

BILL ANALYSIS

Senate Research Center
81R20959 SMH-D

H.B. 3861
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Natural Resources
5/12/2009
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Water Development Board (TWDB) has committed funds to the Angelina and Neches River Authority (authority) through the state participation account of the development fund for the construction of the Lake Columbia reservoir project. The authority and TWDB entered into a master agreement setting forth terms under which TWDB is entitled to acquire an interest in the project, not to exceed 50 percent of the total project costs, in order to support the optimum regional development of the project's site.

H.B. 3861 provides a legislative finding that the development of the project is in the public interest and that it is reasonable for TWDB to expect that the state will recover its investments in the facility. The bill directs TWDB to exercise the discretion available to TWDB under state law to include revenues from political subdivisions not currently under contract with the river authority to participate in paying the costs of the site acquisition stage of the project, and political subdivisions not currently under contract to purchase a portion of the water to be supplied by the project in making the determination that it is reasonable to expect that the state will recover its investment.

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. DEFINITIONS. Defines "authority," "board," and "project."

SECTION 2. LEGISLATIVE FINDINGS. Provides that the legislature finds that:

- (1) the proposed Lake Columbia reservoir project authorized by Permit to Appropriate State Water Number 4228 (Application No. 4537) (project) is a rural water project for political subdivisions;
- (2) the construction and development of the project are in the public interest;
- (3) the Texas Water Development Board (TWDB) has committed to the Angelina and Neches River Authority (authority) to acquire, through the use of money in the Texas Water Development Fund II state participation account, an interest in the project for an amount not to exceed 50 percent of the total project costs in order to support the optimum regional development of the project's site; and
- (4) TWDB has determined that it is reasonable to expect that the state will recover its investment in the facility.

SECTION 3. BOARD DISCRETION IN MAKING FINDINGS. (a) Authorizes TWDB, in making any statutory finding under Section 16.135(1) (relating to a reasonable expectation that the state will recover its investment in the facility), Water Code, necessary to complete financing of the project, to take into account any revenue reasonably expected to be received from:

- (1) a political subdivision not currently under contract with the authority to participate in paying the costs of the site acquisition stage of the project; or

(2) a political subdivision not currently under contract to purchase a portion of the water to be supplied by the project.

(b) Provides that TWDB is not required to identify a political subdivision from which revenue is reasonably expected to be received as provided by Subsection (a) of this section at the time TWDB makes a finding described by that subsection.

SECTION 4. EFFECTIVE DATE. Effective date: upon passage or September 1, 2009.