

By: Johnson, Perry

S.B. No. 942

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 political subdivisions for construction of treatment works and to persons for nonpoint source pollution control and abatement projects 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.) and Section 15.603 of this code.

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 the federal act, including projects eligible under Section 603(c) of the federal act (33 U.S.C. Section 1383(c)), and to provide linked deposits to eligible financial institutions for loans to persons for nonpoint source pollution control projects ~~[political~~

1 ~~subdivisions for construction of treatment works and to persons for~~
2 ~~estuary management projects and for nonpoint source pollution~~
3 ~~control and abatement projects under Subsection (h)].~~

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

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

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

9 (A) the loan is ~~[those loans are]~~ made at or below
10 market interest rates, including an interest-free loan ~~[loans, at~~
11 ~~terms not to exceed 20 years]~~;

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

17 (C) the recipient of the ~~[a]~~ loan will establish
18 a dedicated source of revenue for repayment of the loan ~~[loans]~~; and

19 (D) the revolving fund will be credited with all
20 payments of principal of and interest on the loan ~~[all loans]~~;

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

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

27 (4) as a source of revenue or security for the payment

1 of principal and interest on bonds issued by the state if the
2 proceeds of the sale of those bonds will be deposited in the
3 revolving fund;

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

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

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

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

15 [~~9~~] for other purposes as provided by the federal
16 act[, ~~and~~

17 [~~10~~ ~~to provide linked deposits to eligible lending~~
18 ~~institutions for loans to persons for nonpoint source pollution~~
19 ~~control projects~~].

20 SECTION 4. Section 17.0821(c), Water Code, is amended to
21 read as follows:

22 (c) The board shall use the state water pollution control
23 revolving fund in accordance with Section 15.604(a)(4) [~~15.604(4)~~]
24 of this code and the Federal Water Pollution Control Act, Section
25 603(d)(4), as a source of revenue to be deposited in accordance with
26 this chapter for the payment of principal and interest on water
27 quality enhancement bonds issued by the state, the proceeds of

1 which are deposited into the state water pollution control
2 revolving fund.

3 SECTION 5. Section [15.603\(i\)](#), Water Code, is repealed.

4 SECTION 6. This Act takes effect September 1, 2019.