

BILL ANALYSIS

H.B. 3522
By: González, Mary
Natural Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Constituents and elected officials from El Paso County, the City of El Paso, and area water districts have requested changes to raise the maximum amount of state grant assistance under the economically distressed areas program. The Texas Water Development Board (TWDB), which administers the program to finance water and wastewater projects through a combination of grants and loans, believes changes will make the program more efficient. Under the program, local political subdivisions and water supply corporations apply for financing to extend service to colonias, and the aggregate grant amount issued may not exceed 70 percent of the total principal amount of issued and unissued bonds. The statutory limit was lowered to 70 percent during the 86th Legislative Session from 90 percent, which had been the limit since the program's inception. Returning the limit to 90 percent will incentivize political subdivisions and water supply corporations to construct more projects. H.B. 3522 seeks to raise the cap on the total amount of financial assistance that the TWDB may provide from the economically distressed areas account that is not required to be repaid.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 3522 amends the Water Code to raise the cap on the total amount of financial assistance that the Texas Water Development Board may provide from the economically distressed areas account that is not required to be repaid from 70 percent of the total principal amount of issued and unissued bonds authorized for the purpose under the Texas Constitution plus outstanding interest on those bonds to 90 percent of that total principal amount plus the interest.

EFFECTIVE DATE

September 1, 2023.