

By: Larson, Price

H.B. No. 2943

Substitute the following for H.B. No. 2943:

By: Larson

C.S.H.B. No. 2943

A BILL TO BE ENTITLED

AN ACT

relating to the use of money in the state water pollution control revolving fund.

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

SECTION 1. Section 15.601(a), Water Code, is amended to read as follows:

(a) The state water pollution control revolving fund shall be administered by the board under this subchapter and rules adopted by the board. The fund shall be used to provide financial assistance to persons for projects eligible for assistance under Section 603(c) of the Federal Water Pollution Control Act (33 U.S.C. Section 1383(c)), including [political subdivisions for construction of treatment works and to persons for] nonpoint source pollution control and abatement and water quality control projects described by Sections [under Section] 15.603(h) and (h-1) of this code, in accordance with the capitalization grant program established under the Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.).

SECTION 2. Section 15.603, Water Code, is amended by amending Subsection (a) and adding Subsection (h-1) to read as follows:

(a) The revolving fund is held separately from other funds by the board outside the State Treasury to provide financial assistance to persons for projects eligible for assistance under

1 Section 603(c) of the federal act (33 U.S.C. Section 1383(c)),  
2 including [political subdivisions for construction of treatment  
3 works and to persons for estuary management projects and for]  
4 nonpoint source pollution control and abatement and water quality  
5 control projects under Subsections [Subsection] (h) and (h-1) of  
6 this section.

7 (h-1) In conjunction with or separate from the account  
8 described by Subsection (h), the board by rule shall establish a  
9 program to promote the acquisition by eligible applicants of  
10 conservation easements, as defined by Section 183.001, Natural  
11 Resources Code. Acquisitions made through the program must have a  
12 demonstrable impact on water quality control, as determined by the  
13 board. The board shall ensure that the amounts of any funds used  
14 for such a program are consistent with maintaining the perpetuity  
15 of the revolving fund.

16 SECTION 3. Section 15.604, Water Code, is amended by  
17 amending Subsection (a) and adding Subsection (c) to read as  
18 follows:

19 (a) The board may use the revolving fund for financial  
20 assistance only as provided by the federal act:

21 (1) to make loans, on the conditions that:

22 (A) the loan is [those loans are] made at or below  
23 market interest rates, including an interest-free loan [loans], at  
24 a term [terms] not to exceed the lesser of 30 years or the projected  
25 useful life, as determined by the board, of the project to be  
26 financed with the proceeds of the loan [20 years];

27 (B) principal and interest payments will begin

1 not later than one year after completion of the project to be  
2 financed with the proceeds of the loan [~~any treatment works~~] and the  
3 loan [~~all loans~~] will be fully amortized not later than the  
4 expiration date of the term of the loan [~~20 years after completion~~  
5 ~~of the treatment works~~];

6 (C) the recipient of a loan will establish a  
7 dedicated source of revenue for repayment of loans; and

8 (D) the revolving fund will be credited with all  
9 payments of principal of and interest on all loans;

10 (2) to buy or refinance the debt obligation of  
11 political subdivisions at or below market rates if the debt  
12 obligations were incurred after March 7, 1985;

13 (3) to guarantee or purchase insurance for political  
14 subdivisions if the guarantee or insurance would improve access to  
15 market credit or reduce interest rates;

16 (4) as a source of revenue or security for the payment  
17 of principal and interest on bonds issued by the state if the  
18 proceeds of the sale of those bonds will be deposited in the  
19 revolving fund;

20 (5) to provide loan guarantees to similar revolving  
21 funds established by municipalities or intermunicipal agencies;

22 (6) to earn interest on revolving fund accounts;

23 (7) for the reasonable costs of administering the  
24 revolving fund and conducting activities provided for by Title VI  
25 of the federal act, except that those amounts may not exceed the  
26 amount authorized under Title VI of the federal act;

27 (8) to provide financial assistance to persons for a

1 nonpoint source pollution control or water quality control project  
2 under Section 319 of the federal act or Section 15.603(h) or (h-1)  
3 of this code [~~for an estuary management project under Section 320 of~~  
4 ~~the federal act~~];

5 (9) for other purposes as provided by the federal act;  
6 and

7 (10) to provide linked deposits to eligible lending  
8 institutions for loans to persons for nonpoint source pollution  
9 control projects.

10 (c) A project financed through the revolving fund, other  
11 than a project authorized under Section 603(c)(1), (5), or (11) of  
12 the federal act (33 U.S.C. Section 1383(c)(1), (5), or (11)), must  
13 have a demonstrable impact on water quality control, as determined  
14 by the board. The board shall ensure that the amounts of any funds  
15 used for such a project are consistent with maintaining the  
16 perpetuity of the revolving fund.

17 SECTION 4. Section 17.0821(c), Water Code, is amended to  
18 read as follows:

19 (c) The board shall use the state water pollution control  
20 revolving fund in accordance with Section 15.604(a)(4) [~~15.604(4)~~]  
21 of this code and the Federal Water Pollution Control Act, Section  
22 603(d)(4), as a source of revenue to be deposited in accordance with  
23 this chapter for the payment of principal and interest on water  
24 quality enhancement bonds issued by the state, the proceeds of  
25 which are deposited into the state water pollution control  
26 revolving fund.

27 SECTION 5. The Texas Water Development Board shall adopt

1 rules under Section 15.603(h-1), Water Code, as added by this Act,  
2 not later than January 1, 2018.

3 SECTION 6. This Act takes effect immediately if it receives  
4 a vote of two-thirds of all the members elected to each house, as  
5 provided by Section 39, Article III, Texas Constitution. If this  
6 Act does not receive the vote necessary for immediate effect, this  
7 Act takes effect September 1, 2017.