

BILL ANALYSIS

C.S.H.B. 3569
By: Hopson
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Texas faces a difficult challenge to develop water policies that serve both state and regional interests. The Texas Constitution authorizes the creation of groundwater conservation districts to plan, develop, and regulate the use of water. C.S.H.B. 3569 creates the Rusk County Groundwater Conservation District, subject to approval at a confirmation election, to manage Rusk County's groundwater resources.

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

C.S.H.B. 3569 creates the Rusk County Groundwater Conservation District (district) in Rusk County, subject to voter approval at a confirmation election. The bill provides that the district is governed by a board of nine directors, sets forth provisions regarding the composition and administration of the board and the election, qualifications, terms of the directors, and the designation of temporary directors. In addition, C.S.H.B. 3569 prohibits the district's use of eminent domain and also prohibits the district from purchasing, selling, transporting, or distributing surface water or groundwater for any purpose.

This legislation prohibits the district from levying or collecting an ad valorem tax at a rate that exceeds one half cent on each \$100 valuation of taxable property in the district. The bill limits the use and the amount of fees the district can impose and also limits indebtedness not to exceed \$500,000 at any time. This legislation also sets forth provisions regarding an election to confirm establishment of the district.

EFFECTIVE DATE

September 1, 2003

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.H.B. 3569 adds language to allow for an additional member of the temporary directors to represent industry with members representing agriculture and rural water suppliers that were in the original bill. C.S.H.B. 3569 also clarifies the definition of a public utility as well as changes the ad valorem tax rate to one half cent on each \$100 valuation of taxable property in the district instead of three cents. In addition, C.S.H.B. 3569 strikes Section 17 of the original bill regarding existing well exemptions. The previous language was overly broad. Adequate and applicable exemptions already exist in Chapter 36.117 of the Water Code.