BILL ANALYSIS

BACKGROUND AND PURPOSE

S.B. 2, 71st Legislature, Regular Session, 1989, established the Economically Distressed Area Program (EDAP) which provided financial assistance in the form of grants and loans for water and wastewater service to economically distressed areas. This bill designated the Texas Water Development Board (TWDB) as the administrator of EDAP. H.B. 467, 79th Legislature, Regular Session, 2005, expanded EDAP, essentially on a statewide basis by allowing counties in which an economically distressed area exists to apply for assistance under EDAP. TWDB has reported that there is an estimated $5.4 billion in water and wastewater needs in economically distressed communities of this state. EDAP was originally financed in the early 1990s through voter-approved constitutional amendments that authorized the TWDB to issue up to $250 million in general obligation bonds. Now, only a fraction of the bonds remain to address the outstanding water and wastewater needs of distressed communities.

S.J.R. 20 proposes a constitutional amendment to authorize the Texas Water Development Board to issue up to $250 million in general obligation bonds for assistance to economically distressed areas.

RULEMAKING AUTHORITY

It is the opinion of the committee that this Resolution does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.J.R. 20 amends Article III of the Texas Constitution by authorizing 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 $250 million. The Resolution requires the bonds be used to provide financial assistance to economically distressed areas of the state as defined by law. The Resolution provides that Section 49-d-8(e) of the article amended by this Resolution applies to the bonds authorized by this Resolution.

The Resolution requires the proposed constitutional amendment be submitted to the voters at an election to be held November 6, 2007, and sets forth the required language of the ballot.

EFFECTIVE DATE

This proposed constitutional amendment shall be submitted to the voters at an election to be held November 6, 2007.