

BILL ANALYSIS

C.S.H.B. 2350
By: Zwiener
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Concerns have been raised regarding the underutilization in Texas of nature-based infrastructure, which consists of man-made systems that mimic natural processes to help mitigate the effects of flooding, runoff, and erosion while also producing ancillary benefits such as enhanced aquifer recharge, reduced heat island effects, and scenic beauty. A program in Iowa has helped encourage the proliferation of nature-based infrastructure across communities and enjoys a great deal of popularity in its contributions to flood mitigation and scenic beautification. It has been suggested by local organizations and community leaders that a similar program should be implemented in Texas, as the adoption of similar cost-effective measures has been slow and local governments could use an incentive to invest in green infrastructure. C.S.H.B. 2350 seeks to encourage the proliferation of nature-based infrastructure projects across the state by incentivizing political subdivisions to undertake these projects.

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 rulemaking authority is expressly granted to the Texas Water Development Board in SECTIONS 1, 7, and 8 of this bill.

ANALYSIS

C.S.H.B. 2350 amends the Water Code to require the Texas Water Development Board (TWDB) to establish and administer the water resource restoration program to assist in enhancing water quality in Texas through the provision of financial assistance to political subdivisions for locally directed projects. The bill defines "project" as nature-based infrastructure that will improve water quality in the political subdivision where the project is located and includes the acquisition of real property and the use of nature-based water treatment technologies.

C.S.H.B. 2350 requires the TWDB to establish a process by which a political subdivision may combine a project funded through a state revolving fund with a project under the program so that the total cost of both projects does not exceed the cost of the project funded through the state revolving fund. The bill requires a proposed project to be compatible with the program's goals and include the application of best management practices for the primary purpose of water quality protection and improvement. The bill specifies items a proposed project may and may not include and specifically prohibits a project from including the acquisition of property, an interest in property, or improvements to property through the use of eminent domain.

C.S.H.B. 2350 requires the TWDB to adopt rules to establish a means of prioritizing projects in disadvantaged communities and requires the TWDB to include specified criteria to determine

whether a political subdivision seeking financing is a disadvantaged community. The bill requires an application for the financing of a project to include a viability assessment that includes the following:

- the ability of the applicant to provide proper oversight and management through a certified operator; and
- the users' financial ability to support the project's long-term maintenance.

C.S.H.B. 2350 requires the TWDB to adopt rules necessary for the program's implementation and administration and sets a deadline of not later than September 1, 2022, for the adoption of rules necessary to implement the program.

C.S.H.B. 2350 authorizes any additional state revolving fund established under provisions relating to financial assistance for water pollution control, to the extent not prohibited by TWDB rule, to be used to provide financial assistance for projects under the bill's water resource restoration program.

C.S.H.B. 2350 includes projects proposed under the bill's water resource restoration program as water quality enhancement the purposes for which the TWDB may use water quality enhancement funds to provide financial assistance to political subdivisions. The bill requires an application for financial assistance for water quality enhancement purposes administered through the program to include a copy of a resolution approving the proposed project adopted by the governing body of a municipality or special purpose district or the commissioners court of a county in which the proposed project is to be located. The bill requires the TWDB, in passing on an application from a political subdivision, to consider, among the other prescribed considerations, whether the political subdivision proposes a project through the program.

C.S.H.B. 2350 includes the following applications among the applications that the TWDB is required to give preference if there is insufficient money available to fund all applications for financial assistance for water quality enhancement purposes:

- applications for political subdivisions that propose a project through the program that provides a significant improvement to water quality in the relevant watershed; and
- applications for political subdivisions that propose a project through the program that affects a disadvantaged community, as determined by TWDB rule.

EFFECTIVE DATE

September 1, 2021.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 2350 differs from the original in minor or nonsubstantive ways by conforming to certain bill drafting conventions.