

1-1 By: Larson, Toth (Senate Sponsor - Perry) H.B. No. 1052
 1-2 (In the Senate - Received from the House April 23, 2019;
 1-3 May 10, 2019, read first time and referred to Committee on Water &
 1-4 Rural Affairs; May 15, 2019, reported favorably by the following
 1-5 vote: Yeas 7, Nays 0; May 15, 2019, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			

1-15 A BILL TO BE ENTITLED
 1-16 AN ACT

1-17 relating to the authority of the Texas Water Development Board to
 1-18 use the state participation account of the water development fund
 1-19 to provide financial assistance for the development of certain
 1-20 facilities.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. This Act may be cited as the Texas State Water
 1-23 Investment Fund Act.

1-24 SECTION 2. The heading to Section 16.131, Water Code, is
 1-25 amended to read as follows:

1-26 Sec. 16.131. AUTHORIZED PROJECTS FOR STATE PARTICIPATION
 1-27 ACCOUNT.

1-28 SECTION 3. Section 16.131, Water Code, is amended by
 1-29 amending Subsection (a) and adding Subsection (c) to read as
 1-30 follows:

1-31 (a) The board may use the state participation account of the
 1-32 development fund to encourage optimum regional and interregional
 1-33 development of projects including the design, acquisition, lease,
 1-34 construction, reconstruction, development, or enlargement in whole
 1-35 or part of:

1-36 (1) reservoirs and storm water retention basins for
 1-37 water supply, flood protection, and groundwater recharge;

1-38 (2) facilities for the transmission and treatment of
 1-39 water; ~~and~~

1-40 (3) treatment works as defined by Section 17.001; and

1-41 (4) interregional water supply projects selected
 1-42 under Section 16.145.

1-43 (c) Not less than 50 percent of money used from the state
 1-44 participation account of the development fund in any fiscal year
 1-45 must be used for interregional water projects selected under
 1-46 Section 16.145.

1-47 SECTION 4. Subchapter E, Chapter 16, Water Code, is amended
 1-48 by adding Sections 16.145 and 16.146 to read as follows:

1-49 Sec. 16.145. INTERREGIONAL WATER SUPPLY PROJECTS. (a) The
 1-50 board shall identify, establish selection criteria for, and issue a
 1-51 request for proposals for water supply projects that benefit
 1-52 multiple water planning regions. Selection criteria established
 1-53 under this section must prioritize projects that:

1-54 (1) maximize the use of private financial resources;

1-55 (2) combine the financial resources of multiple water
 1-56 planning regions; and

1-57 (3) have a substantial economic benefit to the regions
 1-58 served by:

1-59 (A) affecting a large population;

1-60 (B) creating jobs in the regions served; and

1-61 (C) meeting a high percentage of the water supply

2-1 needs of the water users served by the project.

2-2 (b) The board and the commission shall enter into a
2-3 memorandum of understanding for the expedited approval of permits
2-4 for projects selected under this section.

2-5 Sec. 16.146. AUTHORIZED PROJECTS FOR STATE PARTICIPATION
2-6 ACCOUNT II. (a) The board may use the state participation account
2-7 II created under Section 17.957 to provide financial assistance for
2-8 the development of a desalination or aquifer storage and recovery
2-9 facility, including associated intake or distribution facilities,
2-10 to meet existing or projected future water needs by acquiring such a
2-11 facility or an ownership interest in such a facility.

2-12 (b) The board may act singly or in a joint venture in
2-13 partnership with any person, including a public or private entity,
2-14 an agency or political subdivision of this state, another state or a
2-15 political subdivision of another state, the United States, or a
2-16 foreign nation, to the extent permitted by law. The board may
2-17 provide financial assistance under this section for a facility
2-18 without regard to any requirements provided by board rules
2-19 regarding the portion of the capacity of the facility that will
2-20 serve an existing need or the portion of the cost of the facility
2-21 that the applicant will finance from sources other than the state
2-22 participation account II.

2-23 (c) Section 16.135 does not apply to the use of the state
2-24 participation account II to develop a facility described by
2-25 Subsection (a) of this section by acquiring the facility or an
2-26 interest in the facility.

2-27 (d) Before the board may acquire a facility or an interest
2-28 in a facility described by Subsection (a), the board must find
2-29 affirmatively that:

2-30 (1) it is reasonable to expect that the state will
2-31 recover its investment in the facility; and

2-32 (2) the public interest will be served by the
2-33 acquisition of the facility.

2-34 (e) The board may not provide financial assistance under
2-35 this section for a facility unless the facility is included in the
2-36 state water plan.

2-37 (f) The board shall establish a point system for
2-38 prioritizing facilities for which financial assistance is sought
2-39 from the board under this section. The system must include a
2-40 standard for the board to apply in determining whether a facility
2-41 qualifies for financial assistance at the time the application for
2-42 financial assistance is filed with the board.

2-43 (g) The board may not issue more than \$200 million in water
2-44 financial assistance bonds designated by the board as issued to
2-45 provide financial assistance for facilities under this section.

2-46 (h) If the board does not provide financial assistance for a
2-47 facility under this section from the state participation account II
2-48 before September 1, 2024, the board may not provide financial
2-49 assistance for any facility from that account after that date.

2-50 SECTION 5. Section 16.182, Water Code, is amended to read as
2-51 follows:

2-52 Sec. 16.182. PERMITS [~~PERMIT~~] REQUIRED. (a) Before the
2-53 board grants the application to buy, receive, or lease the
2-54 facilities, the applicant shall first secure all appropriate
2-55 permits [~~a permit for water use~~] from the commission. If the
2-56 facilities are to be leased, a [~~the~~] permit may be for a term of
2-57 years.

2-58 (b) The board may assist the applicant with securing permits
2-59 for a facility described by Section 16.146.

2-60 SECTION 6. Section 17.957, Water Code, is amended by
2-61 amending Subsections (b) and (c) and adding Subsection (c-1) to
2-62 read as follows:

2-63 (b) The state participation account is composed of:

2-64 (1) money and assets attributable to water financial
2-65 assistance bonds designated by the board as issued for projects
2-66 described in Sections [~~Section~~] 16.131 and 16.146;

2-67 (2) money from the sale, transfer, or lease of a
2-68 project described in Subdivision (1) that was acquired,
2-69 constructed, reconstructed, developed, or enlarged with money from

3-1 the state participation account;
3-2 (3) payments received under a bond enhancement
3-3 agreement with respect to water financial assistance bonds
3-4 designated by the board as issued for projects described in
3-5 Sections [Section] 16.131 and 16.146;

3-6 (4) investment income earned on money on deposit in
3-7 the state participation account;

3-8 (5) money disbursed to the fund from the state water
3-9 implementation fund for Texas as authorized by Section 15.434; and

3-10 (6) any other funds, regardless of their source, that
3-11 the board directs be deposited to the credit of the state
3-12 participation account.

3-13 (c) Money on deposit in the state participation account may
3-14 be used by the board for projects described in Sections [Section]
3-15 16.131 and 16.146 in the manner that the board determines necessary
3-16 for the administration of the fund.

3-17 (c-1) The comptroller shall establish a subaccount in the
3-18 state participation account to be known as the state participation
3-19 account II. The board may credit to the subaccount money in the
3-20 state participation account allocated by the board for the purposes
3-21 of Section 16.146. The board may transfer money from the subaccount
3-22 to the state participation account if the board determines the
3-23 money is needed for the purposes of Section 16.131.

3-24 SECTION 7. This Act takes effect September 1, 2019.

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