

By: Hopson

H.B. No. 1

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the creation, administration, powers, duties,  
3 operation, and financing of the Houston County Groundwater  
4 Conservation District.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. DEFINITIONS. In this Act:

7 (1) "Board" means the board of directors of the  
8 Houston County Groundwater Conservation District.

9 (2) "Designated management area" means an area  
10 designated as a management area under Section 35.004, Water Code.

11 (3) "Director" means a member of the board.

12 (4) "District" means the Houston County Groundwater  
13 Conservation District.

14 SECTION 2. CREATION. (a) A groundwater conservation  
15 district, to be known as the Houston County Groundwater  
16 Conservation District, is created in Houston County, subject to  
17 approval at a confirmation election under Section 10 of this Act.

18 (b) The district is a governmental agency and a political  
19 subdivision of this state.

20 SECTION 3. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The  
21 district is created to serve a public use and benefit.

22 (b) The district is created under and is essential to  
23 accomplish the purposes of Section 59, Article XVI, Texas  
24 Constitution.

1 (c) The district is created to:

2 (1) provide for the protection, recharging, and  
3 prevention of waste of groundwater in the Houston County area;

4 (2) control subsidence caused by the withdrawal of  
5 water from the groundwater reservoirs in that area; and

6 (3) regulate the transport of groundwater out of the  
7 boundaries of the district.

8 (d) All of the land and other property included within the  
9 boundaries of the district will be benefited by the works and  
10 projects that are to be accomplished by the district under powers  
11 conferred by Section 59, Article XVI, Texas Constitution.

12 SECTION 4. BOUNDARIES. The boundaries of the district are  
13 coextensive with the boundaries of Houston County, Texas.

14 SECTION 5. APPLICABILITY OF OTHER LAW. This Act prevails  
15 over any provision of general law that is in conflict or  
16 inconsistent with this Act, including any provision of Chapter 36,  
17 Water Code.

18 SECTION 6. BOARD OF DIRECTORS. (a) The district is  
19 governed by a board of nine directors.

20 (b) Temporary directors are appointed under Section 7 of  
21 this Act and serve until initial directors are elected under  
22 Section 10 of this Act.

23 (c) Four of the initial directors serve until the first  
24 election of permanent directors under Section 11 of this Act. Five  
25 of the initial directors serve until the second election of  
26 permanent directors under Section 11 of this Act.

27 (d) Permanent directors serve staggered four-year terms.

1 (e) Each director, including temporary directors, must  
2 qualify to serve as director in the manner provided by Section  
3 36.055, Water Code.

4 (f) A director may serve consecutive terms.

5 (g) If there is a vacancy in the office of temporary  
6 director, the Houston County Commissioners Court shall appoint a  
7 person to fill the vacancy in accordance with the appointment  
8 method under Section 7 of this Act.

9 (h) A director is entitled to receive fees of office of not  
10 more than \$50 a day for each day the director actually spends  
11 performing the duties of a director. The fees of office may not  
12 exceed \$3,000 a year.

13 (i) The board may authorize a director to receive  
14 reimbursement for the director's reasonable expenses incurred  
15 while engaging in activities on behalf of the board.

16 (j) A majority vote of a quorum is required for board  
17 action. If there is a tie vote, the proposed action fails.

18 SECTION 7. APPOINTMENT OF TEMPORARY DIRECTORS. (a) Not  
19 later than the 45th day after the effective date of this Act:

20 (1) the Houston County Commissioners Court shall  
21 appoint two temporary directors from each of the four commissioners  
22 precincts to represent the precincts in which they reside; and

23 (2) the county judge of Houston County shall appoint  
24 one temporary director who resides in the district to represent the  
25 district at large.

26 (b) At least one of the temporary directors must represent  
27 the interests of rural water suppliers in the district, and one of

1 the temporary directors must represent agricultural interests in  
2 the district.

3 SECTION 8. ORGANIZATIONAL MEETING. As soon as practicable  
4 after all the temporary directors have qualified according to  
5 Section 6(e) of this Act, a majority of the temporary directors  
6 shall convene the organizational meeting of the district at a  
7 location within the district agreeable to a majority of the  
8 directors. If no location can be agreed upon, the organizational  
9 meeting shall be at the Houston County Courthouse.

10 SECTION 9. METHOD OF ELECTING DIRECTORS: COMMISSIONERS  
11 PRECINCTS. (a) The directors of the district shall be elected  
12 according to the commissioners precinct method as provided by this  
13 section.

