

By: Hunter

H.B. No. 3980

A BILL TO BE ENTITLED

AN ACT

relating to the eligibility requirements for, selection criteria for, and awarding of grants under programs of the Texas Commission on Environmental Quality.

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

SECTION 1. Section 5.124, Water Code, is amended by amending Subsections (d) and (f) and adding Subsection (e-1) to read as follows:

(d) A grant may be awarded to any person that meets the eligibility requirements of the grant. The executive director shall establish eligibility requirements for each grant appropriate to the purposes of and activities under the grant and the method of selecting the recipient. In establishing eligibility requirements for a grant, the executive director shall ensure that the requirements do not discriminate against a potential grant recipient that is an entity exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c)(3) of that code if the potential recipient meets other eligibility requirements. The executive director's eligibility requirements for a grant may exclude an entity that is an exempt organization only if such an entity is ineligible according to:

(1) a state or federal law that prohibits awarding a grant under the grant program to an entity that is an exempt

1 organization; or

2 (2) a rule adopted by the commission during the 12
3 months preceding the entity's consideration for a grant under the
4 grant program that prohibits awarding a grant to an entity that is
5 an exempt organization.

6 (e-1) In determining and implementing the selection
7 criteria under Subsection (e), the executive director shall ensure
8 that a bias is not created against awarding a grant to an entity
9 exempt from federal income taxation under Section 501(a), Internal
10 Revenue Code of 1986, as an organization described by Section
11 501(c)(3) of that code.

12 (f) A grant may be made by direct award only if:

13 (1) the executive director determines that:

14 (A) selection of recipients by the solicitation
15 of proposals or applications is not feasible; and

16 (B) awarding the grant directly is in the best
17 interest of the state;

18 (2) eligibility for the grant is limited to:

19 (A) an agency or political subdivision of this
20 state or of another state;

21 (B) a state institution of higher learning of
22 this state or of another state, including any part or service of the
23 institution; ~~or~~

24 (C) an agency of the United States; or

25 (D) an entity exempt from federal income taxation
26 under Section 501(a), Internal Revenue Code of 1986, as an
27 organization described by Section 501(c)(3) of that code that is

1 already receiving funds from another state or federal agency for
2 the same purposes or project as those of the grant; or

3 (3) the grant is awarded to a person established or
4 authorized to develop or implement a comprehensive conservation and
5 management plan under Section 320, Federal Water Pollution Control
6 Act (33 U.S.C. Section 1330), for a national estuary in this state.

7 SECTION 2. To the extent permissible under state statutes
8 and federal law, the Texas Commission on Environmental Quality
9 shall delay awarding grants subject to Section 5.124, Water Code,
10 as amended by this Act, until grant program rules, eligibility
11 requirements, and selection criteria conform to that section.

12 SECTION 3. This Act takes effect immediately if it receives
13 a vote of two-thirds of all the members elected to each house, as
14 provided by Section 39, Article III, Texas Constitution. If this
15 Act does not receive the vote necessary for immediate effect, this
16 Act takes effect September 1, 2009.