

**BILL ANALYSIS**

C.S.H.B. 3137  
By: Lucio III  
Natural Resources  
Committee Report (Substituted)

**BACKGROUND AND PURPOSE**

The Rio Grande Regional Water Authority exists to help plan for and develop sustainable sources of water for the Rio Grande basin in Texas. Recently, the Texas Legislature authorized the authority to levy assessments on water rights within its jurisdiction to fund support programs. Interested parties assert that, as this assessment is the only source of revenue for the authority, it is necessary to cap the assessment to prevent inflating assessment rates. C.S.H.B. 3137 seeks to address this issue.

**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. 3137 amends Sections 4.04(b) and (d), Chapter 385, Acts of the 78th Legislature, Regular Session, 2003, to cap the Rio Grande Regional Water Authority's water user fee or assessment at five cents per acre-foot. The bill specifies that the cap on an initial fee or assessment at five cents for each water right held by an affected entity is five cents per acre-foot for each such water right.

**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. 3137 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	HOUSE COMMITTEE SUBSTITUTE
SECTION 1. The heading to Subchapter F, Chapter 15, Water Code, is amended to read as follows: SUBCHAPTER F. RESEARCH, <del>[AND]</del> PLANNING, AND CONSTRUCTION PROGRAM	No equivalent provision.
SECTION 2. Section 15.401, Water Code, is amended to read as follows:	No equivalent provision.

Sec. 15.401. PROGRAM CREATION. (a) The research, ~~and~~ planning, and construction program is created to provide money for:

(1) research into and planning of the proper conservation, management, and development of the state's water resources;

(2) ~~[, for]~~ regional planning by political subdivisions;

(3) ~~[, for]~~ facility engineering in economically distressed areas;

(4) ~~[, and for]~~ flood control planning by political subdivisions; and

(5) constructing a project otherwise described by this section.

(b) The program may also provide money for research and planning by Texas political subdivisions related to the proper conservation, management, and development of water resources of areas outside Texas if such research or planning will result in water being available for use in or for the benefit of Texas or will maintain and enhance the quality of water in Texas.

SECTION 3. Subchapter F, Chapter 15, Water Code, is amended by adding Section 15.408 to read as follows:

Sec. 15.408. REGIONAL FACILITY CONSTRUCTION. (a) The board may enter into contracts with political subdivisions to pay from the research and planning fund all or part of the cost of constructing a regional water facility.

(b) A political subdivision that desires money from the research and planning fund for regional water facility construction shall submit a written application to the board in the manner and form required by board rules.

(c) The application shall include:

(1) the name of the political subdivision;

(2) a citation to the laws under which the political subdivision was created and is operating, including specific citation of all laws providing authority to plan, develop, construct, and operate regional facilities;

(3) the amount of money requested from the board for regional water facility construction; and

(4) any other information required by the board in its rules or specifically requested by the board.

(d) After notice and hearing, the board may award the applicant all or part of the requested money that is considered necessary

No equivalent provision.

by the board for the political subdivision to construct a regional water facility.

(e) If the board grants an application under this section and awards money for regional water facility construction, the board shall enter into a contract with the political subdivision that includes:

(1) a detailed statement of the purpose for which the money is to be used;

(2) the total amount of money to be paid from the research and planning fund under the contract; and

(3) any other terms and conditions required by board rules or agreed to by the contracting parties.

(f) The board shall adopt rules establishing criteria of eligibility for regional water facility construction money that considers:

(1) the relative need of the political subdivision for the money;

(2) the legal authority of the political subdivision to plan, develop, construct, and operate regional facilities;

(3) the effect of a regional water facility constructed by the political subdivision on overall regional facility planning, development, and operation in the state and within the area in which the political subdivision is located; and

(4) the degree to which the regional water facility constructed by the political subdivision is consistent with an approved regional water plan for the area in which the political subdivision is located.

(g) The board may require that regional water facility plans developed under contracts entered into under this section be made available to the commission as provided by board rules.

SECTION 4. Sections 4.04(b) and (d), Chapter 385, Acts of the 78th Legislature, Regular Session, 2003, are amended to read as follows:

(b) Each fiscal year, the board shall determine the amount of the fee or assessment based on the water rights held by the affected entity. The board may increase the fee or assessment by not more than 20 percent in any two-year period. The fee or assessment may not exceed 15 cents per acre-foot.

(d) An initial fee or assessment imposed under this section may not exceed five cents per acre-foot for each water right held by the

SECTION 1. Sections 4.04(b) and (d), Chapter 385, Acts of the 78th Legislature, Regular Session, 2003, are amended to read as follows:

(b) Each fiscal year, the board shall determine the amount of the fee or assessment based on the water rights held by the affected entity.

The fee or assessment may not exceed five cents per acre-foot.

(d) An initial fee or assessment imposed under this section may not exceed five cents per acre-foot for each water right held

affected entity.

SECTION 5. (a) As soon as practicable after the effective date of this Act, the Texas Water Development Board shall adopt rules to implement Subchapter F, Chapter 15, Water Code, as amended by this Act.

(b) The changes in law made by this Act apply only to a fee or assessment that is imposed by the Rio Grande Regional Water Authority on or after the effective date of this Act. A fee or assessment that is imposed before the effective date of this Act is governed by the law in effect when the fee or assessment was imposed, and the former law is continued in effect for that purpose.

SECTION 6. 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.

by the affected entity.

SECTION 2.

The changes in law made by this Act apply only to a fee or assessment that is imposed by the Rio Grande Regional Water Authority on or after the effective date of this Act. A fee or assessment that is imposed before the effective date of this Act is governed by the law in effect when the fee or assessment was imposed, and the former law is continued in effect for that purpose.

SECTION 3. Same as introduced version.