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H.B. No. 2275

A BILL TO BE ENTITLED

AN ACT

relating to the creation and uses of the critical infrastructure
resiliency fund and the eligibility of certain water-related
projects for state financial assistance.

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

SECTION 1. Chapter 418, Government Code, is amended by
adding Subchapter J to read as follows:

SUBCHAPTER J. CRITICAL INFRASTRUCTURE RESILIENCY FUND

Sec. 418.301. DEFINITION. In this subchapter, "fund" means
the critical infrastructure resiliency fund.

Sec. 418.302. CRITICAL INFRASTRUCTURE RESILIENCY FUND. (a)
The critical infrastructure resiliency fund is a special fund in
the state treasury outside the general revenue fund.

(b) The fund may be used by the division only as provided by
this subchapter.

(c) The fund consists of:

(1) legislative appropriations to the division for a
purpose of the fund;

(2) any revenue that by law is dedicated for deposit to
the fund;

(3) interest or other earnings on money credited to or
allocable to the fund;

(4) money from gifts, grants, or donations to the
fund; and

1 (5) money under the division's control that the
2 division designates for deposit to the fund.

3 Sec. 418.303. USE OF FUND. The division may use the fund
4 only to:

5 (1) make a grant to an eligible entity under this
6 subchapter; and

7 (2) pay the necessary and reasonable expenses of
8 administering the fund.

9 Sec. 418.304. ELECTRIC GRID IMPROVEMENT ACCOUNT. (a) The
10 electric grid improvement account is an account in the fund.

11 (b) The account consists of:

12 (1) legislative appropriations to the division for a
13 purpose of the account; and

14 (2) money from gifts, grants, or donations to the
15 division for a purpose of the account.

16 (c) Subject to Subsection (d), the division may use the
17 account only to make matching grants to eligible entities for
18 hardening and weatherizing the electric grid, including:

19 (1) installing advanced meter infrastructure and
20 demand response technology;

21 (2) improving load shed capabilities;

22 (3) incentivizing customers to engage in distributed
23 energy production and energy efficiency measures;

24 (4) installing electric energy storage; and

25 (5) weatherizing facilities.

26 (d) The division may not use the account to make grants for
27 routine vegetation management.

1 (e) An entity is eligible to receive a matching grant under
2 this section only if the entity is:

3 (1) a municipally owned electric utility;

4 (2) an electric cooperative;

5 (3) a transmission and distribution utility, as
6 defined by Section 31.002, Utilities Code; or

7 (4) a vertically integrated utility.

8 (f) In making grants under this section, the division:

9 (1) shall consider:

10 (A) the expected number of individuals who will
11 benefit from the project;

12 (B) existing infrastructure and overall need for
13 the project;

14 (C) the potential benefit of the project to:

15 (i) low-income communities; and

16 (ii) areas in disparate parts of the state;

17 (D) the equitable distribution of grants
18 throughout the state;

19 (E) the existence of matching federal funds for
20 the project and whether available federal funds have been
21 exhausted; and

22 (F) the total impact of the project on the
23 resiliency of the state's electric grid; and

24 (2) may consult with the Public Utility Commission of
25 Texas.

26 (g) The division shall condition each grant awarded under
27 this section on the grant recipient providing funds from non-state

1 sources in a total amount at least equal to 10 percent of the grant
2 amount, with at least five percent of the recipient's match coming
3 from local sources.

4 Sec. 418.305. HOSPITAL INFRASTRUCTURE RESILIENCY ACCOUNT.

5 (a) The hospital infrastructure resiliency account is an account
6 in the fund.

7 (b) The account consists of:

8 (1) legislative appropriations to the division for a
9 purpose of the account; and

10 (2) money from gifts, grants, or donations to the
11 division for a purpose of the account.

12 (c) The division may use the account only to make matching
13 grants to eligible entities for purchasing reserve power supply
14 that is reliable during an extreme weather event, such as on-site
15 generation and energy storage systems, necessary to sustain
16 critical medical care.

17 (d) An entity is eligible to receive a matching grant under
18 this section only if the entity is:

19 (1) a hospital owned by a municipality; or

20 (2) a private for-profit or nonprofit hospital.

