

## **BILL ANALYSIS**

H.B. 3495  
By: Gallego  
Natural Resources  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The Middle Pecos Groundwater Conservation District's enabling Act states that the district can assess transport fees but that the fees cannot exceed 10% of the production fee. If the district is not assessing production fees, there are two conflicting outcomes/interpretations:

- (1) either 10% of \$0.00 production fee = \$0.00 transport fee; or
- (2) since there is no production fee, there should be no limit on a transport fee except as otherwise imposed by Section 36.122(e), Water Code.

The district needs to clarify that it is not prohibited from assessing transport fees under Section 36.122(e)(1) or (2), Water Code, when the district does not exercise its authority to assess production fees. If the district does assess production fees, its enabling Act expressly sets a limit on transport fees (10% of the production fee).

HB 3495 amends the district enabling Act to provide clarity to this issue, meet the district's objective, and authorize the district to utilize the authority of Section 36.122(e)(1) or (2) of the Water Code.

### **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**

Section 4(e), Chapter 1299, Acts of the 77th Legislature, Regular Session, 2001, is amended to clarify that in addition to other fees assessed by the district, the district may assess an additional fee on groundwater transferred out of the district in accordance with Section 36.122(e)(1) or (2), Water Code, except that the fee may not exceed 10% of the amount of the fee assessed for the production of the water for use within the district if a production fee was assessed.

### **EFFECTIVE DATE**

This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2005.