14 (b) One director shall be elected by the voters of the  
15 entire district, and two directors shall be elected from each  
16 county commissioners precinct by the voters of that precinct.

17 (c) Except as provided by Subsection (e) of this section, to  
18 be eligible to be a candidate for or to serve as director at large, a  
19 person must be a registered voter in the district. To be a  
20 candidate for or to serve as director from a county commissioners  
21 precinct, a person must be a registered voter of that precinct.

22 (d) A person shall indicate on the application for a place  
23 on the ballot:

24 (1) the precinct that the person seeks to represent;  
25 or

26 (2) that the person seeks to represent the district at  
27 large.

1 (e) When the boundaries of the county commissioners  
2 precincts are redrawn after each federal decennial census to  
3 reflect population changes, a director in office on the effective  
4 date of the change, or a director elected or appointed before the  
5 effective date of the change whose term of office begins on or after  
6 the effective date of the change, shall serve in the precinct to  
7 which elected or appointed even though the change in boundaries  
8 places the person's residence outside the precinct for which the  
9 person was elected or appointed.

10 SECTION 10. CONFIRMATION AND INITIAL DIRECTORS' ELECTION.

11 (a) The temporary directors shall call and hold an election to  
12 confirm the creation of the district.

13 (b) At the confirmation and initial directors' election,  
14 the temporary directors shall have placed on the ballot the name of  
15 any candidate filing for an initial director's position and blank  
16 spaces to write in the names of other persons. A temporary director  
17 who is eligible to be a candidate under Section 9 of this Act may  
18 file for a position as an initial director.

19 (c) Section 41.001(a), Election Code, does not apply to a  
20 confirmation and initial directors' election held as provided by  
21 this section.

22 (d) Except as provided by this section, a confirmation and  
23 initial directors' election must be conducted as provided by  
24 Sections 36.017(b)-(i), Water Code, and the Election Code.

25 (e) The two initial directors elected to represent each  
26 commissioners precinct shall draw lots to decide which of the two  
27 directors shall serve a term lasting until the first regularly

1 scheduled election of directors under Section 11 of this Act, and  
2 which of the two directors shall serve until the second regularly  
3 scheduled election of directors. The at-large director shall serve  
4 until the second regularly scheduled election of directors.

5 (f) If the establishment of the district is not confirmed at  
6 an election held under this section before September 1, 2005, the  
7 district is dissolved, except that:

8 (1) any debts incurred shall be paid;

9 (2) any assets that remain after the payment of debts  
10 shall be transferred to Houston County; and

11 (3) the organization of the district shall be  
12 maintained until all debts are paid and remaining assets are  
13 transferred.

14 SECTION 11. ELECTION OF DIRECTORS. (a) On the uniform  
15 election date prescribed by Section 41.001, Election Code, in May  
16 of the first even-numbered year after the year in which the district  
17 is authorized to be created at a confirmation election, an election  
18 shall be held in the district for the election of four directors for  
19 the positions held by the four initial directors serving shorter  
20 terms from the confirmation election.

21 (b) On the uniform election date prescribed by Section  
22 41.001, Election Code, in May of each subsequent even-numbered year  
23 following the election, the appropriate number of directors shall  
24 be elected.

25 SECTION 12. GENERAL POWERS. Except as otherwise provided  
26 by this Act, the district has all of the rights, powers, privileges,  
27 authority, functions, and duties provided by the general law of

1 this state, including Chapter 36, Water Code, applicable to  
2 groundwater conservation districts created under Section 59,  
3 Article XVI, Texas Constitution.

4 SECTION 13. LIMITATION ON TAXATION. The district may not  
5 impose an ad valorem tax at a rate that exceeds three cents on each  
6 \$100 of assessed valuation of taxable property in the district.

7 SECTION 14. FEES. (a) The board may by rule impose  
8 reasonable fees on each well:

- 9 (1) for which a permit is issued by the district; and  
10 (2) that is not exempt from district regulation.

11 (b) A production fee may be based on:

- 12 (1) the size of column pipe used by the well; or  
13 (2) the amount of water actually withdrawn from the  
14 well, or the amount authorized or anticipated to be withdrawn.

15 (c) The board shall base the initial production fee on the  
16 criteria listed in Subsection (b)(2) of this section. The initial  
17 production fee:

18 (1) may not exceed:

19 (A) \$0.25 per acre-foot for water used for  
20 agricultural irrigation; or

21 (B) \$0.0425 per thousand gallons for water used  
22 for any other purpose; and

23 (2) may be increased at a cumulative rate not to exceed  
24 three percent per year.