21 (e) In making grants under this section, the division:

22 (1) shall consider:

23 (A) the expected number of individuals who will
24 benefit from the project;

25 (B) existing infrastructure and overall need for
26 the project;

27 (C) the potential benefit of the project to:

- 1 (i) low-income communities; and
- 2 (ii) areas in disparate parts of the state;
- 3 (D) the equitable distribution of grants
- 4 throughout the state;
- 5 (E) the existence of matching federal funds for
- 6 the project and whether available federal funds have been
- 7 exhausted; and
- 8 (F) the total impact of the project on the
- 9 state's resiliency; and

10 (2) may consult with the Health and Human Services
11 Commission.

12 (f) The division shall condition each grant awarded under
13 this section on the grant recipient:

14 (1) providing funds from non-state sources in a total
15 amount at least equal to 10 percent of the grant amount, with at
16 least five percent of the recipient's match coming from local
17 sources; and

18 (2) reimbursing the division for the amount of the
19 grant if the recipient ceases operation or relocates before the
20 fifth anniversary of the date on which the project for which the
21 grant was made is completed.

22 Sec. 418.306. NURSING HOME RESILIENCY ACCOUNT. (a) The
23 nursing home resiliency account is an account in the fund.

24 (b) The account consists of:

25 (1) legislative appropriations to the division for a
26 purpose of the account; and

27 (2) money from gifts, grants, or donations to the

1 division for a purpose of the account.

2 (c) The division may use the account only to make matching
3 grants to eligible entities for purchasing reserve power supply
4 that is reliable during an extreme weather event, such as on-site
5 generation and energy storage systems, necessary to:

6 (1) sustain critical medical care; or

7 (2) maintain the air temperature in the entity's
8 facilities.

9 (d) An entity is eligible to receive a matching grant under
10 this section only if the entity is:

11 (1) a nursing facility, as defined by Section [242.301](#),
12 Health and Safety Code; or

13 (2) an assisted living facility, as defined by Section
14 [247.002](#), Health and Safety Code.

15 (e) In making grants under this section, the division may
16 consult with the Health and Human Services Commission.

17 (f) If the division receives more qualifying applications
18 for a grant under this section than the division has available money
19 to fully fund, the division may reduce the amount of each grant made
20 under this section in proportion to the number of individuals
21 served by the grant applicant.

22 (g) The division shall condition each grant awarded under
23 this section on the grant recipient:

24 (1) providing funds from non-state sources in a total
25 amount at least equal to 10 percent of the grant amount, with at
26 least five percent of the recipient's match coming from local
27 sources; and

1 (2) reimbursing the division for the amount of the
2 grant if the recipient ceases operation or relocates before the
3 fifth anniversary of the date on which the project for which the
4 grant was made is completed.

5 Sec. 418.307. DIALYSIS INFRASTRUCTURE ACCOUNT. (a) The
6 dialysis infrastructure account is an account in the fund.

7 (b) The account consists of:

8 (1) legislative appropriations to the division for a
9 purpose of the account; and

10 (2) money from gifts, grants, or donations to the
11 division for a purpose of the account.

12 (c) The division may use the account only to make matching
13 grants to end stage renal disease facilities, as defined by Section
14 251.001, Health and Safety Code, for purchasing reserve power
15 supply that is reliable during an extreme weather event, such as
16 on-site generation and energy storage systems, necessary to sustain
17 critical medical care.

18 (d) In making grants under this section, the division:

19 (1) shall consider:

20 (A) the expected number of individuals who will
21 benefit from the project;

22 (B) existing infrastructure and overall need for
23 the project;

24 (C) the potential benefit of the project to:

25 (i) low-income communities; and

26 (ii) areas in disparate parts of the state;

27 (D) the equitable distribution of grants

1 throughout the state;

2 (E) the existence of matching federal funds for
3 the project and whether available federal funds have been
4 exhausted; and

5 (F) the total impact of the project on the
6 state's resiliency; and

7 (2) may consult with the Health and Human Services
8 Commission.

9 (e) If the division receives more qualifying applications
10 for a grant under this section than the division has available money
11 to fully fund, the division may reduce the amount of each grant made
12 under this section in proportion to the number of individuals
13 served by the grant applicant.

