

BILL ANALYSIS

H.B. 422
By: González, Mary
Natural Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Constituents, local elected officials, and officials with the Texas Water Development Board (TWDB) raised concerns regarding the TWDB's authority to issue bonds under the economically distressed areas program. For the 2022-2023 biennium, the TWDB was granted authority to issue \$100 million in bonds under the program; however, current law authorizes the issuance of bonds for a maximum of \$50 million per year. In the first year of that biennium, for a variety of reasons, the TWDB issued less than \$50 million in bonds. In the second year, the TWDB would have had to issue an amount in excess of \$50 million to take advantage of the full \$100 million of bonding authority. Ultimately, the TWDB received permission to do so through extraordinary action, but eliminating the annual limit would improve agency efficiency and flexibility. H.B. 422 proposes to address this issue by providing the TWDB with greater flexibility to issue bonds relating to economically distressed areas.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 422 amends the Water Code to replace the provision capping at \$25 million and \$50 million the amount in dedicated bonds and general obligation bonds, respectively, that the Texas Water Development Board (TWDB) may issue during a fiscal year to provide financial assistance to economically distressed areas for water supply and sewer service projects with a provision capping the amount of general obligation bonds the TWDB may issue during a fiscal year for that purpose at \$100 million.

EFFECTIVE DATE

September 1, 2025.