

By: Larson

H.B. No. 3987

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the authority of the Texas Water Development Board to
3 use the state participation account of the water development fund
4 to provide financial assistance for the development of certain
5 facilities.

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

7 SECTION 1. Subchapter E, Chapter 16, Water Code, is amended
8 by adding Section 16.145 to read as follows:

9 Sec. 16.145. SEAWATER DESALINATION OR AQUIFER STORAGE AND
10 RECOVERY FACILITY. (a) In addition to using the account for the
11 purposes described by Section 16.131, the board may use the state
12 participation account of the development fund to provide financial
13 assistance for the development of a seawater desalination or
14 aquifer storage and recovery facility, including associated intake
15 or distribution facilities, to meet existing or projected future
16 water needs.

17 (b) Section 16.135 does not apply to the use of the state
18 participation account to acquire a facility or an interest in a
19 facility described by Subsection (a).

20 (c) Before the board may acquire a facility or an interest
21 in a facility described by Subsection (a), the board must find
22 affirmatively that:

23 (1) it is reasonable to expect that the state will
24 recover its investment in the facility; and

1 (2) the public interest will be served by the
2 acquisition of the facility.

3 (d) The board may not provide financial assistance under
4 this section for a facility unless the facility is included in the
5 state water plan.

6 (e) The board shall establish a point system for
7 prioritizing facilities for which financial assistance is sought
8 from the board under this section. The system must include a
9 standard for the board to apply in determining whether a facility
10 qualifies for financial assistance at the time the application for
11 financial assistance is filed with the board.

12 (f) The board may not issue more than \$200 million in water
13 financial assistance bonds designated by the board as issued to
14 provide financial assistance for facilities under this section.

15 (g) If the board does not provide financial assistance for a
16 facility under this section before September 1, 2022, the board may
17 not provide financial assistance for any facility under this
18 section after that date.

19 SECTION 2. Section 16.182, Water Code, is amended to read as
20 follows:

21 Sec. 16.182. PERMIT REQUIRED. (a) Before the board grants
22 the application to buy, receive, or lease the facilities, the
23 applicant shall first secure a permit for water use from the
24 commission. If the facilities are to be leased, the permit may be
25 for a term of years.

26 (b) The board may assist the applicant with securing a
27 permit for a facility described by Section 16.145.

1 SECTION 3. Sections 17.957(b) and (c), Water Code, are
2 amended to read as follows:

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

4 (1) money and assets attributable to water financial
5 assistance bonds designated by the board as issued for projects
6 described in Sections [~~Section~~] 16.131 and 16.145;

7 (2) money from the sale, transfer, or lease of a
8 project described in Subdivision (1) that was acquired,
9 constructed, reconstructed, developed, or enlarged with money from
10 the state participation account;

11 (3) payments received under a bond enhancement
12 agreement with respect to water financial assistance bonds
13 designated by the board as issued for projects described in
14 Sections [~~Section~~] 16.131 and 16.145;

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

17 (5) money disbursed to the fund from the state water
18 implementation fund for Texas as authorized by Section 15.434; and

19 (6) any other funds, regardless of their source, that
20 the board directs be deposited to the credit of the state
21 participation account.

22 (c) Money on deposit in the state participation account may
23 be used by the board for projects described in Sections [~~Section~~]
24 16.131 and 16.145 in the manner that the board determines necessary
25 for the administration of the fund.

26 SECTION 4. This Act takes effect September 1, 2017.