

CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

MAY 26 2011
Date

Honorable David Dewhurst
President of the Senate

Honorable Joe Straus
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on HB 1732 have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

<u>J. J. Hines</u>	<u>Allen B. Ritter</u>
<u>Gunn Nelson</u>	<u>Tommy</u>
<u>W. H. T.</u>	<u>[Signature]</u>
<u>William</u>	
<u>Kel Deliger</u>	<u>Tracy D. King</u>
On the part of the Senate	On the part of the House

Note to Conference Committee Clerk:

Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.

CONFERENCE COMMITTEE REPORT

3rd Printing

H.B. No. 1732

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the provision by the Texas Water Development Board of
3 financial assistance for certain projects.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 15.975, Water Code, is amended by adding
6 Subsection (d) to read as follows:

7 (d) The board may not approve an application if the
8 applicant has failed to satisfactorily complete a request by the
9 executive administrator or a regional planning group for
10 information relevant to the project, including a water
11 infrastructure financing survey under Section 16.053(q).

12 SECTION 2. Section 15.912, Water Code, is amended to read as
13 follows:

14 Sec. 15.912. CONSIDERATIONS IN ACTING ON APPLICATION. (a)
15 In acting on an application for financial assistance, the board
16 shall consider:

17 (1) the needs of the area to be served by the project
18 and the benefit of the project to the area in relation to the needs
19 of other areas requiring state assistance in any manner and the
20 benefits of those projects to the other areas;

21 (2) the availability of revenue to the political
22 subdivision or water supply corporation from all sources for any
23 necessary repayment of the cost of the project, including all
24 interest;

1 (3) the relationship of the project to overall
2 statewide needs; and

3 (4) any other factors that the board considers
4 relevant.

5 (b) The board may not accept an application for a loan or
6 grant of financial assistance from the fund for a project
7 recommended through the state and regional water planning processes
8 under Sections 16.051 and 16.053 if the applicant has failed to
9 satisfactorily complete a request by the executive administrator or
10 a regional planning group for information relevant to the project,
11 including a water infrastructure financing survey under Section
12 16.053(q).

13 SECTION 3. Section 16.131, Water Code, is amended to read as
14 follows:

15 Sec. 16.131. AUTHORIZED PROJECTS. (a) The board may use
16 the state participation account of the development fund to
17 encourage optimum regional development of projects including the
18 design, acquisition, lease, construction, reconstruction,
19 development, or enlargement in whole or part of:

20 (1) reservoirs and storm water retention basins for
21 water supply, flood protection, and groundwater recharge;

22 (2) facilities for the transmission and treatment of
23 water; and

24 (3) treatment works as defined by Section 17.001 [~~of~~
25 ~~this code~~].

26 (b) The board may not use the state participation account of
27 the development fund to finance a project recommended through the

1 state and regional water planning processes under Sections 16.051
2 and 16.053 if the applicant has failed to satisfactorily complete a
3 request by the executive administrator or a regional planning group
4 for information relevant to the project, including a water
5 infrastructure financing survey under Section 16.053(q).

6 SECTION 4. Section 17.003, Water Code, is amended by adding
7 Subsections (c), (d), (e), and (f) to read as follows:

8 (c) Water financial assistance bonds that have been
9 authorized but have not been issued are not considered to be state
10 debt payable from the general revenue fund for purposes of Section
11 49-j, Article III, Texas Constitution, until the legislature makes
12 an appropriation from the general revenue fund to the board to pay
13 the debt service on the bonds.

14 (d) In requesting approval for the issuance of bonds under
15 this chapter, the executive administrator shall certify to the bond
16 review board whether the bonds are reasonably expected to be paid
17 from:

18 (1) the general revenues of the state; or

19 (2) revenue sources other than the general revenues of
20 the state.

21 (e) The bond review board shall verify whether debt service
22 on bonds to be issued by the board under this chapter is state debt
23 payable from the general revenues of the state, in accordance with
24 the findings made by the board in the resolution authorizing the
25 issuance of the bonds and the certification provided by the
26 executive administrator under Subsection (d).

27 (f) Bonds issued under this chapter that are designed to be

1 paid from the general revenues of the state shall cease to be
2 considered bonds payable from those revenues if:

3 (1) the bonds are backed by insurance or another form
4 of guarantee that ensures payment from a source other than the
5 general revenues of the state; or

6 (2) the board demonstrates to the satisfaction of the
7 bond review board that the bonds no longer require payment from the
8 general revenues of the state and the bond review board so certifies
9 to the Legislative Budget Board.

