

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION**

**March 20, 2023**

**TO:** Honorable Tracy O. King, Chair, House Committee on Natural Resources

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB3582** by Harris, Cody (Relating to the composition and use of money in the flood infrastructure fund.), **As Introduced**

The fiscal implications of the bill cannot be determined due to future amounts to be transferred into the Flood Infrastructure Fund being unknown at this time.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The bill would allow at or below market interest rate grants or loans administered by the Texas Water Development Board (TWDB) for Flood Infrastructure Fund (FIF) projects to be made for projects serving rural areas rather than areas outside of a metropolitan statistical area.

The bill repeals Section 2.03 of Chapter 947 (Senate Bill 7), Acts of the Eighty-Sixth Legislature, Regular Session, 2019 and consolidates provisions related to the use of the FIF. The provisions state that after the adoption of the first statewide flood plan, the FIF may only be used to provide financing for flood projects included in the state flood plan. FIF money may also be awarded to several eligible political subdivisions for a single project.

The bill repeals Section 3.06 of Chapter 947 (Senate Bill 7), Acts of the Eighty-Sixth Legislature, Regular Session, 2019, eliminating the Flood Plan Implementation subaccount of the Texas Infrastructure Resiliency Fund (TIRF). Under current law, any remaining funds on September 1, 2031 in the Hurricane Harvey subaccount of TIRF would be deposited to the Flood Plan Implementation subaccount of TIRF. The bill would direct this remaining balance to instead be transferred to the FIF on September 1, 2031.

Based on information provided by TWDB and the Comptroller of Public Accounts, the fiscal implications of the bill cannot be determined because future amounts that would be transferred to FIF from the TIRF are unknown at this time.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

The bill would take effect on September 1, 2023.

**Local Government Impact**

The fiscal implications of the bill cannot be determined at this time. The bill could have a positive fiscal impact on rural areas that receive low interest grants or loans.

**Source Agencies:** 304 Comptroller of Public Accounts, 580 Water Development Board

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