

1-1 By: Lucio S.B. No. 1371  
1-2 (In the Senate - Filed March 4, 2009; March 17, 2009, read  
1-3 first time and referred to Committee on International Relations and  
1-4 Trade; April 16, 2009, reported favorably by the following vote:  
1-5 Yeas 6, Nays 0; April 16, 2009, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to the colonia self-help program.

1-9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-10 SECTION 1. Section 15.951, Water Code, is amended by  
1-11 amending Subdivision (2) and adding Subdivisions (2-a) and (2-b) to  
1-12 read as follows:

1-13 (2) "Colonia" means a geographic area that:

1-14 (A) is an economically distressed area as defined  
1-15 by Section 17.921;

1-16 (B) is located in a county any part of which is  
1-17 within 50 miles of an international border; and

1-18 (C) consists of at least 11 ~~[or more]~~ dwellings,  
1-19 or of at least a lower number of dwellings as specified by the board  
1-20 for which the board determines that a self-help project will be  
1-21 cost-effective, that are located in close proximity to each other  
1-22 in an area that may be described as a community or neighborhood.

1-23 (2-a) "Nonprofit organization" means an organization  
1-24 qualifying for an exemption from federal income taxes under Section  
1-25 501(c)(3), Internal Revenue Code of 1986.

1-26 (2-b) "Political subdivision" has the meaning  
1-27 assigned by Section 17.921.

1-28 SECTION 2. Section 15.953, Water Code, is amended to read as  
1-29 follows:

1-30 Sec. 15.953. USE OF ACCOUNT. (a) The board may use funds  
1-31 in the account to reimburse a political subdivision or a nonprofit  
1-32 organization for eligible ~~[only to reimburse nonprofit~~  
1-33 ~~organizations eligible under Section 15.954 for]~~ expenses incurred  
1-34 in a self-help project that results in the provision of adequate  
1-35 water or wastewater services to a colonia. Eligible expenses under  
1-36 this subsection ~~[Expenses that may be reimbursed]~~ include:

1-37 (1) construction expenses;

1-38 (2) facility planning expenses;

1-39 (3) platting expenses;

1-40 (4) surveying expenses;

1-41 (5) engineering expenses;

1-42 (6) equipment expenses; and

1-43 (7) other expenses necessary to provide water or  
1-44 wastewater services to the colonia, as determined appropriate by  
1-45 the board.

1-46 (b) The board may award a grant under the program directly  
1-47 to a political subdivision or nonprofit organization to reimburse  
1-48 the subdivision or organization for expenses incurred in a  
1-49 self-help project described by Subsection (a). If the board  
1-50 determines that a retail public utility described by Section  
1-51 15.955(8) has made a commitment to the self-help project sufficient  
1-52 to ensure that retail water or wastewater service will be extended  
1-53 to the colonia, the board may make an advance of grant funds. An  
1-54 advance under this subsection is subject to the terms determined by  
1-55 the board and may not exceed 10 percent of the total amount of the  
1-56 grant.

1-57 SECTION 3. Section 15.954, Water Code, is amended to read as  
1-58 follows:

1-59 Sec. 15.954. ELIGIBLE POLITICAL SUBDIVISIONS AND NONPROFIT  
1-60 ORGANIZATIONS. To be eligible to receive a grant under the  
1-61 program, a political subdivision or a nonprofit ~~[an]~~ organization  
1-62 must:

1-63 (1) demonstrate work experience relevant to extending  
1-64 retail water or wastewater utility service to colonias in

2-1 coordination with retail public utilities ~~[apply for the grant];~~  
 2-2 and

2-3 (2) develop a plan that requires self-help project  
 2-4 beneficiaries to actively participate in the implementation of the  
 2-5 project, in coordination with a retail public utility described by  
 2-6 Section 15.955(8) ~~[qualify for an exemption from federal income~~  
 2-7 ~~taxes under Section 501(c)(3), Internal Revenue Code of 1986, as~~  
 2-8 ~~amended, and~~

2-9 ~~[(3) as of January 1, 2001, have a demonstrated record~~  
 2-10 ~~of completing in coordination with a retail public utility~~  
 2-11 ~~construction of self-help projects described by Section~~  
 2-12 ~~15.953(a)].~~

2-13 SECTION 4. Section 15.955, Water Code, is amended to read as  
 2-14 follows:

2-15 Sec. 15.955. GRANT APPLICATION. An eligible political  
 2-16 subdivision or nonprofit organization must apply to the board for a  
 2-17 grant under the program before incurring any expense associated  
 2-18 with a self-help project described by Section 15.953(a). The  
 2-19 application must include:

2-20 (1) the name of the political subdivision or nonprofit  
 2-21 organization, the names of the political subdivision's authorized  
 2-22 representative or the nonprofit ~~[the]~~ organization's principal  
 2-23 officers, and verification of the nonprofit ~~[the]~~ organization's  
 2-24 501(c)(3) status;

2-25 (2) a description of the project area, the anticipated  
 2-26 number of water and wastewater connections to be made, and the  
 2-27 anticipated number of colonia residents to be served;

2-28 (3) a description of the existing water and wastewater  
 2-29 facilities in the colonia;

2-30 (4) a description of the project and the aspect of the  
 2-31 project for which the grant will be used;

2-32 (5) a description of the anticipated participation in  
 2-33 the project by residents of the colonia;

2-34 (6) the estimated total cost of both the project and  
 2-35 the aspect of the project for which the grant will be used;

2-36 (7) the amount of the grant that is requested from the  
 2-37 account and the sources of funding for the entire project;

2-38 (8) from a retail public utility authorized to provide  
 2-39 water or wastewater services to the colonia, a resolution in which  
 2-40 the retail public utility:

2-41 (A) agrees to inspect the project during and  
 2-42 after construction to ensure the adequacy of the project; and

2-43 (B) commits to provide the water or wastewater  
 2-44 services that the project intends to use; and

2-45 (9) any other information required by the board.

2-46 SECTION 5. Section 15.956, Water Code, is amended to read as  
 2-47 follows:

2-48 Sec. 15.956. BOARD CONSIDERATIONS IN EVALUATING GRANT  
 2-49 APPLICATION. In evaluating an application for a grant under the  
 2-50 program, the board shall consider:

2-51 (1) the number of colonia residents to be served by the  
 2-52 self-help project;

2-53 (2) the capability of the political subdivision or  
 2-54 nonprofit organization to complete the self-help project in a  
 2-55 timely manner;

2-56 (3) the ~~[, and character]~~ of any projects  
 2-57 previously completed by the applicant; and

2-58 (4) ~~[(2)]~~ the commitment demonstrated by ~~[capability~~  
 2-59 ~~of]~~ the retail public utility to provide water or wastewater  
 2-60 services to the colonia on completion of the project.

2-61 SECTION 6. Section 15.959, Water Code, is repealed.

2-62 SECTION 7. This Act takes effect immediately if it receives  
 2-63 a vote of two-thirds of all the members elected to each house, as  
 2-64 provided by Section 39, Article III, Texas Constitution. If this  
 2-65 Act does not receive the vote necessary for immediate effect, this  
 2-66 Act takes effect September 1, 2009.

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