

BILL ANALYSIS

C.S.H.B. 1883
By: Callegari
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Harris-Galveston Subsidence District was created several decades ago to control and prevent subsidence within the district by reducing groundwater withdrawals through a regulatory plan that requires converting water use from groundwater supplies to alternative water supplies. Interested parties contend that many laws governing the district are out of date with modern practices. The parties note that the legislature created several regional water authorities to aid in the water supply conversion process and assert that the district's statute should be updated to recognize these large aggregate permits, as well as to address certain administrative changes and other issues. C.S.H.B. 1883 seeks to address these issues.

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

C.S.H.B. 1883 amends the Special District Local Laws Code to authorize the board of directors of the Harris-Galveston Subsidence District to contract with a person to act as an investment officer of the district and sets out provisions relating to investment officer training. The bill requires an investment officer for the district who holds that office on the bill's effective date to attend the specified training not later than the first anniversary of the bill's effective date, unless the officer has already taken the training in the 12 months preceding that effective date.

C.S.H.B. 1883 requires written notice of a board hearing other than a hearing on a permit application to be given to each regional water supplier in the district and specifies that a copy of the notice required to be posted in the place where notices are usually posted at the county courthouse of each county in the district be provided to each county clerk for such posting, and provides for the definition of "regional water supplier." The bill removes the deadline of not later than March 31 by which the board is required to hold its annual hearing to determine the effects of groundwater withdrawal during the preceding calendar year on subsidence in the district.

C.S.H.B. 1883 authorizes the board to issue permits to drill new wells and by rule provide exemptions from the permit requirements. The bill requires the district to grant a permit to drill and operate a new well inside a platted subdivision if water service from a local retail public utility is not available to the lot where the well is to be located.

C.S.H.B. 1883 removes the requirement for an operator of a well located in the district, as an alternative to the well owner, to obtain a permit from the board before drilling, equipping, or completing the well, substantially altering the size of the well or a well pump, or operating the well. The bill specifies that the board is required to issue a permit to an applicant if the board finds that, in part, there is no other adequate and available substitute or supplemental source of alternative water supplies, rather than surface water, at prices competitive with the prices charged by suppliers in the district. The bill, in a provision capping a district permit fee at 110

percent of the highest rate that the City of Houston charges for water supplied to its customers in the district, removes the specification that such water be surface water.

C.S.H.B. 1883 requires a well owner who is required to hold a permit to submit to the board a report stating the total and monthly amounts of groundwater withdrawn from the well during the preceding calendar year, rather than the preceding 12-month period. The bill requires a well owner whose well is aggregated with other wells permitted and managed by a regional water supplier to file the report with the regional water supplier instead of the district. The bill requires regional water suppliers to annually submit to the board the annual report for all wells owned, managed, or permitted by that supplier no later than March 31.

C.S.H.B. 1883 repeals Section 8801.163(a), Special District Local Laws Code, relating to the definition of "alternative water supply" applicable to provisions relating to the conversion to an alternative water supply.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2013.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 1883 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Section 8801.001, Special District Local Laws Code, is amended by amending Subdivisions (1-a) and (1-b) and adding Subdivisions (1-c) and (4-c) to read as follows:

(1-a) "Alternative water supply" means any water source other than groundwater withdrawn inside the district, and may include water supplied through an approved groundwater reduction plan.

(1-b) "Beneficial use" means any use that is useful or beneficial to the user, including:

(A) an agricultural, gardening, domestic, stock raising, municipal, mining, manufacturing, industrial, commercial, or recreational use, or a use for pleasure purposes; or

(B) exploring for, producing, handling, or treating oil, gas, sulfur, or other minerals.

(1-c) [~~(1-b)~~] "Board" means the board of directors of the district.

(4-c) "Regional water supplier" means a political subdivision of this state that has:

(A) the authority to conserve, store, treat, and purify water and to transport, distribute, sell, and deliver water to any person in this state; and

(B) an approved groundwater reduction

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 8801.001, Special District Local Laws Code, is amended by adding Subdivision (4-c) to read as follows:

No equivalent provision.

(4-c) "Regional water supplier" means a political subdivision of this state that has:

(A) the authority to conserve, store, treat, and purify water and to transport, distribute, sell, and deliver water to any person in this state; and

(B) an approved groundwater reduction

plan.

SECTION 2. Section 8801.0551, Special District Local Laws Code, is amended to read as follows:

Sec. 8801.0551. QUORUM. A majority of the membership of the board constitutes a quorum for any meeting, and a concurrence of a majority of the entire membership of the board is sufficient for transacting any district business. A member who abstains from voting on a particular matter does not count as part of the membership for the purposes of that vote, and a majority of the remaining membership is sufficient for transacting any district business.

SECTION 3. Subchapter B, Chapter 8801, Special District Local Laws Code, is amended.

SECTION 4. Sections 8801.110(c) and (e), Special District Local Laws Code, are amended.