10 SECTION 5. This Act takes effect September 1, 2011.

House Bill 1732
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

No equivalent provision.

SECTION __. Section 15.912, Water Code, is amended to read as follows:

Sec. 15.912. CONSIDERATIONS IN ACTING ON APPLICATION. (a) In acting on an application for financial assistance, the board shall consider:

- (1) the needs of the area to be served by the project and the benefit of the project to the area in relation to the needs of other areas requiring state assistance in any manner and the benefits of those projects to the other areas;
- (2) the availability of revenue to the political subdivision or water supply corporation from all sources for any necessary repayment of the cost of the project, including all interest;
- (3) the relationship of the project to overall statewide needs; and
- (4) any other factors that the board considers relevant.

(b) The board may not accept an application for a loan or grant of financial assistance from the fund for a project recommended through the state and regional water planning processes under Sections 16.051 and 16.053 if the applicant has failed to satisfactorily complete a request by the executive administrator or a regional planning group for information relevant to the project, including a water infrastructure financing survey under Section 16.053(q). [FA2]

Same as Senate version.

No equivalent provision.

SECTION __. Section 15.975, Water Code, is amended by adding Subsection (d) to read as follows:

(d) The board may not approve an application if the applicant has failed to satisfactorily complete a request by the executive administrator or a regional planning group for information relevant to the project, including a water infrastructure financing survey under Section 16.053(q). [FA2]

Same as Senate version.

House Bill 1732
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

No equivalent provision.

SECTION __. Section 15.9751, Water Code is amended as follows:

Sec. 15.9751. PRIORITY FOR APPLICATIONS [~~WATER CONSERVATION~~]. The board shall give priority to applications for funds for the implementation of water supply projects in the state water plan based on factors determined by the board, including but not limited to recommended implementation date, historical need for water supply infrastructure investment, per capita water supply need, ability of the applicant to finance the project, and whether an applicant [~~by entities that~~]:

- (1) has [~~have~~] already demonstrated significant water conservation savings; or
- (2) will achieve significant water conservation savings by implementing the proposed project for which the financial assistance is sought. [FA1]

Same as House version.

No equivalent provision.

SECTION __. Section 16.131, Water Code, is amended to read as follows:

Sec. 16.131. AUTHORIZED PROJECTS. (a) The board may use the state participation account of the development fund to encourage optimum regional development of projects including the design, acquisition, lease, construction, reconstruction, development, or enlargement in whole or part of:

- (1) reservoirs and storm water retention basins for water supply, flood protection, and groundwater recharge;
- (2) facilities for the transmission and treatment of water; and

Same as Senate version.

House Bill 1732
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

(3) treatment works as defined by Section 17.001 [~~of this code~~].

(b) The board may not use the state participation account of the development fund to finance a project recommended through the state and regional water planning processes under Sections 16.051 and 16.053 if the applicant has failed to satisfactorily complete a request by the executive administrator or a regional planning group for information relevant to the project, including a water infrastructure financing survey under Section 16.053(q). [FA2]

SECTION 1. Section 17.003, Water Code, is amended by adding Subsections (c), (d), and (e) to read as follows:

(c) In requesting approval for the issuance of bonds under this chapter, the executive administrator shall certify to the bond review board ~~the debt service on the bonds that is~~ reasonably expected to be paid from:

- (1) the general revenues of the state; and
- (2) revenue sources other than the general revenues of the state.

(d) The bond review board shall ~~determine the portion of the debt service on bonds to be issued by the board under this chapter that is~~ state debt payable from the general revenues of the state, in accordance with the findings made by the board in the resolution authorizing the issuance of the bonds and the

SECTION 1. Section 17.003, Water Code, is amended by adding Subsections (c), (d), (e), and (f) to read as follows:

(c) ~~Water financial assistance bonds that have been authorized but have not been issued are not considered to be state debt payable from the general revenue fund for purposes of Section 49-j, Article III, Texas Constitution, until the legislature makes an appropriation from the general revenue fund to the board to pay the debt service on the bonds.~~

(d) In requesting approval for the issuance of bonds under this chapter, the executive administrator shall certify to the bond review board ~~whether~~ the bonds are reasonably expected to be paid from:

- (1) the general revenues of the state; or
- (2) revenue sources other than the general revenues of the state.

