

By: Zwiener

H.B. No. 973

A BILL TO BE ENTITLED

AN ACT

relating to the creation and uses of the critical infrastructure resiliency fund and the eligibility of certain water-related projects for state financial assistance.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 418, Government Code, is amended by adding Subchapter L to read as follows:

SUBCHAPTER L. CRITICAL INFRASTRUCTURE RESILIENCY FUND

Sec. 418.401. DEFINITION. In this subchapter, "fund" means the critical infrastructure resiliency fund.

Sec. 418.402. CRITICAL INFRASTRUCTURE RESILIENCY FUND. (a) The critical infrastructure resiliency fund is a special fund in the state treasury outside the general revenue fund.

(b) The fund may be used by the division only as provided by this subchapter.

(c) The fund consists of:

(1) legislative appropriations to the division for a purpose of the fund;

(2) any revenue that by law is dedicated for deposit to the fund;

(3) interest or other earnings on money credited to or allocable to the fund;

(4) money from gifts, grants, or donations to the fund; and

1 (5) money under the division's control that the
2 division designates for deposit to the fund.

3 Sec. 418.403. USE OF FUND. The division may use the fund
4 only to:

5 (1) make a grant to an eligible entity under this
6 subchapter; and

7 (2) pay the necessary and reasonable expenses of
8 administering the fund.

9 Sec. 418.404. ELECTRIC GRID IMPROVEMENT ACCOUNT. (a) The
10 electric grid improvement account is an account in the fund.

11 (b) The account consists of:

12 (1) legislative appropriations to the division for a
13 purpose of the account; and

14 (2) money from gifts, grants, or donations to the
15 division for a purpose of the account.

16 (c) Subject to Subsection (d), the division may use the
17 account only to make matching grants to eligible entities for
18 projects related to hardening and weatherizing the electric grid,
19 including:

20 (1) installing advanced meter infrastructure and
21 demand response technology;

22 (2) improving load shed capabilities;

23 (3) incentivizing customers to engage in distributed
24 energy production and energy efficiency measures;

25 (4) installing electric energy storage; and

26 (5) weatherizing facilities.

27 (d) The division may not use the account to make grants for

1 routine vegetation management.

2 (e) An entity is eligible to receive a matching grant under
3 this section only if the entity is:

4 (1) a municipally owned electric utility;

5 (2) an electric cooperative;

6 (3) a transmission and distribution utility, as
7 defined by Section 31.002, Utilities Code; or

8 (4) a vertically integrated utility.

9 (f) In making grants under this section, the division:

10 (1) shall consider:

11 (A) the expected number of individuals who will
12 benefit from the project;

13 (B) existing infrastructure and overall need for
14 the project;

15 (C) the potential benefit of the project to:

16 (i) low-income communities; and

17 (ii) areas in disparate parts of the state;

18 (D) the equitable distribution of grants
19 throughout the state;

20 (E) the existence of matching federal funds for
21 the project and whether available federal funds have been
22 exhausted; and

23 (F) the total impact of the project on the
24 resiliency of the state's electric grid; and

25 (2) may consult with the Public Utility Commission of
26 Texas.

27 (g) The division shall condition each grant awarded under

this section on the grant recipient providing funds from non-state sources in a total amount at least equal to 10 percent of the grant amount, with at least five percent of the recipient's match coming from local sources.

Sec. 418.405. HOSPITAL INFRASTRUCTURE RESILIENCY ACCOUNT.

(a) The hospital infrastructure resiliency account is an account in the fund.

(b) The account consists of:

(1) legislative appropriations to the division for a purpose of the account; and

(2) money from gifts, grants, or donations to the division for a purpose of the account.

(c) The division may use the account only to make matching grants to eligible entities to fund projects relating to the purchase of reserve power supply that is reliable during an extreme weather event, such as on-site generation and energy storage systems, necessary to sustain critical medical care.

(d) An entity is eligible to receive a matching grant under this section only if the entity is:

(1) a hospital owned by a municipality; or

(2) a private for-profit or nonprofit hospital.

