

BILL ANALYSIS

C.S.S.B. 1674
By: Barrientos
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

This legislation gives the Barton Springs/Edwards Aquifer Conservation District (District) the authority to adopt an alternative fee structure to encourage voluntary conservation and the conjunctive use of surface and groundwater resources. Currently, the District's production fees are statutorily capped at 17 cents per thousand gallons of water. This fee-based incentive applied to future permittees is designed to free additional groundwater for production during non-drought periods and help avoid the need for traditional regulatory enforcement mechanisms. This legislation is only applicable to new or materially-amended permits, grandfathering existing permittees under the current fee structure.

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 1. Amends the District's Enabling Act to enumerate the District's purpose of promoting, through fee and permitting mechanisms, alternatives to the exclusive use of groundwater, including the conjunctive use of ground and surface water.

SECTION 2. Amends the District's Enabling Act to grandfather existing permittees; establishes that the District may charge production fees up to 31 cents per thousand gallons for water permitted for any non-agricultural purpose; allows the District to adopt a differential rate structure for non-agricultural production fees to promote alternatives to the exclusive use of ground water resources; codifies the existing agreement between the District and the City of Austin regarding the calculation and payment of water user fees.

SECTION 3. Removes the District from the groundwater conservation districts whose production fees are statutorily capped in Section 36.205(d) of the Water Code.

EFFECTIVE DATE

This Act is effective September 1, 2005.

COMPARISON OF ORIGINAL TO SUBSTITUTE

SECTION 1. SECTION 3 of the of the bill as filed is SECTION 1 of the substitute.

SECTION 2.

Subsection (g). The substitute:

- 1) changes the amount of production fees per 1,000 gallons from 31 cents to 35 cents.
- 2) Clarifies that the rate established in the legislation applies to a permit first issued or materially amended after September 1, 2005, or a permit issued after September 9, 2004, and renewed after September 1, 2005.
- 3) Clarifies that the rate established in the legislation applies to the amount of water permitted under the permit as issued or renewed or the increase in the amount of water permitted under the permit as materially amended.

Subsection (h). The substitute clarifies that the non-material renewal of a permit first issued prior to September 9, 2004 is not subject to the rate established in this legislation.

SECTION 3. Renumbered. Previously SECTION 1. Amends the District's Enabling Act to enumerate the District's purpose of promoting, through fee and permitting mechanisms, alternatives to the exclusive use of groundwater, including the conjunctive use of ground and surface water.