

BILL ANALYSIS

Senate Research Center
76R11809 MI-F

S.B. 1862
By: Ratliff
Finance
4/15/1999
As Filed

DIGEST

Currently, the Texas Water Development Board (board) lacks the authority to charge an administrative cost recovery fee to borrowers of the State Participation Program, which authorizes the state to purchase an interest, not to exceed 50 percent, in certain projects to accommodate future growth. In other infrastructure financing programs, such as the board's State Revolving Fund programs, administrative cost recovery fees are charged to participants in order to fully recover the state's administrative costs. This bill would allow the board to assess an administrative fee to political subdivisions using the State Participation Program and to structure the payment of such fees to administer the project over its life.

PURPOSE

As proposed, S.B. 1862 authorizes the Texas Water Development Board to recover administrative costs incurred in making certain agreements.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the Texas Water Development Board in SECTION 1 (Section 16.142(b), Water Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 16E, Water Code, by adding Section 16.142, as follows:

Sec. 16.142. RECOVERY OF ADMINISTRATIVE COSTS. Authorizes the Texas Water Development Board (board) to charge an administrative fee to a political subdivision with which the board agrees to participate in a project under this subchapter. Requires the board, by rule, to set the fee at an amount necessary to recover all costs incurred or to be incurred in administering the project over its life. Authorizes the board to require the payment of the fee to be in one or more payments. Requires the fees to be deposited as directed by the board for use in administering the program.

SECTION 2. Effective date: September 1, 1999.

SECTION 3. Emergency clause.