

BILL ANALYSIS

Senate Research Center
89R16601 CS-D

C.S.S.B. 1202
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Business & Commerce
3/18/2025
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, Texas residents who wish to install home backup power generation are hampered by tedious regulations at the municipal level. Regulatory bottlenecks, costly fees, and slow permitting processes can cause property owners to wait months before receiving permission to install backup power generators on their property.

S.B. 1202 expedites the approval process by allowing authorized third parties, such as a licensed engineer, to review development documents and conduct inspections required by regulatory authorities to install home backup power generation. This is in place of review or inspection by the regulatory authority. Within 15 days of completing the review of the required development documents or the development inspection, the authorized third party must provide notice to the regulatory authority of the results of the review or inspection.

The bill allows a person to begin construction of a home backup power installation on their property immediately upon submission of the notice. Additionally, the bill requires a regulatory authority to issue an applicable approval, permit, or certification within two business days of receiving the notice.

S.B. 1202 reduces regulatory burdens and increases Texas' grid resiliency by making it easier, faster, and more affordable for Texans to install home backup power solutions.

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

C.S.S.B. 1202 amends current law relating to third-party review of property development documents and inspections of improvements related to those documents, including home backup power installations.

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 Chapter 247, Local Government Code, as added by Chapter 654 (H.B. 14), Acts of the 88th Legislature, Regular Session, 2023, by adding Section 247.0025, as follows:

Sec. 247.0025. THIRD-PARTY REVIEW OR INSPECTION FOR HOME BACKUP POWER INSTALLATIONS. (a) Defines "home backup power installation."

(b) Provides that this section does 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) Provides that, notwithstanding Section 247.002 (Restriction on Regulation of Energy Sources), a person authorized to review a development document under Section 247.002(a) (relating to prohibiting a political subdivision from adopting

or enforcing an ordinance, order, regulation, or similar measure that limits access to or use of certain energy sources) is authorized 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 a person authorized to conduct a development inspection under Section 247.002(b) (relating to providing that Section 247.002 does not limit the authority of a political subdivision to adopt or enforce an ordinance, order, regulation, or similar measure relating to certain energy sources or infrastructure) is authorized 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.

(d) Requires a regulatory authority to:

(1) post on the authority's Internet website each law, rule, standard, fee schedule, and other document necessary for a person to review a development document or conduct a development inspection under this section; or

(2) provide on request an electronic copy of the information described by Subdivision (1) not later than the second business day after the date the regulatory authority receives the request.

(e) Authorizes a person who reviews a development document or conducts a development inspection under this section to use software designed to automate the required review without that person performing additional manual review and rely on the accuracy and completeness of the information provided by a regulatory authority under Subsection (d).

(f) Authorizes a person reviewing a development document or conducting a development inspection of a home backup power installation under this section, if a regulatory authority has not posted on the authority's Internet website or provided upon request information as required under Subsection (d), to use the applicable building code standards under Section 214.212 (International Residential Code) for a dwelling located in a municipality or the applicable building code standards under Section 233.153 (Building Code Standards Applicable) for a dwelling located in the unincorporated area of a county.

(g) Prohibits a regulatory authority that has not posted or provided a fee schedule as required by Subsection (d) from charging a fee for issuance of an approval, permit, or certification for a home backup power installation under this section.

(h) Requires a regulatory authority to issue each approval, permit, or certification applicable to a review of a development document or development inspection conducted under this section not later than the second business day after the date the authority receives the notice prescribed by Section 247.004(a) (relating to requiring a person who reviews a development document or conducts a development inspection under Section 247.002 to perform certain actions) that approves the document or inspection.

(i) Authorizes a person to begin construction of a home backup power installation on submission of the notice prescribed by Section 247.004(a) that approves the development document.

SECTION 2. Amends Section 247.003, Local Government Code, as added by Chapter 654 (H.B. 14), Acts of the 88th Legislature, Regular Session, 2023, to prohibit a regulatory authority from imposing a fee related to the review of a development document or the inspection of an improvement conducted under Chapter 247 (Third-Party Review of Development Documents and Inspection of Improvements), rather than Section 247.002.

SECTION 3. Amends Section 247.004, Local Government Code, as added by Chapter 654 (H.B. 14), Acts of the 88th Legislature, Regular Session, 2023, as follows:

Sec. 247.004. **THIRD-PARTY REQUIREMENTS.** (a) Makes a conforming change to this subsection.

(b) Authorizes a person who reviews a development document or conducts a development inspection under this chapter, if the regulatory authority has not prescribed a format, to provide notice by e-mail to the e-mail address of the regulatory authority.

(c) Prohibits the format prescribed by a regulatory authority under Subsection (b) from limiting a person who reviews a development document or conducts a development inspection under this chapter from using software designed to automate the review or approval process without that person performing additional manual review.

SECTION 4. Effective date: September 1, 2025.