By: Callegari

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A BILL TO BE ENTITLED 1 AN ACT 2 relating to the Harris-Galveston Subsidence District; providing authority to impose a fee. 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS: 4 SECTION 1. Section 8801.001, Special District Local Laws 5 Code, is amended by amending Subdivisions (1-a) and (1-b) and 6 adding Subdivisions (1-c) and (4-c) to read as follows: 7 (1-a) "Alternative water supply" means any water 8 9 source other than groundwater withdrawn inside the district, and may include water supplied through an approved groundwater 10 reduction plan. 11 12 (1-b) "Beneficial use" means any use that is useful or beneficial to the user, including: 13 14 (A) an agricultural, gardening, domestic, stock raising, municipal, mining, manufacturing, industrial, commercial, 15 16 or recreational use, or a use for pleasure purposes; or (B) exploring for, producing, handling, 17 or treating oil, gas, sulfur, or other minerals. 18 (1-c) [(1-b)] "Board" means the board of directors of 19 the district. 20 21 (4-c) "Regional water supplier" means a political subdivision of this state that has: 22 (A) the authority to conserve, store, treat, and 23 purify water and to transport, distribute, sell, and deliver water 24

1	to any person in this state; and
2	(B) an approved groundwater reduction plan.
3	SECTION 2. Section 8801.0551, Special District Local Laws
4	Code, is amended to read as follows:
5	Sec. 8801.0551. QUORUM. A majority of the membership of the
6	board constitutes a quorum for any meeting, and a concurrence of a
7	majority of the entire membership of the board is sufficient for
8	transacting any district business. <u>A member who abstains from</u>
9	voting on a particular matter does not count as part of the
10	membership for the purposes of that vote, and a majority of the
11	remaining membership is sufficient for transacting any district
12	business.
13	SECTION 3. Subchapter B, Chapter 8801, Special District
14	Local Laws Code, is amended by adding Section 8801.066 to read as
15	follows:
16	Sec. 8801.066. INVESTMENT OFFICER. (a) Notwithstanding
17	Section 2256.005(f), Government Code, the board may contract with a
18	person to act as investment officer of the district.
19	(b) The investment officer shall:
20	(1) not later than the first anniversary of the date
21	the officer takes office or assumes the officer's duties, attend a
22	training session of at least six hours of instruction relating to
23	investment responsibilities under Chapter 2256, Government Code;
24	and
25	(2) attend at least four hours of additional
26	investment training within each two-year period after the first
27	year.

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1	(c) Training under this section must be from an independent
2	source approved by:
3	(1) the board; or
4	(2) a designated investment committee advising the
5	investment officer.
6	(d) Training under this section must include education in
7	investment controls, security risks, strategy risks, market risks,
8	diversification of investment portfolio, and compliance with
9	Chapter 2256, Government Code.
10	SECTION 4. Sections 8801.110(c) and (e), Special District
11	Local Laws Code, are amended to read as follows:
12	(c) Written notice of a hearing other than a hearing on a
13	permit application must be given to:
14	(1) each county <u>, regional water supplier,</u> and
15	municipal government in the district; and
16	(2) each person that the board believes has an
17	interest in the subject matter of the hearing.
18	(e) A copy of the notice must be <u>provided to each county</u>
19	clerk to be posted in the place where notices are usually posted at
20	the county courthouse of each county in the district.
21	SECTION 5. Section 8801.115, Special District Local Laws
22	Code, is amended to read as follows:
23	Sec. 8801.115. STUDIES BY BOARD STAFF. At least once each
24	year and at any other time the board considers necessary, the board
25	shall have its staff and, if necessary, the staff of the Texas Water
26	Development Board make a complete study of the groundwater in the
27	district and determine:

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the water level;

2 (2) the rates and amounts of groundwater withdrawal;3 and

4 (3) other information relating to groundwater 5 withdrawal that may <u>affect</u> [effect] subsidence in the district.

SECTION 6. Section 8801.117(a), Special District Local Laws
Code, is amended to read as follows:

8 (a) <u>The</u> [Not later than March 31 of each year, the] board 9 shall hold <u>an annual</u> [a] hearing to determine the effects of 10 groundwater withdrawal during the preceding calendar year on 11 subsidence in the district.

