1202 may differ from the engrossed in minor or nonsubstantive ways, the following summarizes the substantial differences between the engrossed and committee substitute versions of the bill.

The substitute includes a provision not in the engrossed establishing that the bill's provisions do not limit or otherwise affect a regulatory authority's civil liability or immunity, including applicable liability under Civil Practice and Remedies Code provisions relating to governmental and municipal tort liability, and a regulatory authority's governmental immunity, applicable to a development document or development inspection conducted under the bill's provisions.