

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

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

**April 10, 2023**

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

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

**IN RE: HB4742** by Lopez, Janie (Relating to the provision of financial assistance from the flood infrastructure fund for certain projects.), **As Introduced**

The fiscal implications of the bill cannot be determined because the amount of grants, loans, and loan forgiveness for projects that would be eligible for these under the provisions of the bill are unknown.

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 amend the Flood Infrastructure Fund (FIF) subchapter of the Water Code to include the definition of an artificial drainage system and for artificial drainage systems to be considered eligible flood projects.

The bill would amend the Water Code to require the Texas Water Development Board (TWDB) to establish a program that provides grants or no-interest loans and loan forgiveness to certain districts for the construction or improvement of an artificial drainage system. TWDB would be required to adopt a scoring criteria to prioritize projects eligible under the program. The program would only apply to districts that meet certain criteria and remove the requirement for taxes and other revenue pledged by the applicant be sufficient to meet all obligations assumed by the applicant.

Loan forgiveness under the provisions of the bill would include the annual forgiveness of no less than 10 percent or more than 20 percent of a loan made from the FIF under the provisions of the bill for no more than five years.

Based on information provided by the Comptroller of Public Accounts, the grants, loans, and loan forgiveness authorized by the bill through the FIF would be limited to locations within Cameron County; however, the fiscal impact cannot be determined because the amount of grants, loans, and loan forgiveness that would be provided for eligible projects are unknown.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

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

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