

1-1 By: Schofield (Senate Sponsor - Bettencourt) H.B. No. 4659  
 1-2 (In the Senate - Received from the House May 8, 2023;  
 1-3 May 10, 2023, read first time and referred to Committee on Water,  
 1-4 Agriculture & Rural Affairs; May 19, 2023, reported favorably by  
 1-5 the following vote: Yeas 9, Nays 0; May 19, 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 a study of the financing of regional facilities that  
 1-20 convert groundwater to surface water.

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

1-22 SECTION 1. DEFINITIONS. In this Act:

1-23 (1) "Board" means the Texas Water Development Board.

1-24 (2) "Facility" means a regional water facility that  
 1-25 converts groundwater to surface water.

1-26 SECTION 2. WORKING GROUP. (a) A working group composed of  
 1-27 representatives of the Texas Water Development Board and the Texas  
 1-28 Public Finance Authority is formed to study, review, and report to  
 1-29 the legislature on the methods used to finance or refinance  
 1-30 regional water facilities that convert groundwater to surface  
 1-31 water.

1-32 (b) The working group may include representatives of local  
 1-33 governments of Harris and Fort Bend Counties that have borrowed  
 1-34 money from the board for a facility.

1-35 (c) The chair of the board, or a designee of the chair of the  
 1-36 board, shall serve as the chair of the working group.

1-37 (d) The working group shall convene at the call of the  
 1-38 chair.

1-39 SECTION 3. STUDY. The working group shall study:

1-40 (1) the useful life of regional water facilities that  
 1-41 convert groundwater to surface water, including associated  
 1-42 improvements during a facility's useful life;

1-43 (2) the typical period of time necessary to pay the  
 1-44 costs associated with developing a financed facility;

1-45 (3) the economic effect on current water users paying  
 1-46 the cost of a facility that will provide service to future water  
 1-47 users;

1-48 (4) the financing terms of current and anticipated  
 1-49 facilities;

1-50 (5) the ability to distribute the costs associated  
 1-51 with the development of a facility to the users who benefit from the  
 1-52 facility, including:

1-53 (A) the fairness and equity benefits to water  
 1-54 users of extending the financing of a facility compared to the  
 1-55 potential increase in financing costs associated with an extension  
 1-56 of financing;

1-57 (B) the ability to use methods of financing or  
 1-58 refinancing to accomplish this distribution;

1-59 (C) policies and procedures of this state and the  
 1-60 board that may be used to accomplish this distribution;

1-61 (D) whether the board's financing terms and

2-1 conditions can be improved to better accomplish this distribution,  
2-2 including whether the board may forgive a loan or a portion of a  
2-3 loan to better accomplish this distribution;

2-4 (E) whether potential measures that could  
2-5 accomplish this distribution are precluded by state law; and

2-6 (F) what changes to state law may be necessary to  
2-7 accomplish this distribution;

2-8 (6) whether financial assistance administered by the  
2-9 board may be used to refinance or restructure existing financing of  
2-10 a facility; and

2-11 (7) whether a facility is eligible for grant funding.

2-12 SECTION 4. FINDINGS AND RECOMMENDATIONS. (a) The working  
2-13 group shall recommend any changes and improvements relating to the  
2-14 financing of regional facilities that convert groundwater to  
2-15 surface water that may be implemented by this state, the board, or  
2-16 another state agency without further legislative authorization.

2-17 (b) Not later than September 1, 2024, the working group  
2-18 shall report the working group's findings and recommendations to  
2-19 the lieutenant governor, the speaker of the house of  
2-20 representatives, and the governor.

2-21 (c) A member of the house or the senate may request to be  
2-22 kept informed of the working group's progress throughout the  
2-23 duration of the study.

2-24 SECTION 5. EXPIRATION. This Act expires September 1, 2025.

2-25 SECTION 6. EFFECTIVE DATE. This Act takes effect  
2-26 immediately if it receives a vote of two-thirds of all the members  
2-27 elected to each house, as provided by Section 39, Article III, Texas  
2-28 Constitution. If this Act does not receive the vote necessary for  
2-29 immediate effect, this Act takes effect September 1, 2023.

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