

By: Ritter

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 15, Water Code, is amended by adding
12 Subchapter G to read as follows:

13 SUBCHAPTER G. STATE WATER IMPLEMENTATION FUND FOR TEXAS

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

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

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

20 (b) The fund consists of:

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

24 (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 pay the principal of and interest on, or to make
8 payments under a bond enhancement agreement entered into by the
9 board with respect to the principal of or interest on, bonds issued
10 by the board for projects included in the state water plan that are
11 authorized under:

- 12 (1) Subchapter Q;
13 (2) Subchapter E, Chapter 16; or
14 (3) Subchapter K, Chapter 17.

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

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

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

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

1 (3) the Texas Water Development Fund II economically
2 distressed areas program account to be used for the purposes
3 provided by Section 15.433 related to projects included in the
4 state water plan that are authorized under Subchapter K, Chapter
5 17.

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

10 SECTION 3. Section 15.973(b), Water Code, is amended to
11 read as follows:

12 (b) The fund consists of:

- 13 (1) appropriations from the legislature;
- 14 (2) any other fees or sources of revenue that the
15 legislature may dedicate for deposit to the fund;
- 16 (3) repayments of loans made from the fund;
- 17 (4) interest earned on money credited to the fund;
- 18 (5) depository interest allocable to the fund;
- 19 (6) money from gifts, grants, or donations to the
20 fund;
- 21 (7) money from revenue bonds or other sources
22 designated by the board; ~~and~~
- 23 (8) proceeds from the sale of political subdivision
24 bonds or obligations held in the fund and not otherwise pledged to
25 the discharge, repayment, or redemption of revenue bonds or other
26 bonds, the proceeds of which were placed in the fund; and
- 27 (9) money transferred from the state water

1 implementation fund for Texas as authorized by Section 15.434.

2 SECTION 4. Section 17.957(b), Water Code, is amended to
3 read as follows:

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

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

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

12 (3) payments received under a bond enhancement
13 agreement with respect to water financial assistance bonds
14 designated by the board as issued for projects described in Section
15 16.131;

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

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

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

23 SECTION 5. Section 17.958(b), Water Code, is amended to
24 read as follows:

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

27 (1) money and assets attributable to water financial

1 assistance bonds designated by the board as issued for projects
2 described in Subchapter K;

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

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

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

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

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

18 SECTION 6. Not later than April 1, 2012, the Texas Water
19 Development Board shall adopt rules providing for the use of money
20 in the state water implementation fund for Texas under Subchapter
21 G, Chapter 15, Water Code, as added by this Act.

22 SECTION 7. This Act takes effect January 1, 2012, but only
23 if the constitutional amendment proposed by the 82nd Legislature,
24 Regular Session, 2011, providing for the creation and funding of
25 the state water implementation fund for Texas to assist the Texas
26 Water Development Board in the funding of certain projects included
27 in the state water plan is approved by the voters. If that

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1 amendment is not approved by the voters, this Act has no effect.