

By: Ritter

H.B. No. 3273

Substitute the following for H.B. No. 3273:

By: Larson

C.S.H.B. No. 3273

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the creation and funding of the state water
3 implementation fund for Texas to assist the Texas Water Development
4 Board in the funding of certain projects included in the state water
5 plan.

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

7 SECTION 1. The legislature recognizes the importance of
8 providing for this state's future water supply needs. The purpose
9 of this Act is to ensure that funding is available to provide an
10 adequate water supply for the future of this state.

11 SECTION 2. Chapter 13, Water Code, is amended by adding
12 Subchapter O to read as follows:

13 SUBCHAPTER O. STATE WATER IMPLEMENTATION FEE

14 Sec. 13.551. STATE WATER IMPLEMENTATION FEE. Each retail
15 public utility shall collect from each ultimate consumer to whom
16 the utility provides retail water utility service a public water
17 supply service connection fee as provided by this subchapter.

18 Sec. 13.552. RATE OF FEE. The comptroller by rule shall
19 establish the rate of the fee imposed under this subchapter for each
20 service connection used by the ultimate consumer for potable water
21 consumption. The rate may not exceed the limit on the rate
22 prescribed by Section 49-d-12(d), Article III, Texas Constitution.

23 Sec. 13.553. EXEMPTIONS. A consumer who is a government or
24 institutional user, as defined by comptroller rule, is exempt from

1 the application of the fee.

2 Sec. 13.554. PAYMENT OF FEE. (a) On or before the 20th day
3 of the month following the end of each calendar month, each retail
4 public utility that sold potable water to an ultimate consumer for
5 consumption shall send to the comptroller the amount of the fee the
6 utility collected under this subchapter for the preceding calendar
7 month.

8 (b) A retail public utility that makes timely payment of the
9 fee imposed under this subchapter is entitled to retain one percent
10 of the fee for each consumer service connection on its system as
11 reimbursement for the costs of collecting the fee.

12 Sec. 13.555. REPORTS. On or before the 20th day of the
13 month following the end of each calendar month, each retail public
14 utility that sold potable water to an ultimate consumer for
15 consumption shall file with the comptroller a report stating:

16 (1) the number of consumer service connections used by
17 ultimate consumers during the preceding calendar month;

18 (2) the number of consumer service connections used by
19 ultimate consumers during the preceding calendar month on which the
20 fee was imposed; and

21 (3) any other information required by the comptroller.

22 Sec. 13.556. RECORDS. A retail public utility that sells
23 potable water to an ultimate consumer for consumption shall keep a
24 complete record of:

25 (1) the number of consumer service connections used by
26 ultimate consumers during the preceding calendar month;

27 (2) the number of consumer service connections used by

1 ultimate consumers during the preceding calendar month on which the
2 fee was imposed; and

3 (3) any other information required by the comptroller.

4 Sec. 13.557. ALLOCATION OF REVENUE. The revenue from the
5 fee imposed by this subchapter shall be deposited to the credit of
6 the state water implementation fund for Texas.

7 Sec. 13.558. NOTICE OF FEE IN ULTIMATE CONSUMER'S BILLING
8 STATEMENT. Each retail public utility shall list as a separate line
9 item on the ultimate consumer's billing statement the amount of the
10 fee imposed under this subchapter and identify the fee as the "state
11 water implementation fee."

12 Sec. 13.559. EXPIRATION. This subchapter expires September
13 1, 2027.

14 SECTION 3. Chapter 15, Water Code, is amended by adding
15 Subchapter G to read as follows:

16 SUBCHAPTER G. STATE WATER IMPLEMENTATION FUND FOR TEXAS

17 Sec. 15.431. DEFINITION. In this subchapter, "fund" means
18 the state water implementation fund for Texas.

19 Sec. 15.432. STATE WATER IMPLEMENTATION FUND FOR TEXAS.

20 (a) The state water implementation fund for Texas is a special fund
21 in the state treasury to be administered by the board under this
22 subchapter and rules adopted by the board under this subchapter.

23 (b) The fund consists of:

24 (1) the proceeds of any fee or tax imposed by this
25 state provided for by a general law enacted under Section 49-d-12,
26 Article III, Texas Constitution;

27 (2) any other fees or sources of revenue that the

1 legislature may dedicate for deposit to the credit of the fund;
2 (3) appropriations from the legislature;
3 (4) interest earned on money credited to the fund; and
4 (5) money from gifts, grants, or donations to the
5 fund.

6 Sec. 15.433. USE OF FUND. (a) The board may use money in
7 the fund only to provide financing for projects included in the
8 state water plan that are authorized under Subchapter Q of this
9 chapter, Subchapter E, Chapter 16, or Subchapter K, Chapter 17,
10 including the payment of the principal of and interest on, or the
11 making of payments under a bond enhancement agreement entered into
12 by the board with respect to the principal of or interest on, bonds
13 issued by the board for those projects.

