

BILL ANALYSIS

Senate Research Center
79R13152 MFC-F

H.B. 3029
By: Strama (Barrientos)
Natural Resources
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Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

During the 77th Legislature, Regular Session, 2001, the Pilot Program for Water and Wastewater Services was created to provide resources for rural communities that need water and wastewater loans. The current pilot program applies only to cities, counties, and certain districts and authorities with a population of less than 5,000.

H.B. 3029 makes the pilot program permanent and expands the program to allow statewide access for certain communities that need water and wastewater services.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the Texas Water Development Board is modified in SECTION 8 (Section 15.909, Water Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends the heading to Subchapter O, Chapter 15, Water Code, to read as follows:

SUBCHAPTER O. PROGRAM FOR WATER AND WASTEWATER FINANCIAL ASSISTANCE FOR DISADVANTAGED RURAL COMMUNITIES

SECTION 2. Amends Section 15.901, Water Code, by amending Subdivisions (1) and (3) to redefine "fund" and "rural community," and adding Subdivision (4) to define "disadvantaged rural community."

SECTION 3. Amends the heading to Section 15.902, Water Code, to read as follows:

Sec. 15.902. DISADVANTAGED RURAL COMMUNITY WATER AND WASTEWATER FINANCIAL ASSISTANCE FUND.

SECTION 4. Amends Section 15.902(a), Water Code, to provide that the disadvantaged rural community water and wastewater financial assistance fund (fund), rather than loan, is an account in the water assistance fund.

SECTION 5. Amends Sections 15.903(a), (b), and (d), Water Code, as follows:

(a) Authorizes the fund to be used by the Texas Water Development Board (TWDB) to provide grants of financial assistance to political subdivisions or water supply corporations, rather than rural communities, for the construction, acquisition, or improvement of water and wastewater projects to provide service to disadvantaged rural communities.

(b) Authorizes TWDB to make financial assistance available to a political subdivision or water supply corporation, rather than a rural community, by entering into a grant agreement or a loan agreement and promissory note with a subdivision or corporation, as provided by this subchapter. Authorizes a political subdivision or water supply corporation to apply for and accept the financial assistance. Makes conforming changes.

(d) Makes a conforming change.

SECTION 6. Amends Section 15.904(a), Water Code, to authorize a political subdivision or water supply corporation to pledge a percentage of its revenue to the payment of debt incurred under a loan agreement entered into with TWDB under this subchapter. Makes a conforming and nonsubstantive change.

SECTION 7. Amends Section 15.905, Water Code, to make conforming changes.

SECTION 8. Amends Section 15.909, Water Code, to require TWDB to adopt necessary rules to administer this subchapter, including rules establishing procedures for application for an award of loans or grants.

SECTION 9. Amends Section 15.910, Water Code, as follows:

(a)-(c) Makes conforming changes.

(d) Requires a political subdivision or water supply corporation, in an application to TWDB for financial assistance from the fund, to include household surveys for the disadvantaged rural community to be served by the project that are acceptable to TWDB and contain information adequate to establish specific criteria.

SECTION 10. Amends Section 15.911, Water Code, to make conforming changes.

SECTION 11. Amends Section 15.912, Water Code, to require TWDB to consider specific criteria in acting on an application for financial assistance. Makes a conforming change.

SECTION 12. Amends Section 15.913, Water Code, to authorize TWDB, by resolution, to approve an application for a loan or grant if, after considering the factors listed in Section 15.912 and any other relevant factors, it makes specific determinations.

SECTION 13. Amends Section 15.914, Water Code, to require a political subdivision or water supply corporation receiving financial assistance under this subchapter to require specific guidelines be followed in all contracts for the construction of a project. Makes conforming changes.

SECTION 14. Amends Section 15.915, Water Code, to make a conforming change.

SECTION 15. Amends Section 15.917, Water Code, to require the executive administrator of TWDB, rather than TWDB, to review and approve or disapprove plans and specifications for all sewage collection, treatment, and disposal systems for which financial assistance is provided from the fund. Makes a conforming change.

SECTION 16. Amends Section 15.920, Water Code, as follows:

Sec. 15.920. New heading: AUTHORITY OF POLITICAL SUBDIVISIONS OR WATER SUPPLY CORPORATIONS. Provides that political subdivisions or water supply corporations that receive financial assistance from the fund are granted all necessary authority to enter into grant agreements or loan agreements and issue promissory notes in connection with the financial assistance granted under this subchapter. Makes a conforming change.

SECTION 17. Repealers:

- (1) Section 15.901(2) (relating to the definition of "political subdivision"), Water Code;
- (2) Section 15.903(e) (relating to the time limit on a loan authorized by the subchapter), Water Code; and
- (3) Section 15.919 (Report to the Legislature), Water Code.

SECTION 18. Makes application this Act prospective.

SECTION 19. Effective date: upon passage or September 1, 2005.