25 (d) In addition to the production fee authorized under this  
26 section, the district may assess an export fee on groundwater  
27 produced for transport outside the district from a well that is in

1 the district.

2 (e) Fees authorized by this section may be:

3 (1) assessed annually; and

4 (2) used to pay the cost of district operations.

5 SECTION 15. GROUNDWATER WELLS UNDER RAILROAD COMMISSION  
6 JURISDICTION. (a) Except as provided by this section, a  
7 groundwater well drilled or operated within the district under a  
8 permit issued by the Railroad Commission of Texas is under the  
9 exclusive jurisdiction of the railroad commission and is exempt  
10 from regulation by the district.

11 (b) Groundwater produced in an amount authorized by a  
12 railroad commission permit may be used within or exported from the  
13 district without a permit from the district.

14 (c) To the extent groundwater is produced in excess of  
15 railroad commission authorization, the holder of the railroad  
16 commission permit:

17 (1) shall apply to the district for the appropriate  
18 permit for the excess production; and

19 (2) is subject to the applicable regulatory fees.

20 (d) The district may impose a production fee or an export  
21 fee on groundwater produced from a well that was drilled to support  
22 mining activities and that is otherwise exempt from regulation by  
23 the district under Subsection (a) of this section if that  
24 groundwater is used for municipal purposes or by a public utility.  
25 Any fee imposed under this subsection may not exceed the fee imposed  
26 on other groundwater producers in the district.

27 SECTION 16. EXEMPTION FROM FEES. (a) Except as provided by



1 Subsection (b) of this section, the district may not assess a fee on  
2 a well drilled by a nonprofit rural water supply corporation, water  
3 district, or other political subdivision if the well's production  
4 is for use within the district.

5 (b) The district by emergency order of the board may impose  
6 a reasonable and temporary production fee on a well described by  
7 Subsection (a) of this section if:

8 (1) severe drought or other district emergency makes  
9 the fee necessary; and

10 (2) the term of the order does not exceed 180 days.

11 SECTION 17. LIMITATION ON INDEBTEDNESS. The district may  
12 issue bonds and notes under Subchapter F, Chapter 36, Water Code,  
13 except that the total amount of that indebtedness may not exceed  
14 \$500,000 at any time.

15 SECTION 18. PROHIBITION ON DISTRICT PURCHASE, SALE,  
16 TRANSPORT, OR DISTRIBUTION OF WATER. The district may not  
17 purchase, sell, transport, or distribute surface water or  
18 groundwater for any purpose.

19 SECTION 19. PROHIBITION ON DISTRICT USE OF EMINENT DOMAIN  
20 POWERS. The district may not exercise the power of eminent domain  
21 under Section 36.105, Water Code.

22 SECTION 20. REGIONAL COOPERATION. To provide for regional  
23 continuity, the district shall:

24 (1) participate as needed in coordination meetings  
25 with other groundwater districts in its designated management area;

26 (2) coordinate the collection of data with other  
27 groundwater conservation districts in its designated management

1 area in such a way as to achieve relative uniformity of data type  
2 and quality;

3 (3) coordinate efforts to monitor water quality with  
4 other groundwater conservation districts in its designated  
5 management area, local governments, and state agencies;

6 (4) provide groundwater level data to other  
7 groundwater conservation districts in its designated management  
8 area;

9 (5) investigate any groundwater or aquifer pollution  
10 with the intention of locating its source;

11 (6) notify other groundwater conservation districts  
12 in its designated management area and all appropriate agencies of  
13 any groundwater pollution detected;

14 (7) annually provide to other groundwater  
15 conservation districts in its designated management area an  
16 inventory of water wells and an estimate of groundwater production  
17 within the district; and

18 (8) include other groundwater conservation districts  
19 in its designated management area on the mailing lists for district  
20 newsletters, seminars, public education events, news articles, and  
21 field days.

22 SECTION 21. EFFECTIVE DATE; EXPIRATION DATE. (a) This Act  
23 takes effect immediately if it receives a vote of two-thirds of all  
24 the members elected to each house, as provided by Section 39,  
25 Article III, Texas Constitution. If this Act does not receive the  
26 vote necessary for immediate effect, this Act takes effect on the  
27 91st day after the last day of the legislative session.

1           (b) If the creation of the district is not confirmed at a  
2 confirmation election held under Section 10 of this Act before the  
3 second anniversary of the effective date of this Act, this Act  
4 expires on that date.