

SENATE AMENDMENTS

2nd Printing

By: Ritter

H.B. No. 1732

A BILL TO BE ENTITLED

AN ACT

relating to the applicability of the constitutional limit on state debt payable from the general revenues of the state to bonds issued by the Texas Water Development Board.

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

SECTION 1. Section 17.003, Water Code, is amended by adding Subsections (c), (d), and (e) to read as follows:

(c) In requesting approval for the issuance of bonds under this chapter, the executive administrator shall certify to the bond review board the debt service on the bonds that is reasonably expected to be paid from:

(1) the general revenues of the state; and

(2) revenue sources other than the general revenues of the state.

(d) The bond review board shall determine the portion of the debt service on bonds to be issued by the board under this chapter that is state debt payable from the general revenues of the state, in accordance with the findings made by the board in the resolution authorizing the issuance of the bonds and the certification provided by the executive administrator under Subsection (c).

(e) Bonds issued under this chapter that are designed to be paid from the general revenues of the state shall cease to be considered bonds payable from those revenues if:

(1) the bonds are backed by insurance or another form

1 of guarantee that ensures payment from a source other than the
2 general revenues of the state; or

3 (2) the board demonstrates to the satisfaction of the
4 bond review board that the bonds no longer require payment from the
5 general revenues of the state and the bond review board so certifies
6 to the Legislative Budget Board.

7 SECTION 2. This Act takes effect September 1, 2011.

ADOPTED

MAY 23 2011

Lotay Spauld
Secretary of the Senate

By:

J. J. Amig

H.B. No. 1732

Substitute the following for H.B. No. 1732:

By:

J. J. Amig

C.S. H.B. No. 1732

A BILL TO BE ENTITLED

AN ACT

relating to the applicability of the constitutional limit on state debt payable from the general revenues of the state to bonds issued by the Texas Water Development Board.

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

SECTION 1. Section 17.003, Water Code, is amended by adding Subsections (c), (d), (e), and (f) to read as follows:

(c) Water financial assistance bonds that have been authorized but have not been issued are not considered to be state debt payable from the general revenue fund for purposes of Section 49-j, Article III, Texas Constitution, until the legislature makes an appropriation from the general revenue fund to the board to pay the debt service on the bonds.

(d) In requesting approval for the issuance of bonds under this chapter, the executive administrator shall certify to the bond review board whether the bonds are reasonably expected to be paid from:

(1) the general revenues of the state; or

(2) revenue sources other than the general revenues of the state.

(e) The bond review board shall verify whether debt service on bonds to be issued by the board under this chapter is state debt payable from the general revenues of the state, in accordance with the findings made by the board in the resolution authorizing the

1 issuance of the bonds and the certification provided by the
2 executive administrator under Subsection (d).

3 (f) Bonds issued under this chapter that are designed to be
4 paid from the general revenues of the state shall cease to be
5 considered bonds payable from those revenues if:

6 (1) the bonds are backed by insurance or another form
7 of guarantee that ensures payment from a source other than the
8 general revenues of the state; or

9 (2) the board demonstrates to the satisfaction of the
10 bond review board that the bonds no longer require payment from the
11 general revenues of the state and the bond review board so certifies
12 to the Legislative Budget Board.

13 SECTION 2. This Act takes effect September 1, 2011.

ADOPTED

FLOOR AMENDMENT NO. 1

MAY 23, 2011

Henry S. Grew
Secretary of the Senate

J. J. Aring

Amend H.B. 1732 (Senate Committee Report) by adding a new
SECTION ____ as follows:

SECTION ____ Section 15.9751, Water Code is amended as
follows:

Sec. 15.9751. PRIORITY FOR APPLICATIONS ~~[WATER
CONSERVATION]~~. The board shall give priority to applications
for funds for the implementation of water supply projects in the
state water plan based on factors determined by the board,
including but not limited to recommended implementation date,
historical need for water supply infrastructure investment, per
capita water supply need, ability of the applicant to finance
the project, and whether an applicant ~~[by entities that]~~:

(1) has ~~[have]~~ already demonstrated significant water
conservation savings; or

(2) will achieve significant water conservation savings by
implementing the proposed project for which the financial
assistance is sought.

