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H.B. No. 2350

## A BILL TO BE ENTITLED

AN ACT

2 relating to financial assistance provided to political 3 subdivisions by the Texas Water Development Board for water 4 resource restoration projects.

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

6 SECTION 1. Section 15.604(b), Water Code, is amended to 7 read as follows:

(b) The board shall adopt rules specifying the manner in 8 9 which any additional state revolving fund hereafter established by the board, or any capitalization grant under the state water 10 pollution control revolving fund, the safe drinking water revolving 11 12 fund, or any additional state revolving fund, may be used to provide financial assistance to an eligible applicant for public works. 13 14 Such rules shall require financial assistance to be provided for the purpose or purposes and on the terms authorized by the federal 15 16 legislation or federal agency program under which the additional state revolving fund was established or the capitalization grant 17 was awarded. To the extent not prohibited by board rule or federal 18 law or regulation, the state water pollution control revolving fund 19 20 established under this subchapter may be used to provide financial assistance for water resource restoration projects described by 21 Section 15.619. 22

23 SECTION 2. Subchapter J, Chapter 15, Water Code, is amended 24 by adding Section 15.619 to read as follows:

1

H.B. No. 2350

Sec. 15.619. WATER RESOURCE RESTORATION PROJECTS. (a) In this section, "water resource restoration project" means nature-based infrastructure that will improve water quality in the political subdivision where the project is located and may include the acquisition of real property and the use of nature-based water treatment technologies.

7 (b) Based on demand, the board may provide financial 8 assistance to a political subdivision for a locally directed and 9 managed water resource restoration project if the political 10 subdivision applicant will bear responsibility for implementation, 11 stewardship, and maintenance of the project.

12 (c) Subject to Section 15.603(d) of this chapter and Section 602(b)(11) of the federal act, the board shall establish a process 13 by which a political subdivision may combine a project funded 14 15 through the state water pollution control revolving fund that is not for a water resource restoration project with a water resource 16 17 restoration project. The board may allocate available principal forgiveness for additional subsidization set-asides in the state 18 19 water pollution control revolving fund for green projects, as those terms are defined by board rule, to the political subdivision to 20 substantially enhance the financial viability of the water resource 21 22 restoration project.

23 (d) A proposed water resource restoration project must 24 enhance water quality in the state and include the application of 25 best management practices for the primary purpose of water quality 26 protection and improvement. To the extent permitted by federal law 27 and regulation and United States Environmental Protection Agency

1	guidance, a proposed water resource restoration project may
2	include:
3	(1) the preservation or restoration of regional scale
4	natural landscape features, including forests, floodplains, and
5	wetlands;
6	(2) practices that reduce impervious cover in a
7	watershed;
8	(3) practices that increase water infiltration and
9	retention, including the use of bioretention, trees, green roofs,
10	permeable pavements, rain gardens, constructed wetlands, and
11	<u>cisterns;</u>
12	(4) the implementation of green streets in public
13	<pre>rights-of-way;</pre>
14	(5) the implementation of a comprehensive street tree
15	or urban forestry program to manage stormwater and enhance tree
16	health;
17	(6) the expanded use of tree box filters;
18	(7) stormwater collection and distribution systems,
19	including cisterns, separate stormwater sewer systems, and
20	downspout disconnection systems that use onsite stormwater
21	management and remove stormwater from sewer systems;
22	(8) soil quality enhancement activities;
23	(9) the restoration of native grasses and vegetation
24	that improve water infiltration;
25	(10) the establishment or restoration of permanent
26	riparian buffers, floodplains, wetlands, and other natural
27	features including vegetative buffers, grass swales, soft

H.B. No. 2350

3

H.B. No. 2350 1 bioengineered stream banks, and stream daylighting; 2 (11) the management of wetlands to improve water 3 quality and support water infiltration and retention; and 4 (12) sustainable landscaping to improve hydrologic 5 processes. 6 (e) A proposed water resource restoration project may not 7 include: 8 (1) passive recreation activities and trails including bike trails, playgrounds, athletic fields, picnic 9 10 tables, and picnic grounds; (2) <u>non-permeable surface parking lots;</u> 11 12 (3) stormwater ponds or dirt-lined detention basins that serve an extended or filtration function; 13 14 (4) in-line and end-of-pipe treatment systems that 15 only filter or detain stormwater without the use of natural plants 16 and trees; 17 (5) underground stormwater control and treatment devices, including hydrodynamic separators, baffle systems for 18 19 grit, trash removal, and oil and grease separators; (6) stormwater conveyance systems, including pipes 20 and concrete channels, that are not soil or vegetation based; 21 22 (7) hardening, channelizing, dredging, or straightening streams or stream banks; 23 24 (8) street sweepers, sewer cleaners, and vacuum trucks unless they support nature-based infrastructure projects; and 25 26 (9) supplemental environmental projects required as a 27 part of an agreed order or consent decree.

H.B. No. 2350 1 (f) A water resource restoration project may not include the 2 acquisition of property, an interest in property, or improvements to property through the use of eminent domain. 3 4 (g) The board shall establish a means of prioritizing water 5 resource restoration projects. (h) An application for financial assistance for a water 6 7 resource restoration project under this section must include a viability assessment that includes: 8 9 (1) the ability of the applicant to provide proper oversight and management through a certified operator; and 10 11 (2) the financial ability of the users to support the long-term maintenance of the water resource restoration project. 12 13 SECTION 3. This Act takes effect September 1, 2021.