By:  Schofield H.B. No. 4659

A BILL TO BE ENTITLED

AN ACT

relating to an interim study of the financing of regional projects and facilities to convert from groundwater to surface water.

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

SECTION 1.  WORKING GROUP. (a) A working group is formed to study, review, and report to the legislature on the methods for financing or refinancing the regional water projects and facilities to convert from groundwater to surface water.

(b)  The working group is composed of representatives of the Texas Water Development Board, the Texas Public Finance Authority, and the local governments in Harris and Fort Bend counties that have borrowed money for surface water conversion projects from the Texas Water Development Board. The participation of said local governments is not mandatory and the lack of participation by any local government shall not affect the ability of the working group to proceed.

(c)  The chair of the Texas Water Development Board, or her designee, shall serve as chair of the working group.

(d)  The working group shall convene at the call of the chair.

(e)  All members of the Texas House or Texas Senate may request to be kept informed of the working group's progress.

SECTION 2.  STUDY. The working group formed by this Act shall study:

(1)  the extensive useful life of regional facilities and improvements to convert from groundwater to surface water;

(2)  the comparatively short period of time of the financing of the cost of such facilities;

(3)  the economic impact to current water users in paying the costs of facilities that will provide service for future water users;

(4)  the terms of current and anticipated financings of the costs of facilities;

(5)  the goal of more even distribution of the costs so that they are born by the users throughout the useful life of the project;

(6)  the fairness and equity benefits to the water users of extension of financings for longer periods of time compared to the potential increase in financing costs;

(7)  methods for the financing and refinancing of projects so that the cost of the projects are more evenly distributed and born by the users throughout the useful life of the project;

(8)  policies and procedures of the State and the Texas Water Development Board that can better accomplish the goal of better distribution of the cost burden;

(9)  whether the Texas Water Development Board's financing terms and conditions of existing and future borrowings can be improved to better accomplish the goal of better distribution of the cost burden;

(10)  whether funding could be applied to refinance or restructure existing financings;

(11)  whether costs of the projects could be fundied by grants instead of loans or whether the State or the Texas Water Development Board could forgive loans or portions of loans to better accomplish the goal of better distribution of the cost burden; and

(12)  whether potential measures that could further the goal of more even distribution of the costs so that they are born by the users throughout the useful life of the project are precluded by state law, and what changes to state law would be necessary to enable their adoption.

SECTION 3.  FINDINGS AND RECOMMENDATIONS. (a) If the working group determines that changes and improvements by the State or its agencies, including the Texas Water Development Board, are warranted and possible without further legislative authorization, the working group shall seek implementation of those changes and improvements.

(b)  Not later than September 1, 2024, the working group formed by this Act shall report the working group's findings and recommendations to the lieutenant governor, the speaker of the house of representatives, and the governor.

SECTION 4.  EXPIRATION. This Act expires September 1, 2025.

SECTION 5.  EFFECTIVE DATE. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2023.