(e) The bond review board shall ~~verify whether~~ debt service on bonds to be issued by the board under this chapter is state debt payable from the general revenues of the state, in accordance with the findings made by the board in the resolution authorizing the issuance of the bonds and the

Same as Senate version.

House Bill 1732
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

certification provided by the executive administrator under Subsection (c).

(e) Bonds issued under this chapter that are designed to be paid from the general revenues of the state shall cease to be considered bonds payable from those revenues if:

(1) the bonds are backed by insurance or another form of guarantee that ensures payment from a source other than the general revenues of the state; or

(2) the board demonstrates to the satisfaction of the bond review board that the bonds no longer require payment from the general revenues of the state and the bond review board so certifies to the Legislative Budget Board.

SECTION 2. This Act takes effect September 1, 2011.

SENATE VERSION (IE)

certification provided by the executive administrator under Subsection (d).

(f) Bonds issued under this chapter that are designed to be paid from the general revenues of the state shall cease to be considered bonds payable from those revenues if:

(1) the bonds are backed by insurance or another form of guarantee that ensures payment from a source other than the general revenues of the state; or

(2) the board demonstrates to the satisfaction of the bond review board that the bonds no longer require payment from the general revenues of the state and the bond review board so certifies to the Legislative Budget Board.

SECTION 2. Same as House version.

CONFERENCE

Same as House version.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 27, 2011

TO: Honorable David Dewhurst, Lieutenant Governor, Senate
Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB1732 by Ritter (Relating to the provision by the Texas Water Development Board of financial assistance for certain projects.), **Conference Committee Report**

No significant fiscal implication to the State is anticipated.

The bill would exempt water financial assistance bonds that have been authorized but not issued from the Constitutional Debt Limit (CDL) until the legislature makes an appropriation from the General Revenue Fund to pay the debt service on the bonds. The bill would also require the Executive Administrator of the Water Development Board to certify to the Bond Review Board the source of debt service on a proposed issuance of bonds by the Water Development Board. The bill provides a mechanism for the Bond Review Board to remove previous issuances of the Water Development Board from the CDL if the previous issuance meets certain criteria.

The bill would prohibit the Water Development Board from approving applications if the applicant has failed to satisfactorily complete a request by the Executive Administrator or a regional planning group for information relevant to the project, including a water infrastructure financing survey.

Based on the analysis of the Water Development Board, the Bond Review Board, and the Office of the Attorney General, any anticipated additional work that would result from the passage of the bill could be reasonably absorbed within current resources.

The bill would take effect September 1, 2011.

Local Government Impact

No fiscal implication to units of local government is anticipated.

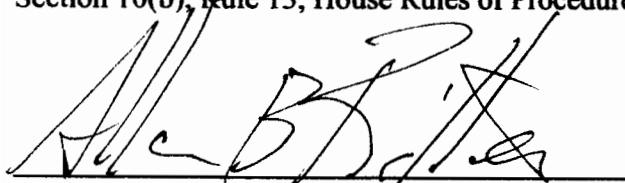
Source Agencies: 352 Bond Review Board, 580 Water Development Board, 302 Office of the Attorney General

LBB Staff: JOB, KK, ZS, AH, SZ

Certification of Compliance with Rule 13, Section 6(b), House Rules of Procedure

Rule 13, Section 6(b), House Rules of Procedure, requires that a copy of a conference committee report signed by a majority of each committee of the conference must be furnished to each member of the committee in person or if unable to deliver in person by placing a copy in the member's newspaper mailbox at least one hour before the report is furnished to each member of the house under Section 10(a) of this rule. The paper copies of the report submitted to the chief clerk under Section 10(b) of this rule must contain a certificate that the requirement of this subsection has been satisfied, and that certificate must be attached to the printed copy of the report furnished to each member under Section 10(d) of this rule. Failure to comply with this subsection is not a sustainable point of order under this rule.

I certify that a copy of the conference committee report on H. B. 1732 was furnished to each member of the conference committee in compliance with Rule 13, Section 6(b), House Rules of Procedure, before submission of the paper copies of the report to the chief clerk under Section 10(b), Rule 13, House Rules of Procedure.


(name)

May 27, 2011
(date)