

BILL ANALYSIS

Senate Research Center
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C.S.H.B. 467
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Natural Resources
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Committee Report (Substituted)

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Currently, Harris County and adjacent counties have economically distressed areas that are severely lacking in adequate water and sewer services. Most of these residential users live daily under substandard conditions dependant on water wells which are contaminated. Septic systems are leaching into the water table, adding further contamination of the drinking water.

C.S.H.B. 467 provides for these areas to be eligible for grant or bond assistance under Chapters 16 (Provisions Generally Applicable to Water Development) and 17 (Public Funding), Water Code.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 17, Water Code, by adding Subchapter K-1, as follows:

SUBCHAPTER K-1. STATEWIDE ASSISTANCE TO ECONOMICALLY DISTRESSED AREAS FOR WATER SUPPLY AND SEWER SERVICE PROJECTS

Sec. 17.941. DEFINITIONS. Defines "economically distressed area," "financial assistance," "political subdivision," and "sewer services" and "sewer facilities."

Sec. 17.942. FINANCIAL ASSISTANCE. Authorizes the economically distressed areas program account (account) to be used by the Texas Water Development Board (board) to provide financial assistance to political subdivisions for the construction, acquisition, or improvement of water supply and sewer services, including providing money from the account for the state's participation in federal programs that provide assistance to political subdivisions. Prohibits money from the proceeds of bonds issued under the authority of Section 49-d-7(b) or 49-d-8, Article III, Texas Constitution, from being used to provide financial assistance under this subchapter.

Sec. 17.943. APPLICATION FOR FINANCIAL ASSISTANCE. (a) Authorizes a political subdivision to apply to the board for financial assistance under this subchapter by submitting an application together with a plan for providing water supply or sewer services to an economically distressed area.

(b) Requires the application and plan to include certain information.

(c) Provides that a program of water conservation for the more effective use of water is required for the approval of an application for financial assistance under this section in the same manner as such a program is required for the approval of an application for financial assistance under Section 17.125.

(d) Authorizes the board, before considering the application, to require the applicant to take certain actions relating to the application process.

Sec. 17.944. CONSIDERATIONS IN REVIEWING APPLICATION. (a) Requires the board to take certain considerations into account in reviewing an application for financial assistance.

(b) Requires the board, at the time an application for financial assistance is considered, to also find that the area to be served by a proposed project has a median household income of not more than 75 percent of the median state household income for the most recent year for which statistics are available.

Sec. 17.945. APPROVAL OR DISAPPROVAL OF APPLICATION. Requires the board by resolution, after considering the matters described by Section 17.944, to take certain actions relating to the approval or denial of a plan and application.

Sec. 17.946. FINDINGS REGARDING PERMITS. (a) Prohibits the board from releasing money for the construction of that portion of a project that proposes surface water or groundwater development until the executive administrator makes a certain written finding.

(b) Authorizes the board to release money for the costs of planning, engineering, architectural, legal, title, fiscal, or economic investigation, studies, surveys, or designs before making the finding required under Subsection (a) if the executive administrator determines that a reasonable expectation exists that the finding will be made before the release of funds for construction.

(c) Prohibits the board, if an applicant includes a proposal for treatment works, from delivering money for the treatment works until the applicant has received a permit for construction and operation of the treatment works and approval of the plans and specifications from the Texas Commission on Environmental Quality (TCEQ), unless such a permit is not required by TCEQ.

Sec. 17.947. METHOD OF FINANCIAL ASSISTANCE. (a) Authorizes the board to provide financial assistance to political subdivisions under this subchapter by using money in the economically distressed areas program account to purchase political subdivision bonds.

(b) Authorizes the board to make financial assistance available to political subdivisions in any other manner that it considers feasible, including certain contracts or agreements.

Sec. 17.948. TERMS OF FINANCIAL ASSISTANCE. (a) Authorizes the board to use money in the account to provide financial assistance under this subchapter to a political subdivision to be repaid in the form, manner, and time provided by board rules and in agreement between the board and the political subdivision, taking into consideration the information provided under Section 17.943.

(b) Prohibits the board, in providing financial assistance to an applicant under this subchapter, from providing to the applicant financial assistance for which repayment is not required in an amount that exceeds 50 percent of the total amount of the financial assistance plus interest on any amount that must be repaid, unless the Department of State Health Services (department) issues a finding that a nuisance dangerous to the public health and safety exists resulting from water supply and sanitation problems in the area to be served by the proposed project. Requires the board and the applicant to provide to the department information necessary to make a determination, and authorizes the board and the department to enter into memoranda of understanding necessary to carry out this subsection.

(c) Prohibits the total amount of financial assistance provided by the board to political subdivisions under this subchapter from state-issued bonds for which repayment is not required from exceeding at any time 90 percent of the total principal amount of issued and unissued bonds authorized for purposes of this subchapter.

(d) Requires the board to take certain considerations into account in determining the amount and form of financial assistance and the amount and form of repayment.

(e) Authorizes the board, in making its determination under Subsection (d)(1), to consider any study, survey, data, criteria, or standard developed or prepared by an federal, state, or local agency, privacy foundation, banking or financial institution, or other reliable source of statistical or financial data or information.

(f) Authorizes the board to provide financial assistance money under this subchapter for treatment works only if the board determines that it is not feasible in the area covered by the application to use septic tanks as the method for providing sewer services under the applicant's plan.

SECTION 2. Amends Subsection (c), Section 17.958, Water Code, to make a conforming change.

SECTION 3. Repealer: Sections 15.407(i) (relating to a political subdivision's eligibility for financial assistance) and 15.974(b) (relating to regulations of amounts of financial assistance), Water Code.

SECTION 4. Effective date: upon passage or September 1, 2005.