

## **BILL ANALYSIS**

H.B. 1224  
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Natural Resources  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Interested parties note that the Texas Water Development Board (TWDB) leverages the clean water state revolving fund to sell bonds to increase the amount of available funds. The parties also note that while that fund is a more mature program and has an underlying credit pool and cash flow to warrant high bond ratings, the underlying credit pool and weaker cash flow of the drinking water state revolving fund, which the TWDB also has the authority to leverage, would most likely result in lesser bond ratings which would make it more difficult to sell leveraged bonds. The parties further note that cross-collateralization, when authorized, allows funds from one state revolving fund to be used to secure other state revolving funds from revenue shortfalls and that cross-collateralization can have a significant positive impact overall on state revolving fund programs. H.B. 1224 seeks to provide for the cross-collateralization of certain funds.

### **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. 1224 amends the Water Code to authorize the Texas Water Development Board (TWDB) by resolution to approve the use of assets of the state water pollution control revolving fund, the safe drinking water revolving fund, or an applicable additional state revolving fund as a source of revenue or security, or both revenue and security, for the payment of the principal of and interest on state revolving fund bonds. The bill defines "state revolving fund bonds" for this purpose as revenue bonds issued by the TWDB to provide funds for the state water pollution control revolving fund, the safe drinking water revolving fund, or an applicable additional state revolving fund.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.