

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION
Revision 1

February 18, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB4** by Ritter (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.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would establish the State Water Implementation Fund for Texas (SWIFT) as a special fund outside the state treasury, to be administered without further appropriation by the Texas Water Development Board (TWDB). The bill would authorize TWDB to direct the Comptroller to transfer amounts between the SWIFT and certain other funds, including: (1) the water infrastructure fund; (2) the rural water assistance fund; (3) the state participation account in the Texas Water Development Fund II, (4) the agricultural water conservation fund, and (5) the economically distressed areas program account in Texas Water Development Fund II. SWIFT funds may also be used to finance education projects. At least 20 percent of SWIFT funds used in any biennium must be for water conservation or reuse or education.

The SWIFT may consist of monies transferred or deposited to the credit of the fund by law, proceeds of any fee or tax dedicated to the SWIFT, other revenues dedicated by the legislature for deposit to the SWIFT, and interest earned on the balance of the fund. Depending on the ultimate disposition of funds to the SWIFT, there could be a need for additional program administration funding, depending on the amount credited to the fund. Payment of administrative expenses is not an allowable use of the SWIFT under the bill's current provisions. According to TWDB, additional appropriations for program administration would be required if project financing were to exceed \$250 million per year.

The bill would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

The bill would create the SWIFT Advisory Committee. The committee would be composed of members appointed by the speaker of the House, the lieutenant governor and the governor. The committee would be appointed as soon as practicable after the bill's effective date. The committee would submit recommendations to TWDB regarding the use of money in the fund. Committee duties under the bill are not anticipated to have any significant fiscal implication. The TWDB shall adopt rules no later than December 1, 2013, to implement provisions of the bill. The bill would take effect September 1, 2013.

Local Government Impact

The bill would provide local entities with subsidized financing for projects eligible for TWDB funding.

Source Agencies: 304 Comptroller of Public Accounts, 580 Water Development Board

LBB Staff: UP, SZ, ZS, PM, SD, JI