

BILL ANALYSIS

Senate Research Center

S.B. 1967
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Water, Agriculture and Rural Affairs
6/12/2025
Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In 2019, the 86th Texas Legislature established the Texas Flood Infrastructure Fund (FIF), which provides financial support to communities for the planning, design, construction of drainage, flood mitigation, and flood control projects. Administered by the Texas Water Development Board (TWDB), FIF provides financial assistance to political subdivisions (cities, counties, or state-established districts or authorities) in the form of grants and zero-interest loans.

Hidalgo County Drainage District No. 1 (HCDD1) is actively developing the Delta Reclamation Project (Delta Project), a transformative initiative to reclaim water from its extensive network of man-made drainage systems. This effort stems from the unique challenges faced by the region, including recurrent flooding, non-absorbent soils, flat topography, and significant distances from natural outfalls. Once complete, the Delta Project would be a multi-purpose project that will repurpose water from daily drainage runoff and turning it into a new water source for potable drinking water and provide flood mitigation from sister detention ponds that are being proposed. Currently, most existing TWDB programs are not well-suited for the Delta Project. TWDB feedback indicated that the Delta Project either did not meet eligibility criteria or would not rank competitively for funding under these programs.

S.B. 1967 amends Section 15.531 of the Water Code to make projects like the Delta Project eligible for funding under FIF. The bill expands the definition of "flood project" to include multi-purpose flood mitigation projects. These projects must control, divert, capture, or impound floodwater, stormwater, agricultural runoff water, or treated wastewater effluent and treat and distribute the water to create an additional water supply source.

S.B. 1967 amends current law relating to the provision of financial assistance by the Texas Water Development Board for certain projects.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 15.102, Water Code, by amending Subsection (b) and adding Subsection (e), as follows:

(b) Authorizes the water loan assistance fund (fund) to also be used by the Texas Water Development Board (TWDB) to provide certain grants, including grants to drainage districts established under Section 52 (Restrictions on Lending Credit or Making Grants by Political Corporations or Political Subdivisions; Authorized Bonds; Investment of Funds), Article III (Legislative Department), or Section 59 (Conservation and Development of Natural Resources; Development of Parks and Recreational Facilities; Conservation and Reclamation Districts; Indebtedness and Taxation Authorized), Article XVI (General Provisions), Texas Constitution, for water supply projects, including projects that contain a flood control component. Makes nonsubstantive changes.

(e) Prohibits TDWB from disqualifying a drainage district from receiving a grant under Subsection (b)(3) (relating to authorizing the fund to also be used by TWDB for grants to drainage districts for water supply projects) because the district does not meet certain requirements.

SECTION 2. Amends Section 15.437(d), Water Code, as follows:

(d) Requires TWDB, in addition to the criteria provided by Subsection (c) (relating to requiring TWDB to give the highest consideration in awarding points to projects that will have a substantial effect), to also consider certain criteria in prioritizing projects, including whether the project is a water supply project that contains a flood control component, regardless of whether the applicant holds a certificate of convenience and necessity under which it provides retail water or wastewater service. Makes nonsubstantive changes.

SECTION 3. Amends Section 15.531(2), Water Code, to redefine "flood project."

SECTION 4. Effective date: September 1, 2025.