

By: Wu

H.B. No. 4230

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the authority of the Texas Water Development Board to
3 provide financial assistance to political subdivisions for flood
4 control or mitigation projects.

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

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

8 (a) The state water pollution control revolving fund shall
9 be administered by the board under this subchapter and rules
10 adopted by the board. The fund shall be used to provide financial
11 assistance to political subdivisions for construction of treatment
12 works and flood control or mitigation projects and to persons for
13 nonpoint source pollution control and abatement projects under
14 Section 15.603(h), in accordance with the capitalization grant
15 program established under the Federal Water Pollution Control Act
16 (33 U.S.C. Section 1251 et seq.).

17 SECTION 2. Section 15.603(a), Water Code, is amended to
18 read as follows:

19 (a) The revolving fund is held separately from other funds
20 by the board outside the State Treasury to provide financial
21 assistance to:

22 (1) political subdivisions for construction of
23 treatment works;

24 (2) political subdivisions for flood control or

1 mitigation projects;

2 (3) [~~and to~~] persons for estuary management projects;

3 and

4 (4) persons for nonpoint source pollution control and
5 abatement projects under Subsection (h).

6 SECTION 3. Section 15.604(a), Water Code, is amended to
7 read as follows:

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

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

11 (A) those loans are made at or below market
12 interest rates, including interest-free loans, at terms not to
13 exceed 20 years;

14 (B) principal and interest payments will begin
15 not later than one year after completion of any treatment works and
16 all loans will be fully amortized not later than 20 years after
17 completion of the treatment works;

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

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

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

25 (3) to guarantee or purchase insurance for political
26 subdivisions if the guarantee or insurance would improve access to
27 market credit or reduce interest rates;

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

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

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

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

12 (8) to provide financial assistance to persons for a
13 nonpoint source pollution control project under Section 319 of the
14 federal act or for an estuary management project under Section 320
15 of the federal act;

16 (9) for other purposes as provided by the federal act;

17 ~~and~~

18 (10) to provide financial assistance to political
19 subdivisions for flood control or mitigation projects; and

20 (11) to provide linked deposits to eligible lending
21 institutions for loans to persons for nonpoint source pollution
22 control projects.

23 SECTION 4. Subchapter J, Chapter 15, Water Code, is amended
24 by adding Section 15.6065 to read as follows:

25 Sec. 15.6065. EXPEDITED PROCEDURE FOR ACTING ON APPLICATION
26 FOR FINANCIAL ASSISTANCE FOR FLOOD CONTROL OR MITIGATION PROJECT.

27 The board shall adopt rules providing an expedited procedure for

1 acting on an application by a political subdivision for financial
2 assistance from the revolving fund for a flood control or
3 mitigation project.

4 SECTION 5. This Act takes effect September 1, 2017.