

BILL ANALYSIS

H.B. 229
By: Larson
Natural Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties assert that, due to the state's growing water demands, the use of the Texas Water Development Fund II state participation account should be expanded to include the development of a desalination or aquifer storage and recovery facility. H.B. 229 seeks to provide for such expansion by enacting the Texas State Water Investment Fund Act.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 229 amends the Water Code to authorize the Texas Water Development Board (TWDB) to use the state participation account II, created by the bill, to provide financial assistance for the development of a desalination or aquifer storage and recovery facility to meet existing or projected future water needs by acquiring such a facility or an ownership interest in such a facility. The bill authorizes the TWDB to act singly or in a joint venture in partnership with any person to the extent permitted by law. The bill authorizes the TWDB to provide financial assistance for a facility without regard to any requirements provided by TWDB rules regarding the portion of the capacity of the facility that will serve an existing need or the portion of the cost of the facility that the applicant will finance from sources other than the state participation account II.

H.B. 229 exempts the use of the state participation account II for the development of a desalination or aquifer storage and recovery facility by acquisition of the facility or an interest in the facility from the requirement that the TWDB first make certain affirmative findings regarding the facility, but requires the TWDB to make certain affirmative findings before the TWDB is authorized to acquire such a facility or an interest in such a facility. The bill prohibits the TWDB from providing financial assistance for a facility unless the facility is included in the state water plan. The bill requires the TWDB to establish a point system for prioritizing facilities for which financial assistance is sought from the TWDB and requires the system to include a standard for the TWDB to apply in determining whether a facility qualifies for financial assistance at the time the application for financial assistance is filed with the TWDB. The bill prohibits the TWDB from issuing more than \$200 million in water financial assistance bonds designated by the TWDB as issued to provide financial assistance for desalination and aquifer storage and recovery facilities. The bill prohibits the TWDB, if it does not provide financial assistance for a desalination or aquifer storage and recovery facility from the state participation

account II before September 1, 2022, from providing financial assistance for any facility from that account after that date.

H.B. 229 expands the permits an applicant is required to first secure from the Texas Commission on Environmental Quality before the TWDB grants an application to buy, receive, or lease facilities from a permit for water use to all appropriate permits. The bill authorizes the TWDB to assist an applicant with securing permits for a desalination or aquifer storage and recovery facility.

H.B. 229 requires the comptroller of public accounts to establish a subaccount in the Texas Water Development Fund II state participation account to be known as the state participation account II. The bill authorizes the TWDB to credit to the subaccount money in the state participation account allocated by the TWDB for the purposes of the bill's provisions relating to applicable authorized projects. The bill authorizes the TWDB to transfer money from the subaccount to the state participation account if the TWDB determines the money is needed for certain purposes.

EFFECTIVE DATE

December 1, 2017.