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

Sec. 8801.151. GROUNDWATER WITHDRAWALS SUBJECT TO BOARD 14 15 RULE. (a) Groundwater withdrawals governed by this chapter, including withdrawals of injected water, are subject to reasonable 16 17 board rules and orders, taking into account all factors, including availability of surface water or alternative water supplies, 18 19 economic impact on persons and the community, degree and effect of subsidence on the surface of land, and differing topographical and 20 geophysical characteristics of land areas in the district. 21

(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.

27 (c) In this section, "retail public utility" has the meaning

<u>assigned by Section 13.002, Water Code.</u> SECTION 8. Section 8801.152, Special District Local Laws

Code, is amended to read as follows:

Sec. 8801.152. CERTAIN <u>GROUNDWATER USES</u> [WELLS] EXEMPT.
The <u>permit requirements</u> [regulatory provisions] of this chapter do
not apply to:

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(1) a well regulated under Chapter 27, Water Code;

8 (2) a well with a casing diameter of less than five9 inches that serves only a single-family dwelling; and

(3) any other well as provided by board rule.
 SECTION 9. Sections 8801.155(a) and (c), Special District
 Local Laws Code, are amended to read as follows:

(a) <u>An</u> [The] owner [or operator] of a well located in the
district must obtain a permit from the board before:

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

16 (2) substantially altering the size of the well or a17 well pump; or

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(3) operating the well.

(c) <u>A well</u> [An] owner [or operator] commits a violation if the <u>well</u> 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.

24 SECTION 10. Section 8801.158(c), Special District Local 25 Laws Code, is amended to read as follows:

(c) The board shall issue a permit to an applicant if, onpresentation of adequate proof, the board finds that:

1 (1) there is no other adequate and available 2 substitute or supplemental source of <u>alternative</u> [surface] water 3 <u>supplies</u> at prices competitive with the prices charged by suppliers 4 of <u>alternative</u> [surface] water <u>supplies</u> in the district; and

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5 (2) compliance with any provision of this chapter or 6 any district rule will result in an arbitrary taking of property or 7 in the practical closing and elimination of a lawful business, 8 occupation, or activity without sufficient corresponding benefit 9 or advantage to the public.

10 SECTION 11. Section 8801.161(b-1), Special District Local 11 Laws Code, is amended to read as follows:

12 (b-1) The fee under Subsection (a) may not exceed 110 13 percent of the highest rate that the City of Houston charges for 14 [surface] water supplied to its customers in the district.

SECTION 12. Section 8801.162, Special District Local Laws Code, is amended to read as follows:

Sec. 8801.162. ANNUAL REPORT. <u>(a)</u> Before January 31 each year, a well owner who <u>is required to hold</u> [holds] a permit under this chapter shall submit to the board a report stating:

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(1) the well owner's name;

(2) the total amount of groundwater withdrawn from the
well during the preceding <u>calendar year</u> [12-month period];

(3) the total amount of groundwater withdrawn from the
 well during each month of the preceding <u>calendar year</u> [12-month
 period];

26 (4) the purpose for which the groundwater was used;27 and

(5) any other information the board considers
 necessary.

3 (b) For the purposes of this section, a well owner whose 4 well is aggregated with other wells permitted and managed by a 5 regional water supplier is required to file the report with the 6 regional water supplier instead of the district. Regional water 7 suppliers are required to annually submit to the board the report 8 required in Subsection (a) for all wells owned, managed, or 9 permitted by that supplier no later than March 31.

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

SECTION 14. Section 8801.0551, Special District Local 12 (a) Laws Code, as amended by this Act, applies only to a vote taken by 13 the board of directors of the Harris-Galveston Subsidence District 14 15 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 16 17 in effect on the date the vote was taken, and that law is continued in effect for that purpose. 18

investment officer for 19 (b) An the Harris-Galveston Subsidence District who holds that office on the effective date of 20 21 this Act must attend the training required by Section 8801.066(b)(1), Special District Local Laws Code, as added by this 22 23 Act, not later than the first anniversary of the effective date of 24 this Act.

25 SECTION 15. This Act takes effect immediately if it 26 receives a vote of two-thirds of all the members elected to each 27 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.