

BILL ANALYSIS

S.B. 914
By: Wentworth
Natural Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Section 49.181 (Authority of Commission Over Insurance of District Bonds), Water Code, requires that certain districts apply to the Texas Commission on Environmental Quality (TCEQ) for engineering review and bond approval prior to issuance of bonds for financing certain projects. The purpose of the statute is to protect the public interest by preventing the financing of projects that are not designed properly by developers with limited experience in project engineering and financing. The statute, however, also exempts most regional water and wastewater service providers, such as river authorities, from the requirement found in Section 49.181. Such applicants are typically more sophisticated and experienced in project development and financing. The exemption can result in tremendous cost and time savings for consumers, who ultimately must pay for the additional review by TCEQ.

S.B. 914 clarifies that certain multi-county districts with the powers of a river authority under Chapter 30 (Regional Waste Disposal), Water Code, are exempt from the requirements of Section 49.181. This bill does not waive the requirement for districts to provide engineering plans for proposed projects to TCEQ in permitting, nor does it impact TCEQ's authority to review the technical merits of proposed projects to insure protection of the environment. Bonds issued by such entities are also still subject to approval by the attorney general of Texas. The bill will, however, reduce project costs that must ultimately be paid by consumers and enable services to be delivered more quickly by these regional districts.

As proposed, S.B. 914 amends current law relating to the applicability to certain regional water districts of provisions concerning bond approval by the Texas Commission on Environmental Quality.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1. Amends Section 49.181(h), Water Code, as follows:

(h) Provides that this section does not apply certain districts, including if the district is a conservation and reclamation district created under Section 59 (Conservation and Development of Natural Resources and Parks and Recreational Facilities; Conservation and Reclamation), Article XVI, Texas Constitution, that includes territory in at least three counties, and has the rights, powers, privileges, and functions applicable to a river authority under Chapter 30 (Regional Waste Disposal).

SECTION 2. Provides that the change in law made by this Act does not apply to bonds with regard to which an application and report were submitted to the Texas Natural Resource Conservation Commission or the Texas Commission on Environmental Quality under Section 49.181(b), Water Code, before the effective date of this Act. Provides that those bonds are governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 3. Provides for the effective date of this Act.

EFFECTIVE DATE

This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2011.