

By: Ritter

H.B. No. 4

A BILL TO BE ENTITLED

AN ACT

relating to the creation and funding of the state water implementation fund for Texas to assist the Texas Water Development Board in the funding of certain water-related projects.

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

SECTION 1. Chapter 15, Water Code, is amended by adding Subchapter G to read as follows:

SUBCHAPTER G. STATE WATER IMPLEMENTATION FUND FOR TEXAS

Sec. 15.431. DEFINITIONS. In this subchapter:

(1) "Advisory committee" means the State Water Implementation Fund for Texas Advisory Committee.

(2) "Fund" means the state water implementation fund for Texas.

Sec. 15.432. STATE WATER IMPLEMENTATION FUND FOR TEXAS.

(a) The state water implementation fund for Texas is a special fund outside the state treasury to be administered without further appropriation by the board under this subchapter and rules adopted by the board under this subchapter.

(b) The fund consists of:

(1) money transferred or deposited to the credit of the fund by law;

(2) the proceeds of any fee or tax imposed by this state that the legislature by statute dedicates for deposit to the credit of the fund;

1 (3) any other revenue that the legislature by statute
2 dedicates for deposit to the credit of the fund; and

3 (4) interest earned on the balance of the fund.

4 Sec. 15.433. USE OF FUND. (a) The board may use money in
5 the fund only to provide financing for:

6 (1) projects included in the state water plan that are
7 authorized under Subchapter Q or R of this chapter, Subchapter E,
8 Chapter 16, or Subchapter J or K, Chapter 17, including water
9 conservation or reuse projects designed to reduce the need for this
10 state or political subdivisions of this state to develop additional
11 water resources; or

12 (2) education projects developed or approved by the
13 board that are related to the development of water resources, the
14 conservation of existing water resources, or water reuse.

15 (b) Not less than 20 percent of the money from the fund used
16 by the board in any state fiscal biennium must be used to finance
17 projects described by Subsection (a) for water conservation or
18 reuse or education.

19 (c) The board shall undertake to use money from the fund in
20 an amount sufficient to provide adequate financing for projects
21 described by Subsection (a) in each regional water planning area in
22 this state. The board shall prioritize projects in each regional
23 water planning area for purposes of this subsection.

24 Sec. 15.434. TRANSFERS TO OTHER ACCOUNTS OR FUNDS. The
25 board may direct the comptroller to transfer amounts from the fund
26 to the credit of:

27 (1) the water infrastructure fund to be used for the

1 purposes provided by Section 15.433 related to projects included in
2 the state water plan that are authorized under Subchapter Q;

3 (2) the rural water assistance fund to be used for the
4 purposes provided by Section 15.433 related to projects included in
5 the state water plan that are authorized under Subchapter R;

6 (3) the Texas Water Development Fund II state
7 participation account to be used for the purposes provided by
8 Section 15.433 related to projects included in the state water plan
9 that are authorized under Subchapter E, Chapter 16;

10 (4) the agricultural water conservation fund to be
11 used for the purposes provided by Section 15.433 related to
12 projects included in the state water plan that are authorized under
13 Subchapter J, Chapter 17; or

14 (5) the Texas Water Development Fund II economically
15 distressed areas program account to be used for the purposes
16 provided by Section 15.433 related to projects included in the
17 state water plan that are authorized under Subchapter K, Chapter
18 17.

19 Sec. 15.435. ADVISORY COMMITTEE. (a) The State Water
20 Implementation Fund for Texas Advisory Committee is composed of
21 members appointed by the speaker of the house of representatives,
22 the lieutenant governor, and the governor.

23 (b) The advisory committee shall submit recommendations to
24 the board regarding the use of money in the fund for use by the board
25 in adopting rules under Section 15.436.

26 Sec. 15.436. RULES. (a) The board shall adopt rules
27 providing for the use of money in the fund consistent with this

1 subchapter, including rules:

2 (1) establishing standards for the eligibility of
3 water conservation and reuse and education projects for financing
4 under Sections 15.433(a) and (b); and

5 (2) specifying the manner for prioritizing projects
6 for purposes of Section 15.433(c).

7 (b) The board shall give appropriate consideration to the
8 recommendations of the advisory committee before adopting rules
9 under this section.

10 SECTION 2. 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 3. Section 15.993, Water Code, is amended to read as
3 follows:

4 Sec. 15.993. FUND. The rural water assistance fund is a
5 special fund in the state treasury. The fund consists of:

6 (1) money directly appropriated to the board for a
7 purpose of the fund;

8 (2) repayment of principal and interest from loans
9 made from the fund not otherwise needed as a source of revenue
10 pursuant to Section 17.9615(b);

11 (3) money transferred by the board from any sources
12 available;

13 (4) interest earned on the investment of money in the
14 fund and depository interest allocable to the fund;

15 (5) money transferred to the fund from the water
16 assistance fund in accordance with Section 15.011(b), including
17 proceeds from the sale of political subdivision bonds by the board
18 to the Texas Water Resources Finance Authority that are deposited
19 in the water assistance fund as provided by Section 17.0871;

20 (6) money from gifts, grants, or donations to the
21 fund;

22 (6-a) money transferred from the state water
23 implementation fund for Texas as authorized by Section 15.434; and

24 (7) any other fees or sources of revenue that the
25 legislature may dedicate for deposit to the fund.

26 SECTION 4. Section 17.895, Water Code, is amended to read as
27 follows:

1 Sec. 17.895. SOURCES OF ASSETS. The fund is composed of:

2 (1) money and assets, including bond proceeds,
3 attributable to the bonds;

4 (2) investment income earned on money on deposit in
5 the fund and depository interest earned on money on deposit in the
6 state treasury;

7 (3) money appropriated by the legislature;

8 (4) repayments of principal and interest on loans made
9 under this subchapter;

10 (5) administrative fees charged by the board under the
11 bond program;

12 (5-a) money transferred from the state water
13 implementation fund for Texas as authorized by Section 15.434; and

14 (6) any other funds, regardless of their source, that
15 the board directs be deposited to the credit of the fund.

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

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

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

22 (2) money from the sale, transfer, or lease of a
23 project described in Subdivision (1) that was acquired,
24 constructed, reconstructed, developed, or enlarged with money from
25 the state participation account;

26 (3) payments received under a bond enhancement
27 agreement with respect to water financial assistance bonds

1 designated by the board as issued for projects described in Section
2 16.131;

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

5 (4-a) money transferred from the state water
6 implementation fund for Texas as authorized by Section 15.434; and

7 (5) any other funds, regardless of their source, that
8 the board directs be deposited to the credit of the state
9 participation account.

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

12 (b) The economically distressed areas program account is
13 composed of:

14 (1) money and assets attributable to water financial
15 assistance bonds designated by the board as issued for projects
16 described in Subchapter K;

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

21 (3) payments received under a bond enhancement
22 agreement with respect to water financial assistance bonds
23 designated by the board as issued for purposes provided by
24 Subchapter K;

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

27 (4-a) money transferred from the state water

1 implementation fund for Texas as authorized by Section 15.434; and

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

5 SECTION 7. As soon as practicable after the effective date
6 of this Act, the speaker of the house of representatives, the
7 lieutenant governor, and the governor shall appoint the initial
8 members of the State Water Implementation Fund for Texas Advisory
9 Committee created under Section 15.435, Water Code, as added by
10 this Act.

11 SECTION 8. Not later than December 1, 2013, the Texas Water
12 Development Board shall adopt rules under Section 15.436, Water
13 Code, as added by this Act.

14 SECTION 9. This Act takes effect September 1, 2013.