14 (b) Not less than 20 percent of the money available in the
15 fund must be used to finance conservation and reuse projects
16 included in the state water plan.

17 Sec. 15.434. TRANSFERS TO OTHER ACCOUNTS. The board may
18 direct the comptroller to transfer amounts from the fund to the
19 credit of:

20 (1) the water infrastructure fund to be used for the
21 purposes provided by Section 15.433 related to projects included in
22 the state water plan that are authorized under Subchapter Q;

23 (2) the Texas Water Development Fund II state
24 participation account to be used for the purposes provided by
25 Section 15.433 related to projects included in the state water plan
26 that are authorized under Subchapter E, Chapter 16; or

27 (3) the Texas Water Development Fund II economically

1 distressed areas program account to be used for the purposes
2 provided by Section 15.433 related to projects included in the
3 state water plan that are authorized under Subchapter K, Chapter
4 17.

5 Sec. 15.435. RULES. The board shall adopt rules providing
6 for the use of money in the fund consistent with this subchapter,
7 including rules defining "conservation and reuse projects" for
8 purposes of Section 15.433(b).

9 SECTION 4. Section 15.973(b), Water Code, is amended to
10 read as follows:

11 (b) The fund consists of:

12 (1) appropriations from the legislature;

13 (2) any other fees or sources of revenue that the
14 legislature may dedicate for deposit to the fund;

15 (3) repayments of loans made from the fund;

16 (4) interest earned on money credited to the fund;

17 (5) depository interest allocable to the fund;

18 (6) money from gifts, grants, or donations to the
19 fund;

20 (7) money from revenue bonds or other sources
21 designated by the board; ~~and~~

22 (8) proceeds from the sale of political subdivision
23 bonds or obligations held in the fund and not otherwise pledged to
24 the discharge, repayment, or redemption of revenue bonds or other
25 bonds, the proceeds of which were placed in the fund; and

26 (9) money transferred from the state water
27 implementation fund for Texas as authorized by Section 15.434.

1 SECTION 5. Section 17.957(b), Water Code, is amended to
2 read as follows:

3 (b) The state participation account is composed of:

4 (1) money and assets attributable to water financial
5 assistance bonds designated by the board as issued for projects
6 described in Section 16.131;

7 (2) money from the sale, transfer, or lease of a
8 project described in Subdivision (1) that was acquired,
9 constructed, reconstructed, developed, or enlarged with money from
10 the state participation account;

11 (3) payments received under a bond enhancement
12 agreement with respect to water financial assistance bonds
13 designated by the board as issued for projects described in Section
14 16.131;

15 (4) investment income earned on money on deposit in
16 the state participation account;

17 (4-a) money transferred from the state water
18 implementation fund for Texas as authorized by Section 15.434; and

19 (5) any other funds, regardless of their source, that
20 the board directs be deposited to the credit of the state
21 participation account.

22 SECTION 6. Section 17.958(b), Water Code, is amended to
23 read as follows:

24 (b) The economically distressed areas program account is
25 composed of:

26 (1) money and assets attributable to water financial
27 assistance bonds designated by the board as issued for projects

1 described in Subchapter K;

2 (2) money provided by the federal government, the
3 state, political subdivisions, and private entities for the purpose
4 of paying debt service on water financial assistance bonds issued
5 for purposes provided by Subchapter K;

6 (3) payments received under a bond enhancement
7 agreement with respect to water financial assistance bonds
8 designated by the board as issued for purposes provided by
9 Subchapter K;

10 (4) investment income earned on money on deposit in
11 the economically distressed areas program account;

12 (4-a) money transferred from the state water
13 implementation fund for Texas as authorized by Section 15.434; and

14 (5) any other funds, regardless of their source, that
15 the board directs be deposited to the credit of the economically
16 distressed areas program account.

17 SECTION 7. Not later than January 1, 2012, the comptroller
18 shall adopt rules under Subchapter O, Chapter 13, Water Code, as
19 added by this Act.

20 SECTION 8. The fee imposed by Section 13.551, Water Code, as
21 added by this Act, applies only to potable water sold to an ultimate
22 consumer on or after September 1, 2012.

23 SECTION 9. Not later than April 1, 2012, the Texas Water
24 Development Board shall adopt rules providing for the use of money
25 in the state water implementation fund for Texas under Subchapter
26 G, Chapter 15, Water Code, as added by this Act.

27 SECTION 10. This Act takes effect January 1, 2012, but only

1 if the constitutional amendment proposed by the 82nd Legislature,
2 Regular Session, 2011, providing for the creation and funding of
3 the state water implementation fund for Texas to assist the Texas
4 Water Development Board in the funding of certain projects included
5 in the state water plan is approved by the voters. If that
6 amendment is not approved by the voters, this Act has no effect.