

BILL ANALYSIS

C.S.S.B. 2452
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Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

It has been noted that the economically distressed areas program administered by the Texas Water Development Board provides financial assistance for construction of water and wastewater infrastructure projects in economically distressed areas and that the program was created to deliver water and wastewater services to meet immediate health and safety concerns and to stop the proliferation of substandard residential subdivision planning. It has been suggested that certain enhancements be made to the program to better serve the state. C.S.S.B. 2452 seeks to make such enhancements by revising provisions relating to the program.

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 rulemaking authority is expressly granted to the Texas Water Development Board in SECTIONS 3, 4, and 8 of this bill.

ANALYSIS

C.S.S.B. 2452 amends the Water Code to authorize the Texas Water Development Board (TWDB), with respect to provisions relating to assistance to economically distressed areas for water supply and sewer service projects, to maximize the effectiveness of certain authorized additional general obligation bonds by using the additional bonds in conjunction with other sources of financial assistance, including nonpublic funds, to provide financial assistance to political subdivisions for the construction, acquisition, or improvement of water supply and sewer services and to use the additional bonds to promote and support public-private partnerships that the TWDB determines are financially viable, will diversify the methods of financing available for water supply and sewer services, and will reduce reliance on the issuance of bonds supported with general revenue.

C.S.S.B. 2452 requires the TWDB to do the following:

- prioritize projects for the purpose of providing financial assistance to economically distressed areas for water supply and sewer service projects;
- establish a system for prioritizing projects for which financial assistance is sought from the TWDB that must include a standard for the TWDB to apply in determining whether a project qualifies for financial assistance at the time the application for financial assistance is filed with the TWDB; and
- give the highest consideration to projects that will have a substantial effect, including certain specified projects.

The bill authorizes the TWDB by rule to provide for the consideration of additional criteria.

C.S.S.B. 2452 requires the TWDB to annually post on the TWDB website a report detailing each project for which the TWDB has provided financial assistance to economically distressed areas for water supply and sewer service projects and sets out required contents for the report.

C.S.S.B. 2452 revises provisions relating to assistance to economically distressed areas for water supply and sewer service projects regarding the following:

- the use of the economically distressed areas account;
- applicant requirements;
- a consideration in the passing on of an application;
- application amendment; and
- terms of financial assistance.

C.S.S.B. 2452 establishes that the TWDB is required to implement a provision of the bill only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the TWDB may, but is not required to, implement a provision of the bill using other appropriations available for that purpose.

C.S.S.B. 2452 repeals Section 17.933(b-1), Water Code, which requires the TWDB, in providing applicable financial assistance in the form of a loan to certain conservation and reclamation districts, to make the loan to a district without charging interest.

EFFECTIVE DATE

The date on which the constitutional amendment providing for the issuance of additional general obligation bonds by the TWDB in an amount not to exceed \$200 million to provide financial assistance for the development of certain projects in economically distressed areas takes effect, if approved by the voters.

COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE

While C.S.S.B. 2452 may differ from the engrossed in minor or nonsubstantive ways, the following summarizes the substantial differences between the engrossed and committee substitute versions of the bill.

The substitute revises the bill's effective date provision to reflect the change in the maximum amount, from \$50 million to \$200 million, of additional general obligation bonds that may be issued by the TWDB as authorized by the accompanying constitutional amendment.