

BILL ANALYSIS

Senate Research Center

S.J.R. 6
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AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

The 71st Legislature, Regular Session, 1989, passed S.B. 2, which was the state's first major attempt to address the problems associated with colonias. S.B. 2 established the Economically Distressed Areas Program (EDAP) which provided financial assistance in the form of grants and loans for water and wastewater service to economically distressed areas. The bill made the Texas Water Development Board (board) the EDAP administrator. S.B. 2 directed the board to develop model rules to assure water and sewer services to residential developments and to strengthen platting requirements. Under EDAP, counties or municipalities would be required to adopt the model rules to become eligible for state financial assistance for water and wastewater projects.

While discussing S.B. 2, the office of the attorney general has reported that "incidentally, a basic policy underlying the legislation was that the state would spend millions of dollars to address water and sewer infrastructure needs in existing colonias, but there would be strict laws and rules to prevent new colonias (and costly remediation) from happening."

EDAP was financed in the early 1990s through voter-approved constitutional amendments that authorized the board to issue up to \$250 million in general obligation EDAP bonds. Currently, only a fraction of this bonding authority is left to address the remaining water and wastewater needs of approximately \$785 million in currently-existing traditional EDAP communities.

S.J.R. 12 proposes a constitutional amendment to provide for the issuance of up to \$785 million in general obligation bonds by the Texas Water Development Board for assistance to economically distressed areas.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article III, Texas Constitution, by adding Section 49-d-10, as follows:

Sec. 49-d-10. (a) Authorizes the Texas Water Development Board to issue additional general obligation bonds, at its determination, for the economically distressed areas program account of the Texas Water Development Fund II, in an amount not to exceed \$785 million. Requires the bonds to be used to provide financial assistance to economically distressed areas of the state as defined by law.

(b) Provides that Section 49-d-8(e) (Texas Water Development Fund) of this article applies to the bonds authorized by this section.

SECTION 2. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held November 8, 2005. Sets forth the required language for the ballot.