ADOPTED

FLOOR AMENDMENT NO. 2

MAY 23 2011

BY: Seligson

Letty Spaw
Secretary of the Senate

1 Amend House Bill 1732 by adding the following SECTIONS and
2 renumbering the subsequent SECTIONS accordingly:

3 SECTION _____. Section 15.975, Water Code, is amended by
4 adding Subsection (d) to read as follows:

5 (d) The board may not approve an application if the
6 applicant has failed to satisfactorily complete a request by the
7 executive administrator or a regional planning group for
8 information relevant to the project, including a water
9 infrastructure financing survey under Section 16.053(q).

10 SECTION _____. Section 15.912, Water Code, is amended to
11 read as follows:

12 Sec. 15.912. CONSIDERATIONS IN ACTING ON APPLICATION.

13 (a) In acting on an application for financial assistance, the
14 board shall consider:

15 (1) the needs of the area to be served by the project
16 and the benefit of the project to the area in relation to the
17 needs of other areas requiring state assistance in any manner
18 and the benefits of those projects to the other areas;

19 (2) the availability of revenue to the political
20 subdivision or water supply corporation from all sources for any
21 necessary repayment of the cost of the project, including all
22 interest;

23 (3) the relationship of the project to overall
24 statewide needs; and

25 (4) any other factors that the board considers
26 relevant.

27 (b) The board may not accept an application for a loan or
28 grant of financial assistance from the fund for a project
29 recommended through the state and regional water planning

1 processes under Sections 16.051 and 16.053 if the applicant has
2 failed to satisfactorily complete a request by the executive
3 administrator or a regional planning group for information
4 relevant to the project, including a water infrastructure
5 financing survey under Section 16.053(q).

6 SECTION _____. Section 16.131, Water Code, is amended to
7 read as follows:

8 Sec. 16.131. AUTHORIZED PROJECTS. (a) The board may use
9 the state participation account of the development fund to
10 encourage optimum regional development of projects including the
11 design, acquisition, lease, construction, reconstruction,
12 development, or enlargement in whole or part of:

13 (1) reservoirs and storm water retention basins for
14 water supply, flood protection, and groundwater recharge;

15 (2) facilities for the transmission and treatment of
16 water; and

17 (3) treatment works as defined by Section 17.001 [~~of~~
18 ~~this code~~].

19 (b) The board may not use the state participation account of
20 the development fund to finance a project recommended through
21 the state and regional water planning processes under Sections
22 16.051 and 16.053 if the applicant has failed to satisfactorily
23 complete a request by the executive administrator or a regional
24 planning group for information relevant to the project,
25 including a water infrastructure financing survey under Section
26 16.053(q).

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 23, 2011

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB1732 by Ritter (Relating to the applicability of the constitutional limit on state debt payable from the general revenues of the state to bonds issued by the Texas Water Development Board.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill would exempt water financial assistance bonds that have been authorized but not issued from the Constitutional Debt Limit (CDL) until the legislature makes an appropriation from the General Revenue Fund to pay the debt service on the bonds. The bill would also require the Executive Administrator of the Water Development Board to certify to the Bond Review Board the source of debt service on a proposed issuance of bonds by the Water Development Board. The bill would require the Bond Review Board to determine the portion of debt service that is to be paid from the General Revenue and subsequently what portion of the debt would be included in the CDL calculation. The bill provides a mechanism for the Bond Review Board to remove previous issuances of the Water Development Board from the CDL if the previous issuance meets certain criteria.

The bill would authorize the Water Development Board to give priority to applications for funds for the implementation of water supply projects in the State Water Plan based on factors determined by the Board.

