

By: Zwiener

H.B. No. 2275

A BILL TO BE ENTITLED

AN ACT

relating to critical infrastructure resiliency and financing.

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

SECTION 1. Chapter 17, Water Code, is amended by adding Subchapter N to read as follows:

SUBCHAPTER N. WATER INFRASTRUCTURE RESILIENCY FUND

Sec. 17.995. DEFINITION. In this subchapter, "infrastructure fund" means the water infrastructure resiliency fund.

Sec. 17.995. WATER INFRASTRUCTURE RESILIENCY FUND. (a) The water resilience infrastructure fund is a special fund in the state treasury outside the general revenue fund.

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

(c) The infrastructure fund consists of:

(1) appropriations from the legislature for a purpose of the infrastructure fund;

(2) proceeds of general obligation bonds issued for a purpose of the infrastructure fund;

(3) any fees or other sources of revenue that the legislature dedicates for deposit to the infrastructure fund;

(4) interest earned on money credited to the infrastructure fund;

1 (5) depository interest allocable to the
2 infrastructure fund;

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

5 (7) money from revenue bonds or other sources
6 designated by the commission for deposit to the infrastructure
7 fund.

8 Sec. 17.996. USE OF INFRASTRUCTURE FUND. (a) The board may
9 use the infrastructure fund only:

10 (1) to make a grant to an entity for weatherizing and
11 hardening water and wastewater systems, including, but not limited
12 to:

13 (A) covering wells;

14 (B) purchasing reserve power supply such as such
15 as onsite generation and energy storage systems; and

16 (C) building connectivity to neighboring water
17 suppliers;

18 (2) to pay the necessary and reasonable expenses of
19 the board in administering the infrastructure fund.

20 (b) In making grants under Subsection (a), the board shall
21 consider:

22 (1) the expected number of individuals who will
23 benefit from the project;

24 (2) existing infrastructure and overall need for the
25 project;

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

27 (A) low income communities; and

- 1 (B) areas in disparate parts of the state;
2 (4) equitable geographic distribution of grants
3 awarded throughout the state;
4 (5) projects that utilize distributed energy
5 resources;
6 (6) the existence of matching federal funds for the
7 project and if available federal funds have been exhausted; and
8 (7) the total effect of the project's goals.

9 (c) Eligible entities include:

- 10 (1) local government entities that provide water or
11 wastewater services;
12 (2) nonprofit entities that provide water or
13 wastewater services; and
14 (3) investor-owned entities that provide water or
15 wastewater services.

16 (d) Grants under this subsection require a match as follows:

- 17 (1) entities under subsections (c)(1) and (c)(2) are
18 required to provide a match of at least 10 percent with at least 5
19 percent of that match coming from local sources; and
20 (2) entities under subsections (c)(3) are required to
21 provide a match of at least 50 percent with at least 30 percent of
22 that coming directly from the entity.

23 Sec. 17.997. RULES. (a) The board shall adopt rules
24 necessary to carry out this subchapter, including rules:

- 25 (1) that establish procedures for an application for
26 and for the award of financial assistance;
27 (2) for the investment of money; and

1 (3) for the administration of the infrastructure fund.

2 SECTION 2. Chapter 418, Government Code, is amended by
3 adding Subchapter J to read as follows:

4 SUBCHAPTER J. CRITICAL INFRASTRUCTURE RESILIENCY FUND

5 Sec. 418.262. DEFINITION. In this subchapter:

6 (1) "Infrastructure fund" means the critical
7 infrastructure resiliency fund.

8 (2) "Micro-grid" means a group of interconnected loads
9 and distributed energy resources inside clearly defined electrical
10 boundaries that act as a single controllable entity with respect to
11 the grid.

12 Sec. 418.263. CRITICAL INFRASTRUCTURE RESILIENCY FUND. (a)
13 The critical infrastructure resiliency fund is a special fund in
14 the state treasury outside the general revenue fund.

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

18 (c) The infrastructure fund consists of:

19 (1) appropriations from the legislature for a purpose
20 of the infrastructure fund;

21 (2) proceeds of general obligation bonds issued for a
22 purpose of the infrastructure fund;

23 (3) any fees or other sources of revenue that the
24 legislature dedicates for deposit to the infrastructure fund;

25 (4) interest earned on money credited to the
26 infrastructure fund;

27 (5) depository interest allocable to the

1 infrastructure fund;

2 (6) money from gifts, grants, or donations to the
3 infrastructure fund; and

4 (7) money from revenue bonds or other sources
5 designated by the commission for deposit to the infrastructure
6 fund.

