

BILL ANALYSIS

S.J.R. 27
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Border and International Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The 71st Legislature, Regular Session, 1989, passed S.B. 2, the state's first major attempt to address the problems associated with colonias, and established the Economically Distressed Areas Program (EDAP) to provide financial assistance in the form of grants and loans for water and wastewater service to economically distressed areas. The Texas Water Development Board was made the EDAP administrator and directed to develop model rules to assure water and sewer services to residential developments and to strengthen platting requirements. To be eligible for state financial assistance in water and wastewater projects, the counties and municipalities are required to adopt the model rules. EDAP is financed in through general obligation bonds that were approved by constitutional amendment authorizing the board with \$250 million in bonding authority. A small amount of this bonding authority remains to address the water and wastewater needs in currently-existing traditional EDAP communities.

Senate Joint Resolution 27 proposes a constitutional amendment to provide for the issuance of up to \$785 million in general obligation bonds by the Texas Water Development Board for assistance to economically distressed areas.

RULEMAKING AUTHORITY

This joint resolution does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

ANALYSIS

SECTION 1 Amends Article III, Texas Constitution, by adding Section 49-d-10 to authorize the Texas Water Development Board to issue additional general obligation bonds, at its determination, for the economically distressed areas program account of the Texas Water Development Fund II, in an amount not to exceed \$500 million. Requires the bonds to be used to provide financial assistance to economically distressed areas of the state as defined by law.

Provides that Section 49-d-8(e), Article III, Texas Constitution, applies to the bonds authorized by SECTION 1.

SECTION 2 Requires this proposed constitutional amendment to be submitted to the voters at an election to be held November 8, 2005. Requires the ballot to be printed to provide for voting for or against the proposition: "The constitutional amendment providing for the issuance of additional general obligation bonds by the Texas Water Development Board in an amount not to exceed \$785 million to provide assistance to economically distressed areas."

EFFECTIVE DATE

November 8, 2005, if approved by the voters.