(e) In making grants under this section, the division:

(1) shall consider:

(A) the expected number of individuals who will benefit from the project;

(B) existing infrastructure and overall need for the project;

1 (C) the potential benefit of the project to:

2 (i) low-income communities; and

3 (ii) areas in disparate parts of the state;

4 (D) the equitable distribution of grants
5 throughout the state;

6 (E) the existence of matching federal funds for
7 the project and whether available federal funds have been
8 exhausted; and

9 (F) the total impact of the project on the
10 state's resiliency; and

11 (2) may consult with the Health and Human Services
12 Commission.

13 (f) The division shall condition each grant awarded under
14 this section on the grant recipient:

15 (1) providing funds from non-state sources in a total
16 amount at least equal to 10 percent of the grant amount, with at
17 least five percent of the recipient's match coming from local
18 sources; and

19 (2) reimbursing the division for the amount of the
20 grant if the recipient ceases operation or relocates before the
21 fifth anniversary of the date on which the project for which the
22 grant was made is completed.

23 Sec. 418.406. NURSING HOME RESILIENCY ACCOUNT. (a) The
24 nursing home resiliency account is an account in the fund.

25 (b) The account consists of:

26 (1) legislative appropriations to the division for a
27 purpose of the account; and

1 (2) money from gifts, grants, or donations to the
2 division for a purpose of the account.

3 (c) The division may use the account only to make matching
4 grants to eligible entities to fund projects relating to the
5 purchase of reserve power supply that is reliable during an extreme
6 weather event, such as on-site generation and energy storage
7 systems, necessary to:

8 (1) sustain critical medical care; or

9 (2) maintain the air temperature in the entity's
10 facilities.

11 (d) An entity is eligible to receive a matching grant under
12 this section only if the entity is:

13 (1) a nursing facility, as defined by Section [242.301](#),
14 Health and Safety Code; or

15 (2) an assisted living facility, as defined by Section
16 [247.002](#), Health and Safety Code.

17 (e) In making grants under this section, the division may
18 consult with the Health and Human Services Commission.

19 (f) If the division receives more qualifying applications
20 for a grant under this section than the division has available money
21 to fully fund, the division may reduce the amount of each grant made
22 under this section in proportion to the number of individuals
23 served by the grant applicant.

24 (g) The division shall condition each grant awarded under
25 this section on the grant recipient:

26 (1) providing funds from non-state sources in a total
27 amount at least equal to 10 percent of the grant amount, with at

1 least five percent of the recipient's match coming from local
2 sources; and

3 (2) reimbursing the division for the amount of the
4 grant if the recipient ceases operation or relocates before the
5 fifth anniversary of the date on which the project for which the
6 grant was made is completed.

7 Sec. 418.407. DIALYSIS INFRASTRUCTURE ACCOUNT. (a) The
8 dialysis infrastructure account is an account in the fund.

9 (b) The account consists of:

10 (1) legislative appropriations to the division for a
11 purpose of the account; and

12 (2) money from gifts, grants, or donations to the
13 division for a purpose of the account.

14 (c) The division may use the account only to make matching
15 grants to end stage renal disease facilities, as defined by Section
16 251.001, Health and Safety Code, to fund projects relating to the
17 purchase of reserve power supply that is reliable during an extreme
18 weather event, such as on-site generation and energy storage
19 systems, necessary to sustain critical medical care.

20 (d) In making grants under this section, the division:

21 (1) shall consider:

22 (A) the expected number of individuals who will
23 benefit from the project;

24 (B) existing infrastructure and overall need for
25 the project;

26 (C) the potential benefit of the project to:

27 (i) low-income communities; and

1 (ii) areas in disparate parts of the state;
2 (D) the equitable distribution of grants
3 throughout the state;
4 (E) the existence of matching federal funds for
5 the project and whether available federal funds have been
6 exhausted; and
7 (F) the total impact of the project on the
8 state's resiliency; and

9 (2) may consult with the Health and Human Services
10 Commission.

11 (e) If the division receives more qualifying applications
12 for a grant under this section than the division has available money
13 to fully fund, the division may reduce the amount of each grant made
14 under this section in proportion to the number of individuals
15 served by the grant applicant.

