

1-1 By: Harris (Senate Sponsor - Taylor) H.B. No. 1905
 1-2 (In the Senate - Received from the House April 19, 2021;
 1-3 April 20, 2021, read first time and referred to Committee on Water,
 1-4 Agriculture & Rural Affairs; May 4, 2021, reported favorably by the
 1-5 following vote: Yeas 7, Nays 0; May 4, 2021, 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	X			
1-16	X			

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

1-19 relating to relieving regional water planning groups of certain
 1-20 duties.

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

1-22 SECTION 1. Section 15.435(g), Water Code, is amended to
 1-23 read as follows:

1-24 (g) The board may not direct the trust company to enter into
 1-25 a bond enhancement agreement with respect to bonds issued by the
 1-26 board the proceeds of which may be used to provide financial
 1-27 assistance to an applicant if at the time of the request the
 1-28 applicant has failed to~~+~~

1-29 ~~[(1)]~~ provide information regarding a water
 1-30 conservation plan in accordance with Section 16.4021~~[, or~~

1-31 ~~[(2) satisfactorily complete a request by the~~
 1-32 ~~executive administrator or a regional water planning group for~~
 1-33 ~~information relevant to the project for which the financial~~
 1-34 ~~assistance is sought, including a water infrastructure financing~~
 1-35 ~~survey under Section 16.053(g)].~~

1-36 SECTION 2. Section 15.437(d), Water Code, is amended to
 1-37 read as follows:

1-38 (d) In addition to the criteria provided by Subsection (c),
 1-39 the board must also consider at least the following criteria in
 1-40 prioritizing projects:

1-41 (1) the local contribution to be made to finance the
 1-42 project, including the up-front capital to be provided by the
 1-43 applicant;

1-44 (2) the financial capacity of the applicant to repay
 1-45 the financial assistance provided;

1-46 (3) the ability of the board and the applicant to
 1-47 timely leverage state financing with local and federal funding;

1-48 (4) whether there is an emergency need for the
 1-49 project, taking into consideration whether:

1-50 (A) the applicant is included at the time of the
 1-51 application on the list maintained by the commission of local
 1-52 public water systems that have a water supply that will last less
 1-53 than 180 days without additional rainfall; and

1-54 (B) federal funding for which the project is
 1-55 eligible has been used or sought;

1-56 (5) if the applicant is applying for financial
 1-57 assistance for the project under Subchapter Q, whether the
 1-58 applicant is ready to proceed with the project at the time of the
 1-59 application, including whether:

1-60 (A) all preliminary planning and design work
 1-61 associated with the project has been completed;

2-1 (B) the applicant has acquired the water rights
2-2 associated with the project;

2-3 (C) the applicant has secured funding for the
2-4 project from other sources; and

2-5 (D) the applicant is able to begin implementing
2-6 or constructing the project; and

2-7 (6) the demonstrated or projected effect of the
2-8 project on water conservation, including preventing the loss of
2-9 water, taking into consideration, if applicable, whether the
2-10 applicant has filed a water audit with the board under Section
2-11 16.0121 that demonstrates that the applicant is accountable with
2-12 regard to reducing water loss and increasing efficiency in the
2-13 distribution of water [~~and~~

2-14 [~~(7) the priority given the project by the applicable~~
2-15 ~~regional water planning group under Section 15.436~~].

2-16 SECTION 3. Section 15.438(g), Water Code, is amended to
2-17 read as follows:

2-18 (g) The advisory committee shall submit comments and
2-19 recommendations to the board regarding the use of money in the fund
2-20 for use by the board in adopting rules under Section 15.439 and in
2-21 adopting policies and procedures under Section 15.441. The
2-22 submission must include:

2-23 (1) comments and recommendations on rulemaking
2-24 related to the prioritization of projects in regional water plans
2-25 and the state water plan in accordance with Section [~~Sections~~
2-26 ~~15.436 and~~ 15.437;

2-27 (2) comments and recommendations on rulemaking
2-28 related to establishing standards for determining whether projects
2-29 meet the criteria provided by Section 15.434(b);

2-30 (3) an evaluation of the available programs for
2-31 providing financing for projects included in the state water plan
2-32 and guidelines for implementing those programs, including
2-33 guidelines for providing financing for projects included in the
2-34 state water plan that are authorized under Subchapter Q or R of this
2-35 chapter, Subchapter E or F, Chapter 16, or Subchapter J, Chapter 17;

2-36 (4) an evaluation of the lending practices of the
2-37 board and guidelines for lending standards;

2-38 (5) an evaluation of the use of funds by the board to
2-39 provide support for financial assistance for water projects,
2-40 including support for the purposes described by Section 15.435(c);

2-41 (6) an evaluation of whether premium financing
2-42 programs should be established within the funds described by
2-43 Section 15.435 to serve the purposes of this subchapter, especially
2-44 in connection with projects described by Section 15.434(b);

2-45 (7) an evaluation of methods for encouraging
2-46 participation in the procurement process by companies domiciled in
2-47 this state or that employ a significant number of residents of this
2-48 state; and

2-49 (8) an evaluation of the overall operation, function,
2-50 and structure of the fund.

2-51 SECTION 4. Section 15.439(a), Water Code, is amended to
2-52 read as follows:

2-53 (a) The board shall adopt rules providing for the use of
2-54 money in the fund that are consistent with this subchapter,
2-55 including rules:

2-56 (1) establishing standards for determining whether
2-57 projects meet the criteria provided by Section 15.434(b); and

2-58 (2) specifying the manner for prioritizing projects
2-59 for purposes of Section [~~Sections 15.436 and~~ 15.437].

2-60 SECTION 5. Section 15.912(b), Water Code, is amended to
2-61 read as follows:

2-62 (b) The board may not accept an application for a loan or
2-63 grant of financial assistance from the fund for a project
2-64 recommended through the state and regional water planning processes
2-65 under Sections 16.051 and 16.053 if the applicant has failed to
2-66 satisfactorily complete a request by the executive administrator or
2-67 a regional planning group for information relevant to the project [~~and~~
2-68 ~~including a water infrastructure financing survey under Section~~
2-69 ~~16.053(q)~~].

3-1 SECTION 6. Section 15.975(d), Water Code, is amended to
3-2 read as follows:

3-3 (d) The board may not approve an application if the
3-4 applicant has failed to satisfactorily complete a request by the
3-5 executive administrator or a regional planning group for
3-6 information relevant to the project[, ~~including a water~~
3-7 ~~infrastructure financing survey under Section 16.053(q)~~].

3-8 SECTION 7. Section 16.131(b), Water Code, is amended to
3-9 read as follows:

3-10 (b) The board may not use the state participation account of
3-11 the development fund to finance a project recommended through the
3-12 state and regional water planning processes under Sections 16.051
3-13 and 16.053 if the applicant has failed to satisfactorily complete a
3-14 request by the executive administrator or a regional planning group
3-15 for information relevant to the project[, ~~including a water~~
3-16 ~~infrastructure financing survey under Section 16.053(q)~~].

3-17 SECTION 8. Sections 15.436 and 16.053(q), Water Code, are
3-18 repealed.

3-19 SECTION 9. This Act takes effect September 1, 2021.

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