

RESOLUTION ANALYSIS

C.S.S.J.R. 79
By: Lucio
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

There have been calls to reauthorize funds for the Texas Water Development Board's economically distressed areas program to ensure that previous state investments in water and wastewater infrastructure are completed. While the program has been successful in providing Texans with safe, secure sources of water and wastewater, it has been reported that there is currently no remaining unissued bond authority for the program. C.S.S.J.R. 79 seeks to address this matter by authorizing the issuance of additional general obligation bonds for program purposes.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this resolution does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this resolution does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.S.J.R. 79 proposes an amendment to the Texas Constitution to authorize the Texas Water Development Board (TWDB), in addition to previously authorized general obligation bonds, to issue additional general obligation bonds, at its determination and on a continuing basis, for the economically distressed areas program account of the Texas water development fund II in amounts such that the aggregate principal amount of those additional bonds that are outstanding at any time does not exceed \$200 million. The resolution requires the bonds to be used to provide financial assistance for the development of water supply and sewer service projects in economically distressed areas of Texas as defined by law.

C.S.S.J.R. 79 authorizes the bonds to be issued as bonds, notes, or other obligations as permitted by law and requires the bonds to be sold in forms and denominations, on terms, at times, in the manner, at places, and in installments, as determined by the TWDB. The resolution requires the bonds to bear a rate or rates of interest the TWDB determines and establishes that the bonds are incontestable after execution by the TWDB, approval by the attorney general, and delivery to the purchaser or purchasers of the bonds.

C.S.S.J.R. 79 makes applicable to the additional bonds authorized by the resolution certain constitutional provisions relating to payment of the principal of and interest on general obligation bonds issued for an account of the Texas water development fund II out of that same account. The resolution exempts the additional bonds authorized by the resolution from a constitutional limitation on the TWDB's issuance of certain bonds for one or more accounts of that fund to the aggregate principal amount of general obligation bonds previously authorized for

the economically distressed areas program.

ELECTION DATE

The constitutional amendment proposed by this joint resolution will be submitted to the voters at an election to be held November 5, 2019.

COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE

While C.S.S.J.R. 79 may differ from the engrossed in minor or nonsubstantive ways, the following summarizes the substantial differences between the engrossed and committee substitute versions of the bill.

The substitute raises from \$50 million to \$200 million the cap on the aggregate principal amount of the additional general obligation bonds the TWDB may issue for the economically distressed areas program account of the Texas water development fund II and revises ballot language to reflect that cap.