16 (f) The division shall condition each grant awarded under
17 this section on the grant recipient:

18 (1) providing funds from non-state sources in a total
19 amount at least equal to 10 percent of the grant amount, with at
20 least five percent of the recipient's match coming from local
21 sources; and

22 (2) reimbursing the division for the amount of the
23 grant if the recipient ceases operation or relocates before the
24 fifth anniversary of the date on which the project for which the
25 grant was made is completed.

26 Sec. 418.408. RULES. The division shall adopt rules
27 necessary to carry out this subchapter, including rules:

1 (1) that establish procedures for an application for
2 and the award of financial assistance;

3 (2) for the investment of money; and

4 (3) for the administration of the fund.

5 SECTION 2. Section 15.001(6), Water Code, is amended to
6 read as follows:

7 (6) "Project" means:

8 (A) any undertaking or work, including planning
9 activities and work to obtain regulatory authority at the local,
10 state, and federal level, to conserve, convey, and develop water
11 resources in the state, to provide for the maintenance and
12 enhancement of the quality of the water of the state, to provide
13 nonstructural and structural flood control, drainage, subsidence
14 control, recharge, chloride control, brush control, precipitation
15 enhancement, and desalinization, to provide for the acquisition of
16 water rights and the repair of unsafe dams, to provide for the
17 weatherization of water and wastewater facilities, and to carry out
18 other purposes defined by board rules;

19 (B) any undertaking or work outside the state to
20 provide for the maintenance and enhancement of the quality of water
21 by eliminating saline inflow through well pumping and deep well
22 injection of brine; or

23 (C) any undertaking or work by Texas political
24 subdivisions or institutions of higher education to conserve,
25 convey, and develop water resources in areas outside Texas or to
26 provide for the maintenance and enhancement of the quality of the
27 water in areas adjoining Texas, if such undertaking or work will

1 result in water being available for use in or for the benefit of
2 Texas or will maintain and enhance the quality of water in Texas.

3 SECTION 3. Section 15.102(b), Water Code, is amended to
4 read as follows:

5 (b) The loan fund may also be used by the board to provide:

6 (1) grants or loans for projects that include
7 supplying water and wastewater services in economically distressed
8 areas or nonborder colonias as provided by legislative
9 appropriations, this chapter, and board rules, including projects
10 involving retail distribution of those services; ~~and~~

11 (2) grants for:

12 (A) projects for which federal grant funds are
13 placed in the loan fund;

14 (B) projects, on specific legislative
15 appropriation for those projects; or

16 (C) water conservation, desalination, brush
17 control, weather modification, regionalization, and projects
18 providing regional water quality enhancement services as defined by
19 board rule, including regional conveyance systems; and

20 (3) grants for projects to harden and weatherize water
21 and wastewater systems in the state, including:

22 (A) covering wells;

23 (B) purchasing reserve power supply, such as
24 on-site generation and energy storage systems; and

25 (C) building connectivity to neighboring water
26 suppliers.

27 SECTION 4. Section 15.105, Water Code, is amended by adding

Subsection (c) to read as follows:

(c) Notwithstanding Subsection (a), in passing on an application for a grant described by Section 15.102(b)(3), the board shall:

(1) consider:

(A) the expected number of individuals who will benefit from the project;

(B) existing infrastructure and overall need for the project;

(C) the potential benefit of the project to:

(i) low-income communities; and

(ii) areas in disparate parts of the state;

(D) the equitable distribution of grants throughout the state;

(E) the existence of matching federal funds for the project and whether available federal funds have been exhausted; and

(F) the total impact of the project on the state's resiliency; and

(2) consult with the Texas Division of Emergency Management.

SECTION 5. Section 15.107, Water Code, is amended by adding Subsection (d) to read as follows:

(d) Notwithstanding any other provision of this section, the board shall condition each grant awarded under Section 15.102(b)(3) on the grant recipient providing funds from non-state sources in a total amount at least equal to 10 percent of the grant

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1 amount, with at least five percent of the recipient's match coming
2 from local sources.

3 SECTION 6. This Act takes effect September 1, 2023.