

By: Lopez of Cameron

H.B. No. 4742

A BILL TO BE ENTITLED

AN ACT

relating to the provision of financial assistance from the flood infrastructure fund for certain projects.

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

SECTION 1. Section 15.531, Water Code, is amended by amending Subdivisions (1) and (2) and adding Subdivision (1-a) to read as follows:

(1) "Artificial drainage system" means a system to remove floodwater in a community that lacks topographic relief, slope, and naturally defined floodways.

(1-a) "Eligible political subdivision" means a district or authority created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, a municipality, or a county.

(2) "Flood project" means a drainage, flood mitigation, or flood control project, including:

(A) planning and design activities;

(B) work to obtain regulatory approval to provide nonstructural and structural flood mitigation and drainage;

(C) construction of structural flood mitigation and drainage infrastructure, including an artificial drainage system; and

(D) construction and implementation of nonstructural projects, including projects that use nature-based

1 features to protect, mitigate, or reduce flood risk.

2 SECTION 2. Subchapter I, Chapter 15, Water Code, is amended  
3 by adding Section 15.5345 to read as follows:

4 Sec. 15.5345. PRIORITIZATION OF AND LOAN FORGIVENESS FOR  
5 PROJECTS BY CERTAIN DISTRICTS OR AUTHORITIES. (a) This section  
6 applies only to an eligible political subdivision that is a  
7 district or authority created under Section 52, Article III, or  
8 Section 59, Article XVI, Texas Constitution, and that:

9 (1) is located in a county located on the  
10 international border; and

11 (2) has completed a hydrologic and hydraulic study for  
12 the territory of the district or authority.

13 (b) The board by rule shall establish a program that:

14 (1) prioritizes the provision from the fund of grants  
15 or no-interest loans to a district or authority for the  
16 construction or improvement of an artificial drainage system; and

17 (2) provides loan forgiveness for a loan made under  
18 Subdivision (1) for the construction of an artificial drainage  
19 system.

20 (c) The board by rule shall adopt scoring criteria to  
21 prioritize projects by a district or authority that are eligible  
22 for financial assistance under this section. The criteria must  
23 give priority to artificial drainage projects in areas with low or  
24 moderate income that have a regional effect and who serve  
25 communities for whom drainage problems have a demonstrated effect  
26 on human health.

27 (d) Loan forgiveness described by Subsection (b)(2) may,

1 for a period not to exceed five years, annually forgive not less  
2 than 10 percent or more than 20 percent of a loan made from the fund  
3 under this section.

4 SECTION 3. Section 15.536, Water Code, is amended to read as  
5 follows:

6 Sec. 15.536. APPROVAL OF APPLICATIONS. (a) On review and  
7 recommendation by the executive administrator, the board may  
8 approve an application only if the board finds that:

9 (1) the application and the assistance applied for  
10 meet the requirements of this subchapter and board rules;

11 (2) the application demonstrates a sufficient level of  
12 cooperation among eligible political subdivisions and includes all  
13 of the eligible political subdivisions substantially affected by  
14 the flood project; and

15 (3) the taxes or other revenue, or both the taxes and  
16 other revenue, pledged by the applicant will be sufficient to meet  
17 all the obligations assumed by the eligible political subdivision.

18 (b) Subsection (a)(3) does not apply to an application for a  
19 loan to a district or authority under Section 15.5345.

20 SECTION 4. This Act takes effect September 1, 2023.