

By: Perry

S.B. No. 866

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 projects described by ~~[under]~~ Section 15.603(h), 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(a), Water Code, is amended 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 Section 603(c) of the federal act (33 U.S.C. Section 1383(c)) ~~[political subdivisions for construction of treatment works and to~~

1 ~~persons for estuary management projects and for nonpoint source~~  
2 ~~pollution control and abatement projects under Subsection (h)].~~

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

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

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

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

13 (B) principal and interest payments will begin  
14 not later than one year after completion of the project to be  
15 financed with the proceeds of the loan ~~[any treatment works]~~ and the  
16 loan ~~[all loans]~~ will be fully amortized not later than the  
17 expiration date of the term of the loan ~~[20 years after completion~~  
18 ~~of the treatment works]~~;

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

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

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

26 (3) to guarantee or purchase insurance for political  
27 subdivisions if the guarantee or insurance would improve access to

1 market credit or reduce interest rates;

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

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

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

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

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

17 ~~[(9)]~~ for other purposes as provided by the federal  
18 act; and

19 (9) ~~[(10)]~~ to provide linked deposits to eligible  
20 lending institutions for loans to persons for nonpoint source  
21 pollution control projects.

22 SECTION 4. Section [17.0821\(c\)](#), Water Code, is amended to  
23 read as follows:

24 (c) The board shall use the state water pollution control  
25 revolving fund in accordance with Section [15.604\(a\)\(4\)](#) ~~[[15.604\(4\)](#)]~~  
26 of this code and the Federal Water Pollution Control Act, Section  
27 603(d)(4), as a source of revenue to be deposited in accordance with

1 this chapter for the payment of principal and interest on water  
2 quality enhancement bonds issued by the state, the proceeds of  
3 which are deposited into the state water pollution control  
4 revolving fund.

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