

AN ACT

relating to the colonia self-help program.

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

SECTION 1. Section 15.951, Water Code, is amended by amending Subdivision (2) and adding Subdivisions (2-a) and (2-b) to read as follows:

(2) "Colonia" means a geographic area that:

(A) is an economically distressed area as defined by Section 17.921;

(B) is located in a county any part of which is within 50 miles of an international border; and

(C) consists of at least 11 [or more] dwellings, or of at least a lower number of dwellings as specified by the board for which the board determines that a self-help project will be cost-effective, that are located in close proximity to each other in an area that may be described as a community or neighborhood.

(2-a) "Nonprofit organization" means an organization qualifying for an exemption from federal income taxes under Section 501(c)(3), Internal Revenue Code of 1986.

(2-b) "Political subdivision" has the meaning assigned by Section 17.921.

SECTION 2. Section 15.953, Water Code, is amended to read as follows:

Sec. 15.953. USE OF ACCOUNT. (a) The board may use funds

in the account to reimburse a political subdivision or a nonprofit organization for eligible ~~[only to reimburse nonprofit organizations eligible under Section 15.954 for]~~ expenses incurred in a self-help project that results in the provision of adequate water or wastewater services to a colonia. Eligible expenses under this subsection ~~[Expenses that may be reimbursed]~~ include:

- (1) construction expenses;
- (2) facility planning expenses;
- (3) platting expenses;
- (4) surveying expenses;
- (5) engineering expenses;
- (6) equipment expenses; and
- (7) other expenses necessary to provide water or wastewater services to the colonia, as determined appropriate by the board.

(b) The board may award a grant under the program directly to a political subdivision or nonprofit organization to reimburse the subdivision or organization for expenses incurred in a self-help project described by Subsection (a). If the board determines that a retail public utility described by Section 15.955(8) has made a commitment to the self-help project sufficient to ensure that retail water or wastewater service will be extended to the colonia, the board may make an advance of grant funds. An advance under this subsection is subject to the terms determined by the board and may not exceed 10 percent of the total amount of the grant.

SECTION 3. Section 15.954, Water Code, is amended to read as

1 follows:

2       Sec. 15.954. ELIGIBLE POLITICAL SUBDIVISIONS AND NONPROFIT  
3 ORGANIZATIONS. To be eligible to receive a grant under the  
4 program, a political subdivision or a nonprofit ~~[an]~~ organization  
5 must:

6           (1) demonstrate work experience relevant to extending  
7 retail water or wastewater utility service to colonias in  
8 coordination with retail public utilities ~~[apply for the grant];~~  
9 and

10          (2) develop a plan that requires self-help project  
11 beneficiaries to actively participate in the implementation of the  
12 project, in coordination with a retail public utility described by  
13 Section 15.955(8) ~~[qualify for an exemption from federal income~~  
14 ~~taxes under Section 501(c)(3), Internal Revenue Code of 1986, as~~  
15 ~~amended; and~~

16          ~~[(3) as of January 1, 2001, have a demonstrated record~~  
17 ~~of completing in coordination with a retail public utility~~  
18 ~~construction of self-help projects described by Section~~  
19 ~~15.953(a)].~~

20       SECTION 4. Section 15.955, Water Code, is amended to read as  
21 follows:

22       Sec. 15.955. GRANT APPLICATION. An eligible political  
23 subdivision or nonprofit organization must apply to the board for a  
24 grant under the program before incurring any expense associated  
25 with a self-help project described by Section 15.953(a). The  
26 application must include:

27           (1) the name of the political subdivision or nonprofit

1 organization, the names of the political subdivision's authorized  
2 representative or the nonprofit [~~the~~] organization's principal  
3 officers, and verification of the nonprofit [~~the~~] organization's  
4 501(c)(3) status;

5 (2) a description of the project area, the anticipated  
6 number of water and wastewater connections to be made, and the  
7 anticipated number of colonia residents to be served;

8 (3) a description of the existing water and wastewater  
9 facilities in the colonia;

10 (4) a description of the project and the aspect of the  
11 project for which the grant will be used;

12 (5) a description of the anticipated participation in  
13 the project by residents of the colonia;

14 (6) the estimated total cost of both the project and  
15 the aspect of the project for which the grant will be used;

16 (7) the amount of the grant that is requested from the  
17 account and the sources of funding for the entire project;

18 (8) from a retail public utility authorized to provide  
19 water or wastewater services to the colonia, a resolution in which  
20 the retail public utility:

21 (A) agrees to inspect the project during and  
22 after construction to ensure the adequacy of the project; and

23 (B) commits to provide the water or wastewater  
24 services that the project intends to use; and

25 (9) any other information required by the board.

26 SECTION 5. Section 15.956, Water Code, is amended to read as  
27 follows:

1           Sec. 15.956. BOARD CONSIDERATIONS IN EVALUATING GRANT  
2 APPLICATION. In evaluating an application for a grant under the  
3 program, the board shall consider:

4                   (1) the number of colonia residents to be served by the  
5 self-help project;

6                   (2) the capability of the political subdivision or  
7 nonprofit organization to complete the self-help project in a  
8 timely manner;

9                   (3) the~~[7]~~ quality~~[, and character]~~ of any projects  
10 previously completed by the applicant; and

11                   (4) [42] the commitment demonstrated by ~~[capability~~  
12 ~~of]~~ the retail public utility to provide water or wastewater  
13 services to the colonia on completion of the project.

14           SECTION 6. Section 15.959, Water Code, is repealed.

15           SECTION 7. This Act takes effect immediately if it receives  
16 a vote of two-thirds of all the members elected to each house, as  
17 provided by Section 39, Article III, Texas Constitution. If this  
18 Act does not receive the vote necessary for immediate effect, this  
19 Act takes effect September 1, 2009.

S.B. No. 1371

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 1371 passed the Senate on April 21, 2009, by the following vote: Yeas 30, Nays 0.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 1371 passed the House on May 6, 2009, by the following vote: Yeas 96, Nays 48, two present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor