

By: Kolkhorst

S.B. No. 531

A BILL TO BE ENTITLED

AN ACT

relating to the use of the water infrastructure fund.

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

SECTION 1. Section 15.974(a), Water Code, is amended to read as follows:

(a) The board may use the fund:

(1) to make loans to political subdivisions at or below market interest rates for projects;

(2) to make grants, low-interest loans, or zero interest loans to political subdivisions for projects to serve areas outside metropolitan statistical areas in order to ensure that the projects are implemented, or for projects to serve economically distressed areas;

(3) to make loans at or below market interest rates for planning and design costs, permitting costs, and other costs associated with state or federal regulatory activities with respect to a project;

(4) as a source of revenue or security for the payment of principal and interest on bonds issued by the board if the proceeds of the sale of the bonds will be deposited in the fund;

~~and~~

(5) to make transfers from the fund to the financial assistance account of the Texas Water Development Fund II created under Section 17.959 for the purposes described in Section 49-d-8,

1 Article III, Texas Constitution, other than for the purposes
2 described in Sections 17.957 and 17.958; and

3 (6) to pay the necessary and reasonable expenses of
4 the board in administering the fund.

5 SECTION 2. Section 17.9616(b), Water Code, is amended to
6 read as follows:

7 (b) The board shall use the water infrastructure fund as a
8 source of revenue to be deposited in accordance with this
9 subchapter for the payment of principal and interest on water
10 financial assistance bonds issued by the board, the proceeds of
11 which are to be deposited into the water infrastructure fund and to
12 be used to make payments under a bond enhancement agreement with
13 respect to principal or interest on the water financial assistance
14 bonds or for any other purpose authorized by Section 17.959(c).

15 SECTION 3. This Act takes effect September 1, 2021.