

1-1 By: Johnson, Perry S.B. No. 942
1-2 (In the Senate - Filed February 21, 2019; March 1, 2019,
1-3 read first time and referred to Committee on Water & Rural Affairs;
1-4 March 20, 2019, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 7, Nays 0; March 20, 2019,
1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	<u>Perry</u>	X		
1-10	<u>Creighton</u>	X		
1-11	<u>Alvarado</u>	X		
1-12	<u>Johnson</u>	X		
1-13	<u>Kolkhorst</u>	X		
1-14	<u>Rodríguez</u>	X		
1-15	<u>Taylor</u>	X		

1-16 COMMITTEE SUBSTITUTE FOR S.B. No. 942 By: Johnson

1-17 A BILL TO BE ENTITLED
1-18 AN ACT

1-19 relating to the use of money in the state water pollution control
1-20 revolving fund.

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

1-22 SECTION 1. Section 15.601(a), Water Code, is amended to
1-23 read as follows:

1-24 (a) The state water pollution control revolving fund shall
1-25 be administered by the board under this subchapter and rules
1-26 adopted by the board. The fund shall be used to provide financial
1-27 assistance ~~[to political subdivisions for construction of~~
1-28 ~~treatment works and to persons for nonpoint source pollution~~
1-29 ~~control and abatement projects under Section 15.603(h),]~~ in
1-30 accordance with the capitalization grant program established under
1-31 the Federal Water Pollution Control Act (33 U.S.C. Section 1251 et
1-32 seq.) and Section 15.603 of this code.

1-33 SECTION 2. Section 15.603(a), Water Code, is amended to
1-34 read as follows:

1-35 (a) The revolving fund is held separately from other funds
1-36 by the board outside the State Treasury to provide financial
1-37 assistance to persons for projects eligible for assistance under
1-38 the federal act, including projects eligible under Section 603(c)
1-39 of the federal act (33 U.S.C. Section 1383(c)), and to provide
1-40 linked deposits to eligible lending institutions for loans to
1-41 persons for nonpoint source pollution control projects ~~[political~~
1-42 ~~subdivisions for construction of treatment works and to persons for~~
1-43 ~~estuary management projects and for nonpoint source pollution~~
1-44 ~~control and abatement projects under Subsection (h)].~~

1-45 SECTION 3. Section 15.604(a), Water Code, is amended to
1-46 read as follows:

1-47 (a) The board may use the revolving fund for financial
1-48 assistance only as provided by the federal act:

1-49 (1) to make loans, on the conditions that:

1-50 (A) the loan is ~~[those loans are]~~ made at or below
1-51 market interest rates, including an interest-free loan ~~[loans, at~~
1-52 ~~terms not to exceed 20 years];~~

1-53 (B) principal and interest payments will begin
1-54 not later than one year after completion of the project to be
1-55 financed ~~[any treatment works]~~ and the loan ~~[all loans]~~ will be
1-56 fully amortized not later than the expiration date of the term of
1-57 the loan ~~[20 years after completion of the treatment works];~~

1-58 (C) the recipient of the ~~[a]~~ loan will establish
1-59 a dedicated source of revenue for repayment of the loan ~~[loans];~~ and

1-60 (D) the revolving fund will be credited with all

2-1 payments of principal of and interest on the loan [~~all loans~~];
2-2 (2) to buy or refinance the debt obligation of
2-3 political subdivisions at or below market rates if the debt
2-4 obligations were incurred after March 7, 1985;
2-5 (3) to guarantee or purchase insurance for political
2-6 subdivisions if the guarantee or insurance would improve access to
2-7 market credit or reduce interest rates;
2-8 (4) as a source of revenue or security for the payment
2-9 of principal and interest on bonds issued by the state if the
2-10 proceeds of the sale of those bonds will be deposited in the
2-11 revolving fund;
2-12 (5) to provide loan guarantees to similar revolving
2-13 funds established by municipalities or intermunicipal agencies;
2-14 (6) to earn interest on revolving fund accounts;
2-15 (7) for the reasonable costs of administering the
2-16 revolving fund and conducting activities provided for by Title VI
2-17 of the federal act, except that those amounts may not exceed the
2-18 amount authorized under Title VI of the federal act; and
2-19 (8) [~~to provide financial assistance to persons for a~~
2-20 ~~nonpoint source pollution control project under Section 319 of the~~
2-21 ~~federal act or for an estuary management project under Section 320~~
2-22 ~~of the federal act,~~
2-23 [~~9~~] for other purposes as provided by the federal
2-24 act [~~, and~~
2-25 [~~10~~] ~~to provide linked deposits to eligible lending~~
2-26 ~~institutions for loans to persons for nonpoint source pollution~~
2-27 ~~control projects~~].
2-28 SECTION 4. Section 17.0821(c), Water Code, is amended to
2-29 read as follows:
2-30 (c) The board shall use the state water pollution control
2-31 revolving fund in accordance with Section 15.604(a)(4) [~~15.604(4)~~]
2-32 of this code and the Federal Water Pollution Control Act, Section
2-33 603(d)(4), as a source of revenue to be deposited in accordance with
2-34 this chapter for the payment of principal and interest on water
2-35 quality enhancement bonds issued by the state, the proceeds of
2-36 which are deposited into the state water pollution control
2-37 revolving fund.
2-38 SECTION 5. Section 15.603(i), Water Code, is repealed.
2-39 SECTION 6. This Act takes effect September 1, 2019.

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