

## **BILL ANALYSIS**

C.S.H.B. 3477  
By: Hupp  
Natural Resources  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Currently, Burnet County does not have a groundwater conservation district. As proposed, C.S.H.B. 3477 creates the Central Texas Groundwater Conservation District to serve Burnet County. The district will have powers commonly granted to groundwater conservation districts.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **ANALYSIS**

SECTION 1. Amends Subtitle H, Title 6, Special District Local Laws Code, by adding Chapter 8810, as follows:

#### CHAPTER 8810. CENTRAL TEXAS GROUNDWATER CONSERVATION DISTRICT

##### SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8810.001. DEFINITIONS. Defines "board," "director," and "district."

Sec. 8810.002. NATURE OF DISTRICT. Provides that the Central Texas Groundwater Conservation District (district) is a groundwater conservation district in Burnet County.

Sec. 8810.003. CONFIRMATION ELECTION REQUIRED. Provides that if the creation of the district is not confirmed at a confirmation election held before September 1, 2007, the district is dissolved on September 1, 2007, with certain exceptions, and this chapter expires on September 1, 2010.

Sec. 8810.004. INITIAL DISTRICT TERRITORY. Provides that the initial boundaries of the district are coextensive with the boundaries of Burnet County, Texas.

Sec. 8810.005. CONSTRUCTION OF CHAPTER. Requires this chapter to be liberally construed to achieve the legislative intent and purposes of Chapter 36 (Groundwater Conservation Districts), Water Code. Provides that a power granted by Chapter 36, Water Code, or this chapter shall be broadly interpreted to achieve that intent and those purposes.

Sec. 8810.006. APPLICABILITY OF OTHER GROUNDWATER CONSERVATION DISTRICT LAW. Provides that, except as otherwise provided by this chapter, Chapter 36, Water Code, applies to the district.

[Reserves Sections 8810.007-8810.020 for expansion.]

##### SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 8810.021. APPOINTMENT OF TEMPORARY DIRECTORS. (a) Requires five temporary directors to be appointed to the board of directors of the district not later than 45 days after the chapter's effective date. Sets forth which entities or officials are required to appoint directors, and specifies from which regions the directors must be chosen.

(b) Sets forth the procedure for filling a vacancy on the temporary board of directors.

(c) Sets forth the end of the temporary directors' terms.

Sec. 8810.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. Requires a majority of the temporary directors, as soon as practicable after all the temporary directors have qualified under Section 36.055 (Sworn Statement, Bond, and Oath of Office), Water Code, to convene the organizational meeting of the district, and sets forth the criteria for choosing a location for said meeting.

Sec. 8810.023. CONFIRMATION ELECTION. (a) Requires the temporary directors to hold an election to confirm the creation of the district.

(b) Provides that Section 41.001(a) (setting forth the uniform dates of the general or special elections), Election Code, does not apply to a confirmation election held as provided by this section.

(c) Requires the election to be conducted in a certain way, except as provided by this section. Provides that Section 36.017(d) (setting forth the form and content of the ballot), Water Code, does not apply to a confirmation election under this section.

(d) Requires the ballot for the election to be printed to provide for voting for or against the proposition: "The creation of the Central Texas Groundwater Conservation District and the imposition of a maintenance tax at a rate not to exceed five cents for each \$100 of assessed valuation."

(e) Authorizes the temporary directors, if a majority of the votes cast at the election are not in favor of the creation of the district, to hold a subsequent confirmation election and sets forth at what date the election may be held.

(f) Prohibits the district from imposing a maintenance tax unless the tax is confirmed under this section.

Sec. 8810.024. INITIAL DIRECTORS. (a) Provides that, if the creation of the district is confirmed at the confirmation election, the temporary directors of the district become the initial directors of the district and serve on the board until permanent directors are elected.

(b) Sets forth the expiration dates of the respective terms of the initial directors.

Sec. 8810.025. INITIAL ELECTION OF PERMANENT DIRECTORS. Sets forth the date of the first election of two permanent directors to replace two initial directors.

Sec. 8810.026. EXPIRATION OF SUBCHAPTER. Provides that this subchapter expires September 1, 2010.

[Reserves Sections 8810.027-8810.050 for expansion.]

#### SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8810.051. DIRECTORS; TERMS. (a) Provides that the district is governed by a board of five directors.

(b) Sets forth the schedule for directors to serve staggered four-year terms.

(c) Authorizes a director to serve consecutive terms.

Sec. 8810.052. METHOD OF ELECTING DIRECTORS: COMMISSIONERS PRECINCTS. (a) Requires the directors of the district to be elected according to the commissioners precinct method as provided by this section.

(b) Requires one director to be elected by the voters of the entire district, and one director to be elected from each county commissioners precinct by the voters of that precinct.

(c) Sets forth the eligibility requirements for candidacy for or to serve as director at large and the requirements to be eligible to be a candidate for or to serve as a director from a county commissioners precinct. Creates an exception, as provided by Subsection (e), to these requirements.

(d) Requires the person to indicate on the application for a place on the ballot either the precinct that the person seeks to represent or that the person seeks to represent the district at large.

(e) Provides that a director already in office when the boundaries of the county commissioners precinct are redrawn after a census remains in office in the precinct to which elected or appointed the director, even if the director's residence no longer falls within the boundaries.

Sec. 8810.053. ELECTION DATE. Requires the district to hold an election to elect the appropriate number of directors on the uniform election date in May of each even-numbered year.

Sec. 8810.054. DIVISION OF MUNICIPALITY. Provides that the provision in Section 36.059(b), Water Code, concerning the division of a municipal corporation among precincts does not apply to the election under this chapter.

[Reserves Sections 8810.055-8810.100 for expansion.]

#### SUBCHAPTER C. POWERS AND DUTIES

Sec. 8810.101. DEFINITION. Defines "man-made excavation."

Sec. 8810.102. PERMIT CONSIDERATION. Requires the district, before granting or denying a permit under Section 36.113 (Permits for Wells), Water Code, to consider if the proposed use of water unreasonably affects surrounding landowners.

Sec. 8810.103. PERMITS FOR CERTAIN ACTIVITIES; APPLICABLE RULES. Provides that, if a permit is required, the permit holder is subject to certain rules adopted by the district.

Sec. 8810.104. IMPACT OF TRANSFER. (a) Authorizes the district, if the district finds that a transfer of groundwater out of the district negatively impacts certain factors, to impose additional requirements on the permit to minimize those impacts.

(b) Provides that Sections 36.122(c), (e), (i), and (j), Water Code (relating to transferring groundwater out of district), do not apply to a requirement or limitation imposed under this section.

Sec. 8810.105. PROHIBITIONS ON WASTE. (a) Defines "waste."

(b) Provides that waste is prohibited by the district except under certain circumstances.

Sec. 8810.106. CONTRACTS WITH OTHER GOVERNMENTAL ENTITIES. Authorizes a district and another governmental entity to enter into a contract for the performance by that entity of a district function.

Sec. 8810.107. REVENUE. Authorizes the district to use certain methods of raising revenue, including imposing ad valorem taxes, assessing certain fees, and soliciting and accepting grants, that the district is authorized to use to pay the maintenance and operating costs of the district and to pay any bonds or notes issued by the district.

[Reserves Sections 8810.108-8810.150 for expansion.]

#### SUBCHAPTER D. DISSOLUTION

Sec. 8810.151. ELECTION FOR DISSOLUTION. (a) Authorizes the district, if it has no outstanding bond or other long-term indebtedness, to be dissolved by a favorable vote of the majority of the registered voters of the district at an election called for that purpose.

(b) Requires the board to call a dissolution election if the board receives a petition for dissolution signed by at least 50 percent of the registered voters in the district.

(c) Sets forth the required actions of the board if the district is dissolved under this section.

SECTION 2. Provides that all requirements of the constitution, state laws, and rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

#### **EFFECTIVE DATE**

September 1, 2005

#### **COMPARISON OF ORIGINAL TO SUBSTITUTE**

C.H.S.B. 3477 deletes Section (a) and (c) from Section 8810.103 of the original bill. C.H.S.B. 3477 differs from the original bill as filed by amending Section 8810.107 to provide for ad valorem taxes to pay for maintenance and operation of the district and any notes and bonds. The groundwater district cannot impose a tax without approval of the voters.