

AN ACT

relating to relieving regional water planning groups of certain duties.

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

SECTION 1. Section 15.435(g), Water Code, is amended to read as follows:

(g) The board may not direct the trust company to enter into a bond enhancement agreement with respect to bonds issued by the board the proceeds of which may be used to provide financial assistance to an applicant if at the time of the request the applicant has failed to

~~(1)~~ provide information regarding a water conservation plan in accordance with Section 16.4021

~~(2) satisfactorily complete a request by the executive administrator or a regional water planning group for information relevant to the project for which the financial assistance is sought, including a water infrastructure financing survey under Section 16.053(q)].~~

SECTION 2. Section 15.437(d), Water Code, is amended to read as follows:

(d) In addition to the criteria provided by Subsection (c), the board must also consider at least the following criteria in prioritizing projects:

(1) the local contribution to be made to finance the

1 project, including the up-front capital to be provided by the
2 applicant;

3 (2) the financial capacity of the applicant to repay
4 the financial assistance provided;

5 (3) the ability of the board and the applicant to
6 timely leverage state financing with local and federal funding;

7 (4) whether there is an emergency need for the
8 project, taking into consideration whether:

9 (A) the applicant is included at the time of the
10 application on the list maintained by the commission of local
11 public water systems that have a water supply that will last less
12 than 180 days without additional rainfall; and

13 (B) federal funding for which the project is
14 eligible has been used or sought;

15 (5) if the applicant is applying for financial
16 assistance for the project under Subchapter Q, whether the
17 applicant is ready to proceed with the project at the time of the
18 application, including whether:

19 (A) all preliminary planning and design work
20 associated with the project has been completed;

21 (B) the applicant has acquired the water rights
22 associated with the project;

23 (C) the applicant has secured funding for the
24 project from other sources; and

25 (D) the applicant is able to begin implementing
26 or constructing the project; and

27 (6) the demonstrated or projected effect of the

1 project on water conservation, including preventing the loss of
2 water, taking into consideration, if applicable, whether the
3 applicant has filed a water audit with the board under Section
4 16.0121 that demonstrates that the applicant is accountable with
5 regard to reducing water loss and increasing efficiency in the
6 distribution of water ~~+, and~~

7 ~~[(7) the priority given the project by the applicable~~
8 ~~regional water planning group under Section 15.436].~~

9 SECTION 3. Section 15.438(g), Water Code, is amended to
10 read as follows:

11 (g) The advisory committee shall submit comments and
12 recommendations to the board regarding the use of money in the fund
13 for use by the board in adopting rules under Section 15.439 and in
14 adopting policies and procedures under Section 15.441. The
15 submission must include:

16 (1) comments and recommendations on rulemaking
17 related to the prioritization of projects in regional water plans
18 and the state water plan in accordance with Section ~~[Sections~~
19 ~~15.436 and] 15.437;~~

20 (2) comments and recommendations on rulemaking
21 related to establishing standards for determining whether projects
22 meet the criteria provided by Section 15.434(b);

23 (3) an evaluation of the available programs for
24 providing financing for projects included in the state water plan
25 and guidelines for implementing those programs, including
26 guidelines for providing financing for projects included in the
27 state water plan that are authorized under Subchapter Q or R of this

1 chapter, Subchapter E or F, Chapter 16, or Subchapter J, Chapter 17;

2 (4) an evaluation of the lending practices of the
3 board and guidelines for lending standards;

4 (5) an evaluation of the use of funds by the board to
5 provide support for financial assistance for water projects,
6 including support for the purposes described by Section 15.435(c);

7 (6) an evaluation of whether premium financing
8 programs should be established within the funds described by
9 Section 15.435 to serve the purposes of this subchapter, especially
10 in connection with projects described by Section 15.434(b);

11 (7) an evaluation of methods for encouraging
12 participation in the procurement process by companies domiciled in
13 this state or that employ a significant number of residents of this
14 state; and

15 (8) an evaluation of the overall operation, function,
16 and structure of the fund.

17 SECTION 4. Section 15.439(a), Water Code, is amended to
18 read as follows:

19 (a) The board shall adopt rules providing for the use of
20 money in the fund that are consistent with this subchapter,
21 including rules:

22 (1) establishing standards for determining whether
23 projects meet the criteria provided by Section 15.434(b); and

24 (2) specifying the manner for prioritizing projects
25 for purposes of Section [~~Sections 15.436 and~~] 15.437.

26 SECTION 5. Section 15.912(b), Water Code, is amended to
27 read as follows:

1 (b) The board may not accept an application for a loan or
2 grant of financial assistance from the fund for a project
3 recommended through the state and regional water planning processes
4 under Sections 16.051 and 16.053 if the applicant has failed to
5 satisfactorily complete a request by the executive administrator or
6 a regional planning group for information relevant to the project[
7 ~~including a water infrastructure financing survey under Section~~
8 ~~16.053(q)~~].

9 SECTION 6. Section 15.975(d), Water Code, is amended to
10 read as follows:

11 (d) The board may not approve an application if the
12 applicant has failed to satisfactorily complete a request by the
13 executive administrator or a regional planning group for
14 information relevant to the project[~~, including a water~~
15 ~~infrastructure financing survey under Section 16.053(q)~~].

16 SECTION 7. Section 16.131(b), Water Code, is amended to
17 read as follows:

18 (b) The board may not use the state participation account of
19 the development fund to finance a project recommended through the
20 state and regional water planning processes under Sections 16.051
21 and 16.053 if the applicant has failed to satisfactorily complete a
22 request by the executive administrator or a regional planning group
23 for information relevant to the project[~~, including a water~~
24 ~~infrastructure financing survey under Section 16.053(q)~~].

25 SECTION 8. Sections 15.436 and 16.053(q), Water Code, are
26 repealed.

27 SECTION 9. This Act takes effect September 1, 2021.

President of the Senate

Speaker of the House

I certify that H.B. No. 1905 was passed by the House on April 16, 2021, by the following vote: Yeas 143, Nays 2, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 1905 was passed by the Senate on May 10, 2021, by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor