

BILL ANALYSIS

H.B. 1904
By: Harris
Natural Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The water infrastructure fund (WIF) was created two decades ago to provide affordable financing for water conservation and development projects through the implementation of recommended strategies in the state water plan. The Texas Water Development Board (TWDB) retired the fund several years ago when the legislature created the state water implementation fund for Texas, which now provides financing for the plan's implementation.

As the TWDB closes out the WIF program, proper disposition of the funds is necessary. A desirable option for this disposition would be to transfer funds to the Texas Water Development Fund II, as WIF money is already tied to that development fund because of the constitutional authority used to issue WIF bonds to pay off water financial assistance bonds that were the source of the WIF. Additionally, general obligation bonding authority for the Texas Water Development Fund II was used as the initial seed money for the WIF. Further, use of the WIF is restricted to state water plan projects, and Texas Water Development Fund II projects must be consistent with the state water plan.

For those reasons, it is more appropriate for the TWDB to transfer WIF money to the Texas Water Development Fund II than to another state program. H.B. 1904 seeks to authorize this transfer.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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

H.B. 1904 amends the Water Code to authorize the Texas Water Development Board to use the water infrastructure fund to make transfers from the fund to the financial assistance account of the Texas Water Development Fund II for applicable purposes. The bill provides for the use of proceeds from water financial assistance bonds, for which the water infrastructure fund is used as a source of revenue for the payment of principal and interest, for any applicable authorized purpose of the financial assistance account.

EFFECTIVE DATE

September 1, 2021.