The bill would prohibit the Water Development Board from approving applications if the applicant has failed to satisfactorily complete a request by the Executive Administrator or a regional planning group for information relevant to the project, including a water infrastructure financing survey.

Based on the analysis of the Water Development Board, the Bond Review Board, and the Office of the Attorney General, any anticipated additional work that would result from the passage of the bill could be reasonably absorbed within current resources.

The bill would take effect September 1, 2011.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 352 Bond Review Board, 580 Water Development Board, 302 Office of the Attorney General

LBB Staff: JOB, KK, ZS, AH, SZ

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 19, 2011

TO: Honorable Steve Ogden, Chair, Senate Committee on Finance

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB1732 by Ritter (relating to the applicability of the constitutional limit on state debt payable from the general revenues of the state to bonds issued by the Texas Water Development Board), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would exempt water financial assistance bonds that have been authorized but not issued from the Constitutional Debt Limit (CDL) until the legislature makes an appropriation from the General Revenue Fund to pay the debt service on the bonds. The bill would also require the Executive Administrator of the Water Development Board to certify to the Bond Review Board the source of debt service on a proposed issuance of bonds by the Water Development Board. The bill would require the Bond Review Board to determine the portion of debt service that is to be paid from the General Revenue and subsequently what portion of the debt would be included in the CDL calculation. The bill provides a mechanism for the Bond Review Board to remove previous issuances of the Water Development Board from the CDL if the previous issuance meets certain criteria.

Based on the analysis of the Water Development Board, the Bond Review Board, and the Office of the Attorney General, any anticipated additional work that would result from the passage of the bill could be reasonably absorbed within current resources.

The bill would take effect September 1, 2011.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 352 Bond Review Board, 580 Water Development Board, 302 Office of the Attorney General

LBB Staff: JOB, KK, ZS, AH, SZ

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 14, 2011

TO: Honorable Steve Ogden, Chair, Senate Committee on Finance

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB1732 by Ritter (Relating to the applicability of the constitutional limit on state debt payable from the general revenues of the state to bonds issued by the Texas Water Development Board.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would require the Executive Administrator of the Water Development Board to certify to the Bond Review Board the source of debt service on a proposed issuance of bonds by the Water Development Board. The bill would require the Bond Review Board to determine the portion of debt service that is to be paid from the General Revenue and subsequently what portion of the debt would be included in the Constitutional Debt Limit (CDL) calculation. The bill provides a mechanism for the Bond Review Board to remove previous issuances of the Water Development Board from the CDL if the previous issuance meets certain criteria.

Based on the analysis of the Water Development Board, the Bond Review Board, and the Office of the Attorney General, any anticipated additional work that would result from the passage of the bill could be reasonably absorbed within current resources.

The bill would take effect September 1, 2011.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 352 Bond Review Board, 580 Water Development Board, 302 Office of the Attorney General

LBB Staff: JOB, SZ, AH, KK

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 11, 2011

TO: Honorable Allan Ritter, Chair, House Committee on Natural Resources

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB1732 by Ritter (Relating to the applicability of the constitutional limit on state debt payable from the general revenues of the state to bonds issued by the Texas Water Development Board.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would require the Executive Administrator of the Water Development Board to certify to the Bond Review Board the source of debt service on a proposed issuance of bonds by the Water Development Board. The bill would require the Bond Review Board to determine the portion of debt service that is to be paid from the General Revenue and subsequently what portion of the debt would be included in the Constitutional Debt Limit (CDL) calculation. The bill provides a mechanism for the Bond Review Board to remove previous issuances of the Water Development Board from the CDL if the previous issuance meets certain criteria.

Based on the analysis of the Water Development Board, the Bond Review Board, and the Office of the Attorney General, any anticipated additional work that would result from the passage of the bill could be reasonably absorbed within current resources.

The bill would take effect September 1, 2011.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 352 Bond Review Board, 580 Water Development Board, 302 Office of the Attorney General

LBB Staff: JOB, SZ, AH, KK