

BILL ANALYSIS

Senate Research Center

H.B. 1260
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Natural Resources
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Engrossed

DIGEST

Currently, state programs associated with colonias are applicable only in the border region of Texas. Meetings held throughout Texas during the interim between the 75th and 76th legislatures revealed that colonias exist all over the state. This bill would set forth guidelines for the provision of financial assistance for water development in such disadvantaged communities.

PURPOSE

As proposed, H.B. 1260 sets forth guidelines for the provision of financial assistance for water development in disadvantaged communities.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the Texas Water Development Board in SECTION 1 (Section 17.999, Water Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 17, Water Code, by adding Subchapter M, as follows:

SUBCHAPTER M. ASSISTANCE TO DISADVANTAGED COMMUNITIES

Sec. 17.991. DEFINITIONS. Defines “disadvantaged community” and “sewer service facilities.”

Sec. 17.992. APPLICATION FOR FINANCIAL ASSISTANCE. Authorizes a political subdivision to apply to the Texas Water Development Board (board) for financial assistance under this subchapter by submitting an application on a form adopted by the board, and a plan for providing water supply or sewer services to a disadvantaged community under rules adopted by the board.

Sec. 17.993. CONSIDERATION OF APPLICATION. Requires the board to make certain considerations regarding a need for a water supply project, the availability of revenue, and the need for low-interest or zero-interest loans, in reviewing an application for financial assistance submitted under this subchapter.

Sec. 17.994. APPROVAL OF APPLICATION. Authorizes the board to approve an application, after making considerations required under Section 17.993, if the board determines that: the public interest requires state assistance in the project; the applicant cannot reasonably finance the water supply project or sewer service facilities without state assistance; and the revenue or taxes pledged by the applicant will be sufficient to meet all the obligations assumed by the applicant during the succeeding 50 years. Requires an applicant to meet the requirements of Sections 17.125(b), (c), and (e), before the board grants an application or provides any funds under an application.

Sec. 17.995. METHOD OF FINANCIAL ASSISTANCE. Authorizes the board to make loans available from funds in the financial assistance account of the Texas Water Development Fund II (fund II) at low-interest or zero-interest loan rates. Authorizes the board to purchase political subdivision bonds from funds in fund II. Authorizes the board to provide financial assistance in any manner that the board considers feasible.

Sec. 17.996. FINDINGS REGARDING PERMITS. Prohibits the board from delivering funds

under an application for financial assistance until the board makes the findings described by Sections 17.123 and 17.278.

Sec. 17.997. CONTRACT MANAGEMENT STANDARDS. Provides that the Chapter 783, Government Code (the Uniform Grant and Contract Management Act), does not apply to financial assistance provided under this subchapter.

Sec. 17.998. AUTHORITY TO PARTICIPATE IN PROGRAM. Authorizes a political subdivision to exercise any authority necessary to participate in a program under this chapter and carry out the terms and conditions under which the funds or the financial assistance is provided. Authorizes a political subdivision, other than a nonprofit water supply corporation eligible for financial assistance under this subchapter, to issue bonds for acquiring, constructing, improving, extending, or repairing water supply projects or sewer service facilities. Requires bonds to be issued in accordance with and a political subdivision is authorized to exercise powers granted by specified articles of the Texas Statutes.

Sec. 17.999. RULEMAKING AUTHORITY. Requires the board to adopt rules necessary to accomplish the purposes of this subchapter.

SECTION 2. Amends Section 17.172, Water Code, to provide that this subchapter applies to financial assistance made available under Subchapters D, F, G, K, L, and M from the economically distressed areas account of the Texas Water Development Fund or the economically distressed areas program account and the financial assistance account of the Texas Water Development Fund II, rather than under Subchapters D, F, G, and K of this chapter.

SECTION 3. Effective date: September 1, 1999.

SECTION 4. Emergency clause.