

SUBJECT: Amending the Texas Constitution to create the Flood Infrastructure Fund

COMMITTEE: Natural Resources — favorable, without amendment

VOTE: 10 ayes — Larson, Metcalf, Dominguez, Farrar, Harris, T. King, Lang, Nevárez, Oliverson, Ramos

0 nays

1 absent — Price

WITNESSES: None

DIGEST: HJR 4 would amend the Texas Constitution to create the Flood Infrastructure Fund as a special fund in the state treasury outside the general revenue fund. As provided by general law, the fund could be administered and used by the Texas Water Development Board.

The fund could be used to provide financing for a drainage, flood mitigation, or flood control project, including:

- planning and design activities;
- work to obtain related regulatory approval; or
- construction of flood mitigation and drainage infrastructure.

Separate accounts could be established in the flood infrastructure fund.

The ballot proposal would be presented to voters at an election on November 5, 2019, and would read: "The constitutional amendment providing for the creation of the flood infrastructure fund to assist in the financing of drainage, flood mitigation, and flood control projects."

SUPPORTERS SAY: By creating the Flood Infrastructure Fund, HJR 4 would establish regional planning and coordination on flood mitigation projects to better provide for vital infrastructure in the state. A significant funding source is necessary to ensure cooperation among regions and all affected

stakeholders and create a more resilient Texas.

The resolution, in combination with enabling legislation HB 13, would provide disbursement oversight for the fund. A local government could only access funds if it had fully cooperated with other entities in the region, held public meetings to accept comments from stakeholders, and completely engineered projects and scored them against one another.

Federal funds are available for flood projects after disastrous events, but counties and cities may not be able to put up the matching funds necessary to access that money. The infrastructure fund created by HJR 4 would provide loans at or below market rates to assist local governments with basic flood project planning, grant applications, and engineering of structural and nonstructural flood mitigation projects.

The appropriation provided in HB 13 would be a one-time expense for necessary flood infrastructure and would be made appropriately through the Economic Stabilization Fund. Infrastructure needs in the state must be met to prepare for future flood events.

**OPPONENTS
SAY:**

HJR 4, in combination with enabling legislation HB 13, would improperly use the Economic Stabilization Fund (ESF) for an appropriation to the Flood Infrastructure Fund. The ESF should only be used for disaster response or relief or for other one-time expenses. Since the infrastructure fund would be an ongoing state program, the money should come from general revenue.

NOTES:

HB 13 by Phelan, the enabling legislation for HJR 4, is set for second-reading consideration today on the Major State Calendar.