14 (f) The division shall condition each grant awarded under
15 this section on the grant recipient:

16 (1) providing funds from non-state sources in a total
17 amount at least equal to 10 percent of the grant amount, with at
18 least five percent of the recipient's match coming from local
19 sources; and

20 (2) reimbursing the division for the amount of the
21 grant if the recipient ceases operation or relocates before the
22 fifth anniversary of the date on which the project for which the
23 grant was made is completed.

24 Sec. 418.308. RULES. The division shall adopt rules
25 necessary to carry out this subchapter, including rules:

26 (1) that establish procedures for an application for
27 and the award of financial assistance;

1 (2) for the investment of money; and

2 (3) for the administration of the fund.

3 SECTION 2. Section 15.001(6), Water Code, is amended to
4 read as follows:

5 (6) "Project" means:

6 (A) any undertaking or work, including planning
7 activities and work to obtain regulatory authority at the local,
8 state, and federal level, to conserve, convey, and develop water
9 resources in the state, to provide for the maintenance and
10 enhancement of the quality of the water of the state, to provide
11 nonstructural and structural flood control, drainage, subsidence
12 control, recharge, chloride control, brush control, precipitation
13 enhancement, and desalinization, to provide for the acquisition of
14 water rights and the repair of unsafe dams, to provide for the
15 weatherization of water and wastewater facilities, and to carry out
16 other purposes defined by board rules;

17 (B) any undertaking or work outside the state to
18 provide for the maintenance and enhancement of the quality of water
19 by eliminating saline inflow through well pumping and deep well
20 injection of brine; or

21 (C) any undertaking or work by Texas political
22 subdivisions or institutions of higher education to conserve,
23 convey, and develop water resources in areas outside Texas or to
24 provide for the maintenance and enhancement of the quality of the
25 water in areas adjoining Texas, if such undertaking or work will
26 result in water being available for use in or for the benefit of
27 Texas or will maintain and enhance the quality of water in Texas.

1 SECTION 3. Section 15.102(b), Water Code, is amended to
2 read as follows:

3 (b) The loan fund may also be used by the board to provide:

4 (1) grants or loans for projects that include
5 supplying water and wastewater services in economically distressed
6 areas or nonborder colonias as provided by legislative
7 appropriations, this chapter, and board rules, including projects
8 involving retail distribution of those services; ~~and~~

9 (2) grants for:

10 (A) projects for which federal grant funds are
11 placed in the loan fund;

12 (B) projects, on specific legislative
13 appropriation for those projects; or

14 (C) water conservation, desalination, brush
15 control, weather modification, regionalization, and projects
16 providing regional water quality enhancement services as defined by
17 board rule, including regional conveyance systems; and

18 (3) grants for projects to harden and weatherize water
19 and wastewater systems in the state, including:

20 (A) covering wells;

21 (B) purchasing reserve power supply, such as
22 on-site generation and energy storage systems; and

23 (C) building connectivity to neighboring water
24 suppliers.

25 SECTION 4. Section 15.105, Water Code, is amended by adding
26 Subsection (c) to read as follows:

27 (c) Notwithstanding Subsection (a), in passing on an

1 application for a grant described by Section 15.102(b)(3), the
2 board shall:

3 (1) consider:

4 (A) the expected number of individuals who will
5 benefit from the project;

6 (B) existing infrastructure and overall need for
7 the project;

8 (C) the potential benefit of the project to:

9 (i) low-income communities; and

10 (ii) areas in disparate parts of the state;

11 (D) the equitable distribution of grants
12 throughout the state;

13 (E) the existence of matching federal funds for
14 the project and whether available federal funds have been
15 exhausted; and

16 (F) the total impact of the project on the
17 state's resiliency; and

18 (2) consult with the Texas Division of Emergency
19 Management.

20 SECTION 5. Section 15.107, Water Code, is amended by adding
21 Subsection (d) to read as follows:

22 (d) Notwithstanding any other provision of this section,
23 the board shall condition each grant awarded under Section
24 15.102(b)(3) on the grant recipient providing funds from non-state
25 sources in a total amount at least equal to 10 percent of the grant
26 amount, with at least five percent of the recipient's match coming
27 from local sources.

1 SECTION 6. This Act takes effect January 1, 2022.