

# LEGISLATIVE BUDGET BOARD

Austin, Texas

## FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 21, 2005

**TO:** Honorable Robert Puente, Chair, House Committee on Natural Resources

**FROM:** John S. O'Brien, Deputy Director, Legislative Budget Board

**IN RE: HB3029** by Strama (Relating to eligibility of certain rural areas for certain state assistance. ),  
**Committee Report 1st House, Substituted**

**No fiscal implication to the State is anticipated.**

The bill would rename the Pilot Program for Water and Wastewater for Rural Communities to the Program for Water and Wastewater Financial Assistance for Disadvantaged Rural Communities. Accordingly, the name of the fund would be changed from the Rural Community Water and Wastewater Loan Fund to the Disadvantaged Rural Community Water and Wastewater Financial Assistance Fund, which would continue to be an account in the Water Assistance Fund.

The definition for "rural community" would be amended to expand eligibility for communities to participate in the financial assistance program, and a definition for "disadvantaged rural community" would be added to statute for the same purpose.

The bill would amend the procedures for applying for and granting assistance, as well as construction contract requirements. The bill would also repeal sections of the Water Code, including Section 15.903(e) which limits a loan term to 20 years.

The bill would take effect immediately if it receives the required two-thirds vote in each house; otherwise, it would take effect September 1, 2005. Provisions of the bill would apply only to applications for assistance made on or after the effective date.

The proposed changes to statute would not change the level of state assistance that could be provided to political subdivisions and water supply corporations; assistance would continue to be limited to amounts available in the (to be renamed) Wastewater Financial Assistance Fund.

### Local Government Impact

Political subdivisions that may not be eligible for water and wastewater financial assistance under existing statute could seek financial assistance under the provisions of the bill. The positive fiscal impact would vary and would depend on what is approved by TWDB.

**Source Agencies:** 580 Water Development Board

**LBB Staff:** JOB, WK, DLBa