

## **BILL ANALYSIS**

H.B. 4743  
By: Gallego  
Natural Resources  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

H.B. 4743 creates the Terrell County Groundwater Conservation District. Currently, the lack of a water conservation district hinders any efforts to protect historic users and keep a sustainable approach to maintain the aquifer. Terrell County believes this is a potential problem in groundwater management.

H.B. 4743 creates the Terrell County Groundwater Conservation District in order to establish the county's ability to manage, protect, and preserve the aquifer that is located within the geographical boundaries of Terrell County. The initial boundaries of the district will be coextensive with the boundaries of Terrell County.

### **RULEMAKING AUTHORITY**

It is the Committee's opinion that the bill does not expressly delegate any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

SECTION 1. Amends Subtitle H, Title 6, Special District Local Laws Code, by adding Chapter 8854, as follows:

#### CHAPTER 8854. TERRELL COUNTY GROUNDWATER CONSERVATION DISTRICT

##### SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8854.001. DEFINITIONS. Defines "Board," "Director," and "District."

Sec. 8854.002. NATURE OF DISTRICT. Provides that the district is a groundwater conservation district created under Section 59, Article XVI, Texas Constitution.

Sec. 8854.003. CONFIRMATION ELECTION REQUIRED. Requires an election to confirm the creation of the district before December 31, 2010. Sets forth procedures and requirements for the dissolution of the district if the creation of the district is not confirmed before December 31, 2010. Provides that this Chapter expires September 1, 2014.

Sec. 8854.004. INITIAL DISTRICT TERRITORY. Provides that the initial boundaries of the district are the same as the boundaries of Terrell County, Texas.

Sec. 8854.005. APPLICABILITY OF OTHER GROUNDWATER CONSERVATION DISTRICT LAW. Provides that the district has all the rights, powers, privileges, functions, and duties applicable to groundwater conservation districts under Chapter 36, Water Code, but exempts the district from the law requiring a district to exempt from regulation certain wells and the water they produce under Section 36.121, Water Code.

[Sections 8854.006-8854.020 reserved for expansion]

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

Sec. 8854.021. APPOINTMENT OF TEMPORARY DIRECTORS. Sets forth the method of determining the number, appointment, reappointment, and terms of the temporary directors.

Sec. 8854.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. Sets forth requirements for the organizational meeting.

Sections 8854.023. CONFIRMATION AND INITIAL DIRECTORS' ELECTION. Requires the temporary directors to hold an election to confirm the creation of the district and to elect permanent directors.

Sec. 8854.024. INITIAL DIRECTORS. Sets forth the service and terms of the initial directors.

Sec. 8854.025. INITIAL ELECTION OF PERMANENT DIRECTORS. Sets forth the procedures for the initial election of permanent directors.

Sec. 8854.026. EXPIRATION OF SUBCHAPTER. Provides that the temporary provisions of this Subchapter expire on September 1, 2014.

[Sections 8854.027-8854.050 reserved for expansion]

#### SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8854.051. GOVERNING BODY; TERMS. Sets forth the number and terms of directors of the board.

Sec. 8854.052. METHOD OF ELECTING DIRECTORS: COMMISSIONERS PRECINCTS. Sets forth the procedures for the election of directors of the board, except as provided in Sec. 8854.025.

Sec. 8854.053. ELECTION DATE. Sets forth the election date of directors of the board.

Sec. 8854.054. COMPENSATION. Sets forth the compensation of directors of the board.

[Sections 8854.055-8854.100 reserved for expansion]

#### SUBCHAPTER C. POWERS AND DUTIES

Sec. 8854.101. GENERAL POWERS AND DUTIES. Provides that the district has all of the rights, powers, privileges, functions, and duties necessary to accomplish the purposes for which the district is created.

Sec. 8854.102. PROHIBITION ON DISTRICT PURCHASE, SALE, TRANSPORT, OR DISTRIBUTION OF WATER. Prohibits the district from purchasing, selling, transporting, or distributing surface water or groundwater for any purpose.

Sec. 8854.103. PROHIBITION ON DISTRICT USE OF EMINENT DOMAIN POWER. Prohibits the district from exercising the power of eminent domain.

[Sections 8854.104-8854.150 reserved for expansion]

#### SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8854.151. LIMITATION ON TAXES. Prohibits the district from imposing an ad valorem tax at a rate that exceeds 1.5 cents on each \$100 valuation of taxable property in the district.

Sec. 8854.152. FEES. Authorizes the board by rule to impose reasonable fees on each well for which a permit is issued by the district and that is not exempt from district regulation. Provides for a production fee to be based on the size of column pipe used by a well, or the amount of water actually withdrawn from a well or the amount authorized or anticipated to be withdrawn. Requires the board to base the initial production fee on the amount of water actually, authorized, or anticipated to be withdrawn from a well, prohibits the fee from exceeding 25 cents per acre-

foot for water used for agricultural irrigation, or 4.25 cents per thousand gallons for water used for any other purpose, and authorizes the fee to be increased at a cumulative rate not to exceed 3 percent per year. Authorizes the district to assess an export fee on groundwater from a well that is produced for transport outside the district. Authorizes such fees to be assessed annually, used to pay the cost of district operations, and used for any other purpose allowed for groundwater conservation districts.

Sec. 8854.153. LIMITATION ON INDEBTEDNESS. Authorizes the district to issue bonds and notes as provided for groundwater conservation districts, except that the total indebtedness created by that issuance may not exceed \$500,000 at any time.

SECTION 2. Sets forth legislative findings regarding the fulfillment of procedural requirements with respect to the notice, introduction, and passage of this Act.

SECTION 3. Provides the effective date of this Act.

#### **EFFECTIVE DATE**

This Act takes effect September 1, 2009.