

BILL ANALYSIS

S.B. 1566
By: Bettencourt
State Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

In 2023, the 88th Legislature enacted S.B. 2038, which allowed residents and landowners in an area of a municipality's extraterritorial jurisdiction to petition for the release of the area from the extraterritorial jurisdiction. The bill sponsor has informed the committee that since the passage of S.B. 2038, some property owners have successfully withdrawn from a municipality's extraterritorial jurisdiction but have been denied utility connections, even when their property lies within a municipal utility's certificate of convenience and necessity area. The bill sponsor has further informed the committee that utility providers have cited current law that prohibits utility service connections without the presentation of an applicable platting certificate. S.B. 1566 seeks to eliminate confusion for residents and property owners seeking utility connections in areas formerly within a municipality's extraterritorial jurisdiction by providing for an exception to that prohibition for properties within an area removed from a municipality's extraterritorial jurisdiction under provisions created by S.B. 2038.

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. 1566 amends the Local Government Code to authorize an entity otherwise prohibited from serving or connecting any land with water, sewer, electricity, gas, or other utility service, unless the entity has been presented with or otherwise holds a certificate applicable to the land issued under statutory provisions regarding compliance with plat requirements, to serve or connect land with those utility services, regardless of whether the entity is presented with or otherwise holds that certificate, under the following conditions:

- the land was removed from a municipality's extraterritorial jurisdiction under statutory provisions relating to the following:
 - the release of an area by petition of a landowner or resident from extraterritorial jurisdiction; or
 - the release of an area by an election from extraterritorial jurisdiction; and
- the entity holds a certificate of convenience and necessity to serve the land.

EFFECTIVE DATE

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