

By: Hinojosa

S.B. No. 1775

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. DESALINATION OR AQUIFER STORAGE AND RECOVERY
10 FACILITY. (a) In addition to using the account for the purposes
11 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 desalination or aquifer storage
14 and recovery facilities, including associated intake or
15 distribution facilities, by acquiring facilities or an ownership
16 interest in facilities, to meet existing or projected future water
17 needs.

18 (b) The board may act singly or in a joint venture in
19 partnership with any person or entity, including any public or
20 private entity, agency or political subdivision of this state, or
21 with another state or its political subdivisions, or with the
22 United States, or with a foreign nation, to the extent permitted by
23 law.

24 (c) Section 16.135 does not apply to the use of the state

1 participation account to acquire a facility or an interest in a
2 facility described by Subsection (a).

3 (d) Before the board may acquire a facility or an interest
4 in a facility described by Subsection (a), the board must find
5 affirmatively that:

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

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

10 (e) The board may not provide financial assistance under
11 this section for a facility unless the facility is included in the
12 state water plan.

13 (f) The board shall establish a point system for
14 prioritizing facilities for which financial assistance is sought
15 from the board under this section. The system must include a
16 standard for the board to apply in determining whether a facility
17 qualifies for financial assistance at the time the application for
18 financial assistance is filed with the board.

19 (g) The board may not issue more than \$200 million in water
20 financial assistance bonds designated by the board as issued to
21 provide financial assistance for facilities under this section.

22 (h) If the board does not provide financial assistance for a
23 facility under this section before September 1, 2022, the board may
24 not provide financial assistance for any facility under this
25 section after that date.

26 SECTION 2. Section 16.182, Water Code, is amended to read as
27 follows:

1 Sec. 16.182. PERMIT REQUIRED. (a) Before the board grants
2 the application to buy, receive, or lease the facilities, the
3 applicant shall first secure a permit for water use from the
4 commission. If the facilities are to be leased, the permit may be
5 for a term of years.

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

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

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

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

14 (2) money from the sale, transfer, or lease of a
15 project described in Subdivision (1) that was acquired,
16 constructed, reconstructed, developed, or enlarged with money from
17 the state participation account;

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

22 (4) investment income earned on money on deposit in
23 the state participation account;

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

26 (6) any other funds, regardless of their source, that
27 the board directs be deposited to the credit of the state

1 participation account.

2 (c) Money on deposit in the state participation account may
3 be used by the board for projects described in Sections [~~Section~~]
4 16.131 and 16.145 in the manner that the board determines necessary
5 for the administration of the fund. Money on deposit in the state
6 participation account described in Sections 16.131 will be kept in
7 a different subaccount from the money on deposit described in
8 Section 16.145. The subaccount containing the money on deposit
9 described in Section 16.145 shall be known as the State
10 Participation Account II. The board at its discretion may move
11 money between subaccounts within the State Participation
12 subaccounts.

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