

Amend **CSSB 4** (senate committee printing) as follows:

(1) In SECTION 2.02 of the bill, in added Section 15.434(b), Water Code (page 4, lines 55 through 61), strike Subdivision (2) of the subsection and substitute the following:

(2) 20 percent to support projects described by Section 15.435, including agricultural irrigation projects, that are designed for water conservation or reuse.

(2) In SECTION 2.02 of the bill, in added Section 15.435(a), Water Code (page 4, line 68, through page 5, line 5), strike the last two sentences of the subsection and substitute the following:

An obligation to disburse money from the fund, or from a special account established by the board, in accordance with a bond enhancement agreement is a special obligation of the board payable solely from designated income and receipts of the fund or of the account, as determined by the board. An obligation to disburse money from the fund, or from a special account established by the board, in accordance with a bond enhancement agreement does not constitute indebtedness of the state.

(3) In SECTION 2.02 of the bill, at the end of added Section 15.435, Water Code (page 6, following line 52), add the following:

(1) At the direction of the board, the trust company shall make disbursements from the fund, or from a special account established by the board, in accordance with a bond enhancement agreement in the amounts the board determines are needed for debt service payments on, or for security provisions of, general obligation bonds or revenue bonds issued by the board the proceeds of the sale of which have been deposited in another fund administered by the board, or in an account in that other fund, for use in accordance with this subchapter, after the board considers all other sources available for those purposes in that other fund or account. Money transferred under this subsection may be deposited into that other fund or into a special account established by the trust company or a corporate trustee that is a trust company or a bank that has the powers of a trust company, as determined by the board.

(4) In SECTION 2.02 of the bill, in added Section 15.436(a), Water Code (page 6, line 55), strike "planning area" and substitute

"plan".

(5) In SECTION 2.02 of the bill, in added Section 15.472(c), Water Code, at the end of Subdivision (5) of the subsection (page 10, line 20), strike "and".

(6) In SECTION 2.02 of the bill, in added Section 15.472(c), Water Code (page 10, lines 21 and 22), strike Subdivision (6) of the subsection and substitute the following:

(6) repayments of loans made from the fund;

(7) money from the sale, transfer, or lease of a project acquired, constructed, reconstructed, developed, or enlarged with money from the fund; and

(8) money disbursed to the fund from the state water implementation fund for Texas as authorized by Section 15.434.

(7) In SECTION 2.02 of the bill, in added Section 15.474, Water Code (page 10, lines 45 through 58), strike Subsection (b) of the section and substitute the following:

(b) Financing or refinancing of projects described by Subsection (a) may be provided by using money in the fund to make loans to eligible political subdivisions or to purchase bonds or other obligations of eligible political subdivisions bearing interest at a rate or rates determined by the board, including a rate or rates below prevailing market rates.

(8) In SECTION 2.02 of the bill, in added Section 15.474(c), Water Code, at the end of Subdivision (1) of the subsection (page 10, line 67), strike "or".

(9) In SECTION 2.02 of the bill, in added Section 15.474(c), Water Code (page 10, line 68, through page 11, line 1), strike Subdivision (2) of the subsection and substitute the following:

(2) to acquire loans or other assets from another fund or account administered by the board, including political subdivision bonds sold or disposed of under Section 15.978 or 17.968; or

(3) to pay the necessary and reasonable expenses of paying agents, bond counsel, and financial advisory services and similar costs incurred by the board in administering the fund.

(10) In SECTION 2.02 of the bill, in added Section 15.475(c), Water Code, between "fund," and "including" (page 11,

line 9), insert "or of one or more accounts in the fund,".

(11) Between SECTIONS 2.04 and 2.05 of the bill (page 12, between lines 35 and 36), insert the following appropriately numbered SECTION:

SECTION 2.____. Section 15.978(c), Water Code, is amended to read as follows:

(c) Notwithstanding other provisions of this chapter, the board may sell to the Texas Water Resources Finance Authority or to the state water implementation revenue fund for Texas any political subdivision bonds purchased with money in the water infrastructure fund and may apply the proceeds of a sale in the manner provided by this section.

(12) Between SECTIONS 2.15 and 2.16 of the bill (page 15, between lines 20 and 21), insert the following appropriately numbered SECTIONS:

SECTION 2.____. Subchapter L, Chapter 17, Water Code, is amended by adding Section 17.9617 to read as follows:

Sec. 17.9617. TRANSFERS TO STATE WATER IMPLEMENTATION REVENUE FUND FOR TEXAS. (a) The board may direct the comptroller to transfer money or other assets from an account in the fund, including from the financial assistance account or from the state participation account, to the state water implementation revenue fund for Texas to provide financial assistance under this subchapter and Subchapter H, Chapter 15.

(b) A transfer of money or other assets from an account in the fund may not cause general obligation bonds that are payable from the fund or from an account in the fund to no longer be self-supporting for purposes of Section 49-j(b), Article III, Texas Constitution, as determined by the board.

(c) The board shall use the state water implementation revenue fund for Texas, or an account in that fund, as a source of revenue to be deposited in accordance with this subchapter for the payment of principal and interest on water financial assistance bonds issued by the board, the proceeds of which are to be deposited into the state water implementation revenue fund for Texas, or the account in that fund, and to be used to make payments under a bond enhancement agreement with respect to principal or interest on the

water financial assistance bonds.

SECTION 2.____. Section 17.968, Water Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) The board may sell or dispose of political subdivision bonds or other assets purchased with money in the fund to any person, including the Texas Water Resources Finance Authority, or to another fund administered by the board, including the state water implementation revenue fund for Texas, and the board, in such manner as it shall determine, may apply the proceeds of the sale of political subdivision bonds or other assets held by the board to:

(1) pay debt service on water financial assistance bonds issued under this subchapter; or

(2) provide financial assistance to political subdivisions for any one or more of the purposes authorized by Section 49-d-8, Article III, Texas Constitution.

(a-1) A sale or disposition of political subdivision bonds or other assets may not cause general obligation bonds that are payable from the fund or from an account in the fund to no longer be self-supporting for purposes of Section 49-j(b), Article III, Texas Constitution, as determined by the board.

(13) In SECTION 2.16 of the bill, in added Section 49.153(e)(1)(E), Water Code (page 15, line 31), between "facilities" and the semicolon, insert the following:
, provided that the district that executes the note is located wholly in a county that:

(i) does not contain a municipality that has a population of more than 750,000; and

(ii) is not adjacent to a county described by Subparagraph (i)

(14) In SECTION 2.17 of the bill, in amended Section 49.181(a), Water Code (page 15, lines 46 through 51), strike Subdivision (3) of the subsection and substitute the following:

(3) bonds issued to and approved by:

(A) the Farmers Home Administration;

(B) [7] the United States Department of Agriculture;

(C) [7] the North American Development Bank;
(D) [~~7-01~~] the Texas Water Development Board; or
(E) a federally chartered instrumentality of the
United States authorized under 12 U.S.C. Section 2128(f) to finance
such a project, provided that the district that issues the bonds is
located wholly in a county that:

(i) does not contain a municipality that
has a population of more than 750,000; and

(ii) is not adjacent to a county described
by Subparagraph (i);

(15) Renumber the SECTIONS of ARTICLE 2 of the bill
accordingly.