

BILL ANALYSIS

Senate Research Center
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S.B. 630
By: Truan
Border Affairs - Special
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As Filed

DIGEST

Currently, state assistance to build projects under the Economically Distressed Area Program (EDAP) is a combination of grant and loan. The grant/loan ratio is determined by the ability of the residents to repay a loan through their utility bills. Grant/loan ratios approved by the Texas Water Development Board range as high as 98 percent depending on the ability of the residents to pay which is based on a survey and analysis by a financial consultant. S.B. 630 would reformulate the repayment of a political subdivision's use of state financial assistance for water and sewer service projects in economically distressed areas.

PURPOSE

As proposed, S.B. 630 reformulates the repayment of a political subdivision's use of state financial assistance for water supply and sewer service projects in economically distressed areas.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 16J, Water Code, by adding Section 16.532, as follows:

Sec. 16.532. USE OF REVENUE FROM OPERATION OF WATER SUPPLY OR SEWER PROJECTS. Requires a political subdivision that receives state financial assistance for the construction of a water supply or sewer project under Subchapter K, Chapter 17, that is required to be repaid to apply to the repayment of the financial assistance or maintenance and operation of the project an amount not less than the revenue from the operation of the project multiplied by a fraction, the numerator of which is the amount of state financial assistance received for the construction of the project and the denominator of which is the total cost of the construction of the project. Authorizes the attorney general, at the request of the Texas Water Development Board or on the attorney general's own initiative, to file suit to enjoin an actual or threatened violation of this section.

SECTION 2. Emergency clause.
Effective date: upon passage.