

BILL ANALYSIS

Senate Research Center

H.B. 2776
By: Wise (Sponsor Unknown)
Business & Commerce
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Engrossed

DIGEST AND PURPOSE

In Texas, nonprofit organizations (organizations) have helped colonia residents build their own water and wastewater projects. The legislature had endorsed the concept of self-help work in colonias by funding the bootstrap loan program at the Texas Department of Housing and Community Affairs and by adopting legislation to allow self-help plumbing projects in colonias administered through the Texas Natural Resource Conservation Commission. By building their own water or wastewater projects, colonia residents may save up to 40 percent of the cost of a traditional project. Moreover, organizations may leverage state funds to bring funding sources into the colonia. H.B. 2776 creates a colonia self-help program and creates the colonia self-help account to fund various projects to improve the condition in colonias.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Water Development Board in SECTION 4 (Section 15.908, Water Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. LEGISLATIVE FINDINGS. Sets forth the legislative findings of this bill.

SECTION 2. Amends Section 15.008, Water Code, to provide that the law regarding uniform grants and contract management, Chapter 783, Government Code, rather than the Uniform Grant and Contract and Management Act of 1981 (Article 4413(32g), V.T.C.S., does not apply to a contract under Subchapter F, H, K, or O.

SECTION 3. Amends Section 15.011(b), Water Code, to authorize the Texas Water Development Board (board), after notice and hearing and subject to any limitations established by the General Appropriations Act, to transfer from money from water assistance fund to the colonia self-help account created under Subchapter O. Makes nonsubstantive changes.

SECTION 4. Amends Chapter 15, Water Code, by adding Subchapter O, as follows:

SUBCHAPTER O. COLONIA SELF-HELP PROGRAM

Sec. 15.901. DEFINITIONS. Defines "account," "colonia," "program," "retail public utility," and "self-help project."

Sec. 15.902. CREATION OF ACCOUNT. Provides that the colonia self-help account is an account in the general revenue fund that may be appropriated only for the purposes of this subchapter. Sets forth the composition of the account. Provides that Sections 403.095 and 404.071, Government Code, do not apply to this account.

Sec. 15.903. USE OF ACCOUNT. Authorizes the board to use funds in the account only to reimburse nonprofit organizations eligible under Section 15.904 for expenses incurred in a self-

help project that results in the provision of adequate water or wastewater services to a colonia. Sets forth the expenses authorized for reimbursement. Authorizes the board to award a grant under the program directly to a nonprofit organization to reimburse the organization for expenses incurred in a self-help project described by this section.

Sec. 15.904. ELIGIBLE NONPROFIT ORGANIZATIONS. Sets forth the eligibility requirements for a grant under the program.

Sec. 15.905. GRANT APPLICATION. Requires an eligible nonprofit organization to apply to the board for a grant under the program before incurring any expense associated with a self-help project described by Section 15.903(a). Sets forth certain requirements of the application.

Sec. 15.906. BOARD CONSIDERATIONS IN EVALUATING GRANT APPLICATION. Sets forth certain items the board is required to consider in evaluating an application for a grant under the program.

Sec. 15.907. ACTION ON GRANT APPLICATION. Requires the board by written resolution to either approve or disapprove the application not later than the 60th day after the date the board receives a complete application for a grant under the program. Requires the board, on approval of an application, to authorize the executive administrator of the board to execute a contract with the applicant for a grant to reimburse eligible expenses. Authorizes the contract to provide a budget, schedule, terms for payment of funds, and any other terms the board or its executive administrator considers appropriate.

Sec. 15.908. RULES. Requires the board to adopt rules necessary to administer the program established under this subchapter.

Sec. 15.909. CO-ADMINISTRATION. Requires the program be co-administered by the office of the secretary of state until the second anniversary of the date on which the program begins operations under this subchapter.

SECTION 5. Amends Section 16.343(g), Water Code, to require a political subdivision, before an application for funds under Section 15.407 or Chapter 15O, or Chapter 17K, may be considered by the board, to adopt the model rules pursuant to this section. Requires the applicant, if the applicant is a district, nonprofit water supply corporation, or colonia, to be located in a city or county that has adopted such rules. Prohibits applicants for funds under Section 15.407 or Chapter 15O, or Chapter 17K, from receiving funds under those provisions unless the applicable political subdivision adopts and enforces the model rules. Deletes existing text relating to certain counties receiving funds.

SECTION 6. Effective date: upon passage or September 1, 2001.