

## **BILL ANALYSIS**

Senate Research Center

S.B. 469  
By: Springer  
Water, Agriculture & Rural Affairs  
5/29/2023  
Enrolled

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

#### Author's Background and Purpose

Concerned parties note that the existing state statute needs to provide the Texas Water Development Board (TWDB) with a consistent definition of a rural political subdivision. The current state statute needs more transparency and precision on how TWDB can fund and report on rural water projects. For example, existing law allows TWDB to use funds reserved for rural entities under legislative intent for urban water projects (see TX Water Code § 15.992).

The bill provides a single and consistent definition of a "rural political subdivision," thereby helping TWDB collect and analyze information about its financial assistance applicants more accurately, which the agency reports to the legislature.

#### Rulemaking Authority

It is the author's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

#### Fiscal Note

It is the author's opinion that no significant fiscal implication to the State is anticipated.

#### Author's Summary Analysis

The bill amends the Water Code to define "rural political subdivision" as a nonprofit water supply or sewer service corporation whose service area is not in an urban area with a population of 50,000 or more.

The definition of "rural political subdivision" also includes a municipality with a population less than 10,000 located in an urban area with a population of 50,000 or more, or located wholly in a county in which no urban area has a population over 50,000.

Lastly, the bill defines "rural political subdivision" to include a county with no urban area with a population over 50,000.

A "rural political subdivision" can be a nonprofit water supply or sewer service corporation that operates under Chapter 67 of the code, a district or authority created under specific sections of the Texas Constitution, a municipality, county, or other political subdivision of the state, or an interstate compact commission of which the state is a party. However, the entity must satisfactorily demonstrate to TWDB that it serves a rural area if it does not meet the other qualifications for a "rural political subdivision" under the bill.

The bill repeals Section 15.992(4), which is the existing definition of "rural political subdivision" in the Water Code.

#### Effective Date

September 1, 2023

#### Comparison of the Substitute to the Original

While the bill may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The original bill defines "rural political subdivision" as a nonprofit water supply or sewer service corporation, district, or municipality that serves a population of 10,000 or less, and does not include any part of an urban area as defined by the United States Census Bureau, or that otherwise qualifies for federal agency financing, or a county where no urban area has a population of more than 50,000.

Whereas, the substitute defines "rural political subdivision" as a nonprofit water supply or sewer service corporation whose service area is not in an urban area with a population of 50,000 or more.

The substitute's definition of "rural political subdivision" also includes a municipality with a population less than 10,000 located in an urban area with a population of 50,000 or more, or located wholly in a county in which no urban area has a population over 50,000.

Lastly, the substitute defines "rural political subdivision" to include a county with no urban area with a population over 50,000.

Under the substitute, a "rural political subdivision" can be a nonprofit water supply or sewer service corporation that operates under Chapter 67 of the code, a district or authority created under specific sections of the Texas Constitution, a municipality, county, or other political subdivision of the state, or an interstate compact commission of which the state is a party. However, the entity must satisfactorily demonstrate to the Texas Water Development Board that it serves a rural area if it does not meet the other qualifications for a "rural political subdivision."

S.B. 469 amends current law relating to the eligibility of certain political subdivisions to receive certain financial assistance administered by the Texas Water Development Board.

### **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 Section 15.001, Water Code, by adding Subdivision (14) to define "rural political subdivision."

SECTION 2. Amends Section 15.434(b), Water Code, to delete existing text requiring the Texas Water Development Board (TWDB), of the money disbursed from the state water implementation fund during the five-year period between the adoption of a state water plan and the adoption of a new plan, to undertake to apply not less than 10 percent to support projects described by Section 15.435 (Bond Enhancement Agreements) that are for rural political subdivisions as defined by Section 15.992 (Definitions).

SECTION 3. Amends Section 17.001, Water Code, by adding Subdivision (26) to define "rural political subdivision."

SECTION 4. Amends Section 17.9615(a), Water Code, as follows:

(a) Authorizes TWDB to direct the Comptroller of Public Accounts of the State of Texas to transfer amounts from the financial assistance account to the rural water assistance fund to provide financial assistance to rural political subdivisions under Subchapter L (Water Financial Assistance Bond Program) for the purposes provided in Section 15.994 (Use of Fund).

SECTION 5. Repealer: Section 15.992(4) (relating to the definition of "rural political subdivision"), Water Code.

SECTION 6. Effective date: September 1, 2023.