

By: Davis of Harris

H.B. No. 274

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the disaster reinvestment and infrastructure planning revolving fund and the permissible uses of that fund; making an appropriation.

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

SECTION 1. Chapter 6, Water Code, is amended by adding Subchapter H to read as follows:

SUBCHAPTER H. DISASTER REINVESTMENT AND INFRASTRUCTURE PLANNING
REVOLVING FUND

Sec. 6.271. DEFINITIONS. In this subchapter:

(1) "Category I qualifying political subdivision" means a political subdivision located wholly or partly in an area declared by the governor to be a disaster area that the Federal Emergency Management Agency has determined is eligible to receive financial assistance from the agency in response to the disaster.

(2) "Category II qualifying political subdivision" means a political subdivision located wholly or partly in an area declared by the governor to be a disaster area that the Federal Emergency Management Agency has determined is ineligible to receive financial assistance from the agency in response to the disaster.

(3) "Fund" means the disaster reinvestment and infrastructure planning revolving fund.

(4) "Qualifying infrastructure project" means a project located in a Category I or II qualifying political

1 subdivision to:

2 (A) rebuild infrastructure damaged or destroyed
3 in a disaster; or

4 (B) construct infrastructure to mitigate damage
5 from a future disaster.

6 Sec. 6.272. CREATION OF FUND. (a) The disaster
7 reinvestment and infrastructure planning revolving fund is created
8 as a fund outside the state treasury with the comptroller, to be
9 administered by the board.

10 (b) Money in the fund may be used only to provide financial
11 assistance to Category I and II qualifying political subdivisions
12 in the manner provided by this subchapter, and it is the intent of
13 the legislature that the fund remain available in perpetuity for
14 that purpose.

15 (c) The fund consists of:

16 (1) money appropriated, credited, or transferred to
17 the fund by the legislature;

18 (2) federal money appropriated, credited, or
19 transferred to the fund;

20 (3) money received by the board for the repayment of a
21 loan made from the fund;

22 (4) gifts or grants contributed to the fund; and

23 (5) interest earned on deposits and investments of the
24 fund.

25 Sec. 6.273. USE OF MONEY IN FUND. (a) The board by rule
26 shall establish a revolving loan and grant program to use money from
27 the fund to provide financial assistance to Category I and II

1 qualifying political subdivisions to finance qualifying
2 infrastructure projects in the political subdivision, subject to
3 the provisions of this section.

4 (b) Money in the fund shall be allocated by the board as
5 follows:

6 (1) 50 percent of the money in the fund must be
7 available to provide loans to Category I qualifying political
8 subdivisions; and

9 (2) the remainder of the money in the fund must be
10 available to provide loans or grants to Category II qualifying
11 political subdivisions.

12 (c) A loan from the fund must be made subject to the
13 following conditions:

14 (1) the loan must be:

15 (A) made at or below market interest rates for a
16 term not to exceed 20 years; and

17 (B) able to be repaid early with no penalty;

18 (2) principal and interest payments on the loan must
19 begin not later than 18 months after the loan is originated; and

20 (3) the fund must be credited with all principal and
21 interest payments on all loans from the fund.

22 (d) Subject to Subsection (e), the board may use up to 25
23 percent of the money described by Subsection (b)(2) to award grants
24 to Category II qualifying political subdivisions to:

25 (1) assist in the payment of the political
26 subdivision's costs associated with a qualifying infrastructure
27 project described by Subsection (a); or

1 (2) pay the principal of and interest on a loan
2 received from the fund by the political subdivision.

3 (e) The board shall suspend the award of grants from the
4 fund under Subsection (d) for the duration of a period during which
5 the balance of the fund is less than a minimum fund balance
6 established by rule by the board.

7 Sec. 6.274. APPLICATION FOR LOAN OR GRANT. (a) The board
8 shall develop and implement an application process for a loan or
9 grant under this subchapter. At a minimum, the application must
10 include:

11 (1) a description of the qualifying infrastructure
12 project for which the applicant is requesting the loan or grant;

13 (2) an estimate of the total cost of the project;

14 (3) an estimate of the amount of federal money the
15 applicant expects to receive for the project, if any; and

16 (4) evidence that the applicant has staff, policies,
17 and procedures in place adequate to complete the project.

18 (b) The board shall adopt rules to prioritize certain
19 applicants based on:

20 (1) the type of qualifying infrastructure project for
21 which the applicant is requesting the loan or grant;

22 (2) information provided by the applicants, or other
23 information that is available to the board; and

24 (3) criteria developed by the board.

25 (c) The board shall adopt rules providing an expedited
26 procedure for acting on an application for financial assistance
27 from the fund for a qualifying infrastructure project, provided

1 that the expedited procedure may not affect an applicant's receipt
2 of federal money to which the applicant may be eligible as a result
3 of the disaster.

4 SECTION 2. (a) The amount of \$15 million is appropriated
5 from the economic stabilization fund to the comptroller for the
6 purpose of transferring that amount immediately to the credit of
7 the disaster reinvestment and infrastructure planning revolving
8 fund.

9 (b) This section takes effect only if this Act is approved
10 by a vote of two-thirds of the members present in each house of the
11 legislature, as provided by Section 49-g(m), Article III, Texas
12 Constitution.

13 SECTION 3. Except as otherwise provided by this Act, this
14 Act takes effect September 1, 2019.