

1-1 By: Harris of Anderson (Senate Sponsor - Perry) H.B. No. 3582
 1-2 (In the Senate - Received from the House April 17, 2023;
 1-3 May 2, 2023, read first time and referred to Committee on Water,
 1-4 Agriculture & Rural Affairs; May 8, 2023, reported favorably by the
 1-5 following vote: Yeas 7, Nays 0; May 8, 2023, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12			X	
1-13	X			
1-14	X			
1-15			X	
1-16	X			

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to the composition and use of money in the flood
 1-20 infrastructure fund.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Section 15.001, Water Code, is amended by adding
 1-23 Subdivision (14) to read as follows:

1-24 (14) "Rural political subdivision" means:

1-25 (A) a nonprofit water supply or sewer service
 1-26 corporation created and operating under Chapter 67 of this code or a
 1-27 district or authority created under Section 52, Article III, or
 1-28 Section 59, Article XVI, Texas Constitution, no part of the service
 1-29 area of which is located in an urban area with a population of more
 1-30 than 50,000;

1-31 (B) a municipality:

1-32 (i) with a population of 10,000 or less no
 1-33 part of the service area of which is located in an urban area with a
 1-34 population of 50,000 or more; or

1-35 (ii) located wholly in a county in which no
 1-36 urban area has a population of more than 50,000;

1-37 (C) a county in which no urban area has a
 1-38 population of more than 50,000; or

1-39 (D) an entity that:

1-40 (i) is a nonprofit water supply or sewer
 1-41 service corporation created and operating under Chapter 67 of this
 1-42 code, a district or authority created under Section 52, Article
 1-43 III, or Section 59, Article XVI, Texas Constitution, municipality,
 1-44 county, or other political subdivision of the state, or an
 1-45 interstate compact commission to which the state is a party; and

1-46 (ii) demonstrates in a manner satisfactory
 1-47 to the board that the entity is rural or the area to be served by the
 1-48 project is a wholly rural area despite not otherwise qualifying
 1-49 under Paragraph (A), (B), or (C).

1-50 SECTION 2. Section 15.534, Water Code, is amended by
 1-51 amending Subsection (a) and adding Subsections (c) and (d) to read
 1-52 as follows:

1-53 (a) The board may use the infrastructure fund only:

1-54 (1) to make a loan to an eligible political
 1-55 subdivision at or below market interest rates for a flood project;

1-56 (2) to make a grant or loan at or below market interest
 1-57 rates to an eligible political subdivision for a flood project to
 1-58 serve a rural political subdivision [~~an area outside of a~~
 1-59 ~~metropolitan statistical area~~] in order to ensure that the flood
 1-60 project is implemented;

1-61 (3) to make a loan at or below market interest rates

2-1 for planning and design costs, permitting costs, and other costs
2-2 associated with state or federal regulatory activities with respect
2-3 to a flood project;

2-4 (4) to make a grant to an eligible political
2-5 subdivision to provide matching funds to enable the eligible
2-6 political subdivision to participate in a federal program for a
2-7 flood project;

2-8 (5) to make a grant to an eligible political
2-9 subdivision for a flood project if the board determines that the
2-10 eligible political subdivision does not have the ability to repay a
2-11 loan;

2-12 (6) as a source of revenue or security for the payment
2-13 of principal and interest on bonds issued by the board if the
2-14 proceeds of the sale of the bonds will be deposited in the
2-15 infrastructure fund;

2-16 (7) to pay the necessary and reasonable expenses of
2-17 the board in administering the infrastructure fund; and

2-18 (8) to make transfers to the research and planning
2-19 fund created under Section 15.402 [~~of this chapter~~].

2-20 (c) Except as provided by Subsections (a)(6)-(8), after the
2-21 adoption of the initial state flood plan, the board may use the
2-22 infrastructure fund to provide financing only for flood projects
2-23 included in the state flood plan.

2-24 (d) Money from the infrastructure fund may be awarded to
2-25 several eligible political subdivisions for a single flood project.

2-26 SECTION 3. Section 16.454(j), Water Code, is amended to
2-27 read as follows:

2-28 (j) This section expires September 1, 2031. The remaining
2-29 balance of the account on that date is transferred to the flood
2-30 infrastructure fund [~~plan implementation account~~].

2-31 SECTION 4. (a) The following provisions of the Water Code
2-32 are repealed:

- 2-33 (1) Section 15.531(4);
- 2-34 (2) Section 15.5341;
- 2-35 (3) Section 15.992(4); and
- 2-36 (4) Section 16.4545.

2-37 (b) The following provisions of Chapter 947 (S.B. 7), Acts
2-38 of the 86th Legislature, Regular Session, 2019, are repealed:

- 2-39 (1) Section 2.03; and
- 2-40 (2) Section 3.06.

2-41 SECTION 5. This Act takes effect September 1, 2023.

2-42 * * * * *