

## **BILL ANALYSIS**

C.S.H.B. 3861  
By: Hopson  
Natural Resources  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

The Texas Water Development Board has committed funds to the Angelina and Neches River Authority through the state participation account of the development fund for the construction of the Lake Columbia reservoir project. The river authority and the board entered into a master agreement setting forth terms under which the board 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.

C.S.H.B. 3861 provides a legislative finding that the development of the project is in the public interest and that it is reasonable for the board to expect that the state will recover its investments in the facility. The bill directs the board to exercise the discretion available to the board 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**

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

### **ANALYSIS**

C.S.H.B. 3861 provides legislative findings that the proposed Lake Columbia reservoir project is a rural water project for political subdivisions and that its construction and development are in the public interest. The bill provides that the legislature finds that the Texas Water Development Board has committed to the Angelina and Neches River Authority, through the use of money in the Texas Water Development Fund II state participation account, to acquire 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. The bill provides that the legislature further finds that the board has determined that it is reasonable to expect that the state will recover its investment in the facility.

C.S.H.B. 3861 authorizes the board, in making any statutory finding on the reasonable expectation that the state will recover its investment necessary to complete financing of the project, to take into account any revenue reasonably expected to be received from 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 a political subdivision not currently under contract to purchase a portion of the water to be supplied by the project. The bill establishes that the board is not required to identify a political subdivision from which revenue is reasonably expected to be received at the time the board makes a related finding as provided by the bill.

C.S.H.B. 3861 defines "authority," "board," and "project."

**EFFECTIVE DATE**

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.

**COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.H.B. 3861 differs from the original in nonsubstantive ways by using language reflective of certain bill drafting conventions.