

BILL ANALYSIS

C.S.H.B. 2494
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Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Pursuant to Chapter 36 of the Texas Water Code, export fees may only be used for the operation of a groundwater district -- that is the enforcement of Chapter 36 and a district's rules. As a result, districts may be in a position to collect large amounts in export fees, but be limited in their ability to use the money collected. Committee Substitute House Bill 2494 expands the areas for which the fees can be used.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Water Development Board in SECTION 3 of this bill.

ANALYSIS

CSHB 2494 amends Sec. 36.207, Water Code, to provide that a district may use funds obtained from export and user fees for mitigation projects and certain other projects intended to benefit residents of the district.

CSHB 2494 also amends Chapter 36, Water Code, by adding new Section 36.208 to require a district that adopts a resolution to support desalination projects to remit to the Texas Water Development Board (TWDB) for deposit to the credit of the desalination account an amount equal to five percent of the fee for each permit, permit renewal, or permit amendment issued by the district.

CSHB 2494 provides that the TWDB shall adopt rules to implement new Section 36.208 and report - not later than December 1 of each even-numbered year - on the status and results of each project receiving a grant under this section to the governor, lieutenant governor, the speaker, and the chair of the legislative committee with primary jurisdiction over water resources.

CSHB 2494 also establishes a two-year advisory committee on desalination projects that have regional representation from various groundwater districts. The advisory committee shall assist in the development of rules related to the desalination fund.

EFFECTIVE DATE

The Act would be effective immediately with two-thirds vote or on September 1, 2005.

COMPARISON OF ORIGINAL TO SUBSTITUTE

CSHB 2494 adds Legislative Finding about the importance of water and the need to meet increasing water demands.

CSHB 2494 adds language that would allow a groundwater district to use fees for **Aresearch and development related to a district purpose@** and adds **In the economic development provision, a clarification that the economic development must be Arelated to water conservation@**

CSHB 2494 adds a provision that if a groundwater district chooses to participate they can, by resolution, participate in a fund to support desalination projects. The fund would be administered by TWDB and supported by 5% of fees charges for permits issued by a

participating district. Also requires TWDB to report to the legislature activity related to the account.

The Committee Substitute also establishes an 7-9 member temporary advisory committee to TWDB who shall have regional representation from various groundwater districts. The advisory committee shall assist in the development of rules related to the desalination fund.