SECTION 5. Section 8801.115, Special District Local Laws Code, is amended.

SECTION 6. Section 8801.117(a), Special District Local Laws Code, is amended.

SECTION 7. Section 8801.151, Special District Local Laws Code, is amended to read as follows:

Sec. 8801.151. GROUNDWATER WITHDRAWALS SUBJECT TO BOARD RULE. (a) Groundwater withdrawals governed by this chapter, including withdrawals of injected water, are subject to reasonable board rules and orders, taking into account all factors, including availability of surface water or alternative water supplies, economic impact on persons and the community, degree and effect of subsidence on the surface of land, and

plan.

No equivalent provision.

SECTION 2. Same as introduced version.

SECTION 3. Same as introduced version.

SECTION 4. Same as introduced version.

SECTION 5. Same as introduced version.

SECTION 6. Section 8801.151, Special District Local Laws Code, is amended to read as follows:

Sec. 8801.151. GROUNDWATER WITHDRAWALS SUBJECT TO BOARD RULE. (a) Groundwater withdrawals governed by this chapter, including withdrawals of injected water, are subject to reasonable board rules and orders, taking into account all factors, including availability of surface water or alternative water supplies, economic impact on persons and the community, degree and effect of subsidence on the surface of land, and

differing topographical and geophysical characteristics of land areas in the district.

(b) The board may issue permits to drill new wells and may, by rule, provide exemptions from the permit requirements. The district shall grant a permit to drill and operate a new well inside a platted subdivision if water service from a retail public utility is not available to the lot where the well is to be located.

(c) In this section, "retail public utility" has the meaning assigned by Section 13.002, Water Code.

SECTION 8. Section 8801.152, Special District Local Laws Code, is amended.

SECTION 9. Sections 8801.155(a) and (c), Special District Local Laws Code, are amended to read as follows:

(a) An ~~The~~ owner ~~or operator~~ of a well located in the district must obtain a permit from the board before:

(1) drilling, equipping, or completing the well;

(2) substantially altering the size of the well or a well pump; or

(3) operating the well.

(c) A well ~~An~~ owner ~~or operator~~ commits a violation if the well owner ~~or operator~~ does not obtain a permit as required by Subsection (a). A violation occurs on the first day the drilling, alteration, or operation begins. Each day that a violation continues is a separate violation.

SECTION 10. Section 8801.158(c), Special District Local Laws Code, is amended.

SECTION 11. Section 8801.161(b-1), Special District Local Laws Code, is amended.

SECTION 12. Section 8801.162, Special District Local Laws Code, is amended.

differing topographical and geophysical characteristics of land areas in the district.

(b) The board may issue permits to drill new wells and may, by rule, provide exemptions from the permit requirements. The district shall grant a permit to drill and operate a new well inside a platted subdivision if water service from a **local** retail public utility is not available to the lot where the well is to be located.

(c) In this section, "retail public utility" has the meaning assigned by Section 13.002, Water Code.

SECTION 7. Same as introduced version.

SECTION 8. Sections 8801.155(a) and (c), Special District Local Laws Code, are amended to read as follows:

(a) A ~~The owner or operator of a~~ well owner ~~located in the district~~ must obtain a permit from the board before:

(1) drilling, equipping, or completing the well;

(2) substantially altering the size of the well or a well pump; or

(3) operating the well.

(c) A well ~~An~~ owner ~~or operator~~ commits a violation if the well owner ~~or operator~~ does not obtain a permit as required by Subsection (a). A violation occurs on the first day the drilling, alteration, or operation begins. Each day that a violation continues is a separate violation.

SECTION 9. Same as introduced version.

SECTION 10. Same as introduced version.

SECTION 11. Same as introduced version.

SECTION 13. Section 8801.163(a), Special District Local Laws Code, is repealed.

SECTION 14.

(a) Section 8801.0551, Special District Local Laws Code, as amended by this Act, applies only to a vote taken by the board of directors of the Harris-Galveston Subsidence District on or after the effective date of this Act. A vote taken by that board before the effective date of this Act is governed by the law in effect on the date the vote was taken, and that law is continued in effect for that purpose.

(b) An investment officer for the Harris-Galveston Subsidence District who holds that office on the effective date of this Act must attend the training required by Section 8801.066(b)(1), Special District Local Laws Code, as added by this Act, not later than the first anniversary of the effective date of this Act.

SECTION 15. 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, 2013.

SECTION 12. Same as introduced version.

SECTION 13.

No equivalent provision.

A person who is an investment officer for the Harris-Galveston Subsidence District and who holds that office on the effective date of this Act must attend the training required by Section 8801.066(b)(1), Special District Local Laws Code, as added by this Act, not later than the first anniversary of the effective date of this Act, unless the person has already taken the training in the 12 months preceding that effective date.

SECTION 14. Same as introduced version.