

BILL ANALYSIS

C.S.H.B. 11
By: Ritter
Appropriations
Committee Report (Substituted)

BACKGROUND AND PURPOSE

In 2011, Texas experienced what was reported to be the worst one-year drought on record. The 2011 drought highlighted the importance of long-range planning to meet the state's water needs. The *Water For Texas 2012 State Water Plan* projects that over the next 50 years, both population and water demand in the state will significantly increase, while existing water supply will decrease. The 2012 State Water Plan includes numerous regionally identified strategies to develop the several million acre-feet of water supply per year required to meet these increasing demands.

The estimated total capital cost of the 2012 State Water Plan, representing the capital cost of all water management strategies recommended in the 2011 regional water plans, is more than \$50 billion. Based on surveys conducted as part of the planning process, water providers will need significant support through state financial assistance to implement these recommended water strategies. If state financial assistance is not provided to implement these regional water management strategies, the state during similar drought conditions could suffer significant economic losses and the majority of Texas' population could face a critical water shortage.

C.S.H.B. 11 seeks to address these needs by making a one-time \$2 billion appropriation from the economic stabilization fund to the state water implementation fund for Texas to finance certain water-related projects. This initial capitalization will allow the fund, with proper management, to be leveraged to finance over \$25 billion in water management strategies over the next 50 years.

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. 11 appropriates \$2 billion from the economic stabilization fund to the comptroller of public accounts for the purpose of depositing that amount to the credit of the state water implementation fund for Texas as money held and invested by the Texas Treasury Safekeeping Trust Company and, contingent on the creation of the implementation fund by legislation enacted by the 83rd Legislature, Regular Session, 2013, as money available for use by the Texas Water Development Board for the purposes of the implementation fund.

EFFECTIVE DATE

September 1, 2013, but only if the bill receives the necessary vote.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 11 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences

between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. (a) If the state water implementation fund for Texas is created by legislation enacted by the 83rd Legislature, Regular Session, 2013, the amount of \$2 billion is appropriated from the economic stabilization fund to the comptroller for the purpose of depositing that amount to the credit of the state water implementation fund for Texas as money available for use by the Texas Water Development Board for the purposes of the state water implementation fund for Texas.

(b) If the state water implementation fund for Texas is not created by legislation enacted by the 83rd Legislature, Regular Session, 2013, the amount of \$2 billion is appropriated from the economic stabilization fund to the comptroller for the purpose of depositing that amount to the credit of the Texas Water Development Fund II as money available for use by the Texas Water Development Board for the purposes of the Texas Water Development Fund II.

SECTION 2. This Act takes effect September 1, 2013, but only if it receives a vote of two-thirds of the members present in each house of the legislature, as provided by Section 49-g(m), Article III, Texas Constitution.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. If the state water implementation fund for Texas is created by legislation enacted by the 83rd Legislature, Regular Session, 2013, the amount of \$2 billion is appropriated from the economic stabilization fund to the comptroller for the purpose of depositing that amount to the credit of the state water implementation fund for Texas as money held and invested by the Texas Treasury Safekeeping Trust Company and available for use by the Texas Water Development Board for the purposes of the state water implementation fund for Texas.

No equivalent provision.

SECTION 2. Same as introduced version.