

1-1 By: Larson, et al. (Senate Sponsor - Perry) H.B. No. 2943
 1-2 (In the Senate - Received from the House May 1, 2017;
 1-3 May 10, 2017, read first time and referred to Committee on
 1-4 Agriculture, Water & Rural Affairs; May 16, 2017, reported
 1-5 favorably by the following vote: Yeas 7, Nays 0; May 16, 2017,
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			

1-16 A BILL TO BE ENTITLED
 1-17 AN ACT

1-18 relating to the use of money in the state water pollution control
 1-19 revolving fund.

1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-21 SECTION 1. Section 15.601(a), Water Code, is amended to
 1-22 read as follows:

1-23 (a) The state water pollution control revolving fund shall
 1-24 be administered by the board under this subchapter and rules
 1-25 adopted by the board. The fund shall be used to provide financial
 1-26 assistance to persons for projects eligible for assistance under
 1-27 Section 603(c) of the Federal Water Pollution Control Act (33
 1-28 U.S.C. Section 1383(c)), including ~~political subdivisions for~~
 1-29 ~~construction of treatment works and to persons for~~ nonpoint source
 1-30 pollution control and abatement and water quality control projects
 1-31 described by Sections ~~under Section~~ 15.603(h) and (h-1) of this
 1-32 code, in accordance with the capitalization grant program
 1-33 established under the Federal Water Pollution Control Act (33
 1-34 U.S.C. Section 1251 et seq.).

1-35 SECTION 2. Section 15.603, Water Code, is amended by
 1-36 amending Subsection (a) and adding Subsection (h-1) to read as
 1-37 follows:

1-38 (a) The revolving fund is held separately from other funds
 1-39 by the board outside the State Treasury to provide financial
 1-40 assistance to persons for projects eligible for assistance under
 1-41 Section 603(c) of the federal act (33 U.S.C. Section 1383(c)),
 1-42 including ~~political subdivisions for construction of treatment~~
 1-43 ~~works and to persons for estuary management projects and for~~
 1-44 nonpoint source pollution control and abatement and water quality
 1-45 control projects under ~~Subsections~~ (h) and (h-1) of
 1-46 this section.

1-47 (h-1) In conjunction with or separate from the account
 1-48 described by Subsection (h), the board by rule shall establish a
 1-49 program to promote the acquisition by eligible applicants of
 1-50 conservation easements, as defined by Section 183.001, Natural
 1-51 Resources Code. Acquisitions made through the program must have a
 1-52 demonstrable impact on water quality control, as determined by the
 1-53 board. The board shall ensure that the amounts of any funds used
 1-54 for such a program are consistent with maintaining the perpetuity
 1-55 of the revolving fund.

1-56 SECTION 3. Section 15.604, Water Code, is amended by
 1-57 amending Subsection (a) and adding Subsection (c) to read as
 1-58 follows:

1-59 (a) The board may use the revolving fund for financial
 1-60 assistance only as provided by the federal act:

1-61 (1) to make loans, on the conditions that:

2-1 (A) the loan is [those loans are] made at or below
2-2 market interest rates, including an interest-free loan [loans], at
2-3 a term [terms] not to exceed the lesser of 30 years or the projected
2-4 useful life, as determined by the board, of the project to be
2-5 financed with the proceeds of the loan [20 years];

2-6 (B) principal and interest payments will begin
2-7 not later than one year after completion of the project to be
2-8 financed with the proceeds of the loan [any treatment works] and the
2-9 loan [all loans] will be fully amortized not later than the
2-10 expiration date of the term of the loan [20 years after completion
2-11 of the treatment works];

2-12 (C) the recipient of a loan will establish a
2-13 dedicated source of revenue for repayment of loans; and

2-14 (D) the revolving fund will be credited with all
2-15 payments of principal of and interest on all loans;

2-16 (2) to buy or refinance the debt obligation of
2-17 political subdivisions at or below market rates if the debt
2-18 obligations were incurred after March 7, 1985;

2-19 (3) to guarantee or purchase insurance for political
2-20 subdivisions if the guarantee or insurance would improve access to
2-21 market credit or reduce interest rates;

2-22 (4) as a source of revenue or security for the payment
2-23 of principal and interest on bonds issued by the state if the
2-24 proceeds of the sale of those bonds will be deposited in the
2-25 revolving fund;

2-26 (5) to provide loan guarantees to similar revolving
2-27 funds established by municipalities or intermunicipal agencies;

2-28 (6) to earn interest on revolving fund accounts;

2-29 (7) for the reasonable costs of administering the
2-30 revolving fund and conducting activities provided for by Title VI
2-31 of the federal act, except that those amounts may not exceed the
2-32 amount authorized under Title VI of the federal act;

2-33 (8) to provide financial assistance to persons for a
2-34 nonpoint source pollution control or water quality control project
2-35 under Section 319 of the federal act or Section 15.603(h) or (h-1)
2-36 of this code [for an estuary management project under Section 320 of
2-37 the federal act];

2-38 (9) for other purposes as provided by the federal act;
2-39 and

2-40 (10) to provide linked deposits to eligible lending
2-41 institutions for loans to persons for nonpoint source pollution
2-42 control projects.

2-43 (c) A project financed through the revolving fund, other
2-44 than a project authorized under Section 603(c)(1), (5), or (11) of
2-45 the federal act (33 U.S.C. Section 1383(c)(1), (5), or (11)), must
2-46 have a demonstrable impact on water quality control, as determined
2-47 by the board. The board shall ensure that the amounts of any funds
2-48 used for such a project are consistent with maintaining the
2-49 perpetuity of the revolving fund.

2-50 SECTION 4. Section 17.0821(c), Water Code, is amended to
2-51 read as follows:

2-52 (c) The board shall use the state water pollution control
2-53 revolving fund in accordance with Section 15.604(a)(4) [15.604(4)]
2-54 of this code and the Federal Water Pollution Control Act, Section
2-55 603(d)(4), as a source of revenue to be deposited in accordance with
2-56 this chapter for the payment of principal and interest on water
2-57 quality enhancement bonds issued by the state, the proceeds of
2-58 which are deposited into the state water pollution control
2-59 revolving fund.

2-60 SECTION 5. The Texas Water Development Board shall adopt
2-61 rules under Section 15.603(h-1), Water Code, as added by this Act,
2-62 not later than January 1, 2018.

2-63 SECTION 6. This Act takes effect immediately if it receives
2-64 a vote of two-thirds of all the members elected to each house, as
2-65 provided by Section 39, Article III, Texas Constitution. If this
2-66 Act does not receive the vote necessary for immediate effect, this
2-67 Act takes effect September 1, 2017.