

By: Zwiener

H.B. No. 2275

Substitute the following for H.B. No. 2275:

By: Paddie

C.S.H.B. No. 2275

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the creation and uses of the critical infrastructure
3 resiliency fund and the eligibility of certain water-related
4 projects for state financial assistance.

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

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

8 SUBCHAPTER J. CRITICAL INFRASTRUCTURE RESILIENCY FUND

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

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

14 (b) The fund may be used by the division, without further
15 legislative appropriation, only as provided by this subchapter.

16 (c) The fund consists of:

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

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

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

23 (4) money from gifts, grants, or donations to the
24 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;

20 (2) improving load shed capabilities;

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

23 (4) installing electric energy storage; and

24 (5) weatherizing facilities.

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

27 (e) An entity is eligible to receive a matching grant under

1 this section only if the entity is:

2 (1) a municipally owned electric utility;

3 (2) an electric cooperative;

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

6 (4) a vertically integrated utility.

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

8 (1) shall consider:

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

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

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

14 (i) low-income communities; and

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

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

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

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

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

25 (g) The division shall condition each grant awarded under
26 this section on the grant recipient providing funds from non-state
27 sources in a total amount at least equal to 10 percent of the grant

1 amount, with at least five percent of the recipient's match coming
2 from local sources.

3 Sec. 418.305. HOSPITAL INFRASTRUCTURE RESILIENCY ACCOUNT.

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

6 (b) The account consists of:

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

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

11 (c) The division may use the account only to make matching
12 grants to eligible entities for purchasing reserve power supply,
13 such as on-site generation and energy storage systems, necessary to
14 sustain critical medical care.

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

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

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

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

20 (1) shall consider:

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

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

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

26 (i) low-income communities; and

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

1 (D) the equitable distribution of grants
2 throughout the state;

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

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

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

10 (f) The division shall condition each grant awarded under
11 this section on the grant recipient providing funds from non-state
12 sources in a total amount at least equal to 10 percent of the grant
13 amount, with at least five percent of the recipient's match coming
14 from local sources.

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

17 (b) The account consists of:

18 (1) legislative appropriations to the division for a
19 purpose of the account; and

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

22 (c) The division may use the account only to make matching
23 grants to institutions licensed under Chapter 242, Health and
24 Safety Code, for purchasing reserve power supply, such as on-site
25 generation and energy storage systems, necessary to sustain
26 critical medical care.

27 (d) In making grants under this section, the division may

1 consult with the Health and Human Services Commission.

2 (e) If the division receives more qualifying applications
3 for a grant under this section than the division has available money
4 to fully fund, the division may reduce the amount of each grant made
5 under this section in proportion to the number of individuals
6 served by the grant applicant.

7 (f) The division shall condition each grant awarded under
8 this section on the grant recipient providing funds from non-state
9 sources in a total amount at least equal to 10 percent of the grant
10 amount, with at least five percent of the recipient's match coming
11 from local sources.

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

14 (b) The account consists of:

15 (1) legislative appropriations to the division for a
16 purpose of the account; and

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

19 (c) The division may use the account only to make matching
20 grants to end stage renal disease facilities, as defined by Section
21 251.001, Health and Safety Code, for purchasing reserve power
22 supply, such as on-site generation and energy storage systems,
23 necessary to sustain critical medical care.

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

25 (1) shall consider:

26 (A) the expected number of individuals who will
27 benefit from the project;

1 (B) existing infrastructure and overall need for
2 the project;

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

4 (i) low-income communities; and

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

6 (D) the equitable distribution of grants
7 throughout the state;

8 (E) the existence of matching federal funds for
9 the project and whether available federal funds have been
10 exhausted; and

11 (F) the total impact of the project on the
12 state's resiliency; and

13 (2) may consult with the Health and Human Services
14 Commission.

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

20 (f) The division shall condition each grant awarded under
21 this section on the grant recipient providing funds from non-state
22 sources in a total amount at least equal to 10 percent of the grant
23 amount, with at least five percent of the recipient's match coming
24 from local sources.

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

27 (1) that establish procedures for an application for

1 and the award of financial assistance;

2 (2) for the investment of money; and

3 (3) for the administration of the fund.

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

6 (6) "Project" means:

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

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

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

1 Texas or will maintain and enhance the quality of water in Texas.

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

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

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

10 (2) grants for:

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

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

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

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

21 (A) covering wells;

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

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

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

1 (c) Notwithstanding Subsection (a), in passing on an
2 application for a grant described by Section 15.102(b)(3), the
3 board shall:

4 (1) consider:

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

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

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

10 (i) low-income communities; and

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

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

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

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

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

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

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

1 from local sources.

2 SECTION 6. (a) Except as provided by Subsection (b) of this
3 section, this Act takes effect January 1, 2022.

4 (b) Section 1 of this Act takes effect January 1, 2022, but
5 only if the constitutional amendment proposed by the 87th
6 Legislature, Regular Session, 2021, providing for the creation of
7 the critical infrastructure resiliency fund to assist in the
8 financing of certain infrastructure projects is approved by the
9 voters. If that amendment is not approved by the voters, that
10 section has no effect.