7 Sec. 418.264. USE OF INFRASTRUCTURE FUND. (a) The division
8 may use the infrastructure fund only:

9 (1) to make a grant to an entity for the purposes
10 described under this subchapter; and

11 (2) to pay the necessary and reasonable expenses of
12 the division in administering the infrastructure fund.

13 (b) In making grants under Subsection (a), the division
14 shall consider:

15 (1) the expected number of individuals who will
16 benefit from the project;

17 (2) existing infrastructure and overall need for the
18 project;

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

20 (A) low income communities; and

21 (B) areas in disparate parts of the state;

22 (4) equitable geographic distribution of grants
23 awarded throughout the state;

24 (5) projects that utilize distributed energy
25 resources;

26 (6) the existence of matching federal funds for the
27 project and if available federal funds have been exhausted; and

1 (7) the total effect of the project's goals.

2 (c) Eligible entities include:

3 (1) municipally-owned electric utilities;

4 (2) electric cooperatives;

5 (3) investor-owned utilities;

6 (4) government-owned hospitals;

7 (5) non-profit hospitals;

8 (6) for-profit hospitals; and

9 (7) telecommunications providers.

10 (d) Grants under this subsection require a match as follows:

11 (1) entities under subsections (c)(1), (c)(2),
12 (c)(4), and (c)(5) are required to provide a match of at least 10
13 percent with at least 5 percent of that match coming from local
14 sources; and

15 (2) entities under subsections (c)(3), (c)(6), and
16 (c)(7) are required to provide a match of at least 50 percent with
17 at least 30 percent of that coming directly from the entity.

18 Sec. 418.265. ELECTRIC GRID IMPROVEMENT ACCOUNT. (a) The
19 electric grid improvement account is an account of the critical
20 infrastructure fund.

21 (b) The account consists of:

22 (1) money directly appropriated to the division; and

23 (2) money from gifts or grants from the United States
24 government, local or regional governments, private sources, or
25 other sources.

26 (c) The division may use the account to provide grants for
27 activities related to:

1 (1) localized improvements to the electric grid and
2 other energy systems with onsite generation including, but not
3 limited to, smart metering; and

4 (2) improvements at and between buildings to create
5 micro-grids using onsite generation and energy storage.

6 Sec. 418.266. LOCAL COMMUNICATIONS RESILIENCY ACCOUNT. (a)
7 The local communications resiliency account is an account of the
8 critical infrastructure fund.

9 (b) The account consists of:

10 (1) money directly appropriated to the division; and
11 (2) money from gifts or grants from the United States
12 government, local or regional governments, private sources, or
13 other sources.

14 (c) The division may use the account to provide grants for
15 activities related to:

16 (1) hardening lines of emergency communication; and
17 (2) purchasing reserve power supply such as onsite
18 generation and energy storage systems necessary to sustain
19 emergency communications.

20 Sec. 418.267. MEDICAL INFRASTRUCTURE RESILIENCY ACCOUNT.

21 (a) The medical infrastructure resiliency account is an account of
22 the critical infrastructure fund.

23 (b) The account consists of:

24 (1) money directly appropriated to the division; and
25 (3) money from gifts or grants from the United States
26 government, local or regional governments, private sources, or
27 other sources.

1 (c) The division may use the account to provide grants for
2 activities related to:

3 (1) purchasing reserve power supply such as onsite
4 generation and energy storage systems necessary to sustain critical
5 medical care.

6 Sec. 418.268. RULES. The board shall adopt rules necessary
7 to carry out this subchapter, including rules:

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

10 (2) for the investment of money; and

11 (3) for the administration of the infrastructure fund.

12 SECTION 3. This Act takes effect January 1, 2022, but only
13 if the constitutional amendment proposed by the 87th Legislature,
14 Regular Session, 2021, authorizing the legislature to provide for
15 the creation of the modern infrastructure fund to assist in the
16 financing of modern electric, transportation, and communications
17 infrastructure projects is approved by the voters. If that
18 amendment is not approved by the voters, this Act has no effect.