

BILL ANALYSIS

Senate Research Center
89R5756 SCL-D

S.B. 1566
By: Bettencourt
Local Government
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In 2023, the 88th Legislature passed S.B. 2038, which allows land owners to file a petition in order to remove land located in a municipality's extra-territorial jurisdiction (ETJ) from the ETJ.

Following the passage of S.B. 2038, 88R, property owners have successfully removed properties from various municipal ETJs, but have been denied a connection to a municipal utility, despite a property being located in a municipal utility's area of Certificate of Convenience and Necessity (CCN).

Utility providers have cited a prohibition under Section 212.012(a), Local Government Code, that prohibits a utility from serving or connecting utility service unless the utility has been presented with a platting certificate.

S.B. 1566 seeks to create an exception to the prohibition under Section 212.012(a) for properties that have been removed from a municipal ETJ under S.B. 2038's procedures. The new exception would be added to a list of property categories already exempt from the prohibition.

S.B. 1566 will eliminate confusion for property owners who are seeking to have their property connected to an existing utility system.

As proposed, S.B. 1566 amends current law relating to connection of utilities by certain entities in certain subdivisions formerly located in a municipality's extraterritorial jurisdiction.

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 212.012(c), Local Government Code, as follows:

(c) Authorizes an entity described by Subsection (b) (relating to providing that certain utility service providers are subject to specific prohibitions) to serve or connect land with certain utility services regardless of whether the entity is presented with or otherwise holds a certificate applicable to the land issued under Section 212.0115 (Certification Regarding Compliance with Plat Requirements) if certain condition are met, including if the land was removed from a municipality's extraterritorial jurisdiction under certain subchapters and the entity holds a certificate of convenience and necessity to serve the land. Makes nonsubstantive changes.

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