

BILL ANALYSIS

C.S.H.B. 3356
By: Lucio III
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties note that a groundwater conservation district may base permitting for the amount of groundwater production on the tract size or acreage of the applicant and that this type of permitting has become an increasing trend in rural Texas. The parties contend that while such permitting benefits landowners who own large tracts of land in rural areas and sell water to large cities, the permitting does a disservice to the local rural communities that rely on a local water utility to provide potable service from a small well site. The parties note that small communities do not have the resources to lease or purchase the amount of land that will be needed to obtain the permits to serve their communities and that the lease or purchase of such land will drive up the cost of water for basic needs. The parties contend that permits for retail public utilities serving small communities should be based on the service needs or service area of the community and not on the size of the well site. C.S.H.B. 3356 seeks to address this issue.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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. 3356 amends the Water Code to remove the authorization of a groundwater conservation district to consider the service needs or service area of a retail water utility in regulating the production of groundwater based on tract size or acreage. The bill instead requires a district to determine the production amount for a retail public utility that provides retail water service inside the district by considering the service needs or service area of the retail public utility.

EFFECTIVE DATE

September 1, 2015.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3356 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Section 36.116(c), Water Code, is amended to read as follows:

(c) Notwithstanding Subsection (a)(2) [~~In~~ regulating the production of groundwater based on tract size or acreage], a district shall determine the production amount for a retail public utility that provides retail water service inside the district by considering [~~may consider~~] the service needs or service area of the [a] retail public [~~water~~] utility and may not consider the tract size or acreage of a well site not located in the district. For the purposes of this subsection, "retail public [~~water~~] utility" has [~~shall have~~] the meaning assigned by [~~provided at~~] Section 13.002.

SECTION 2. This Act takes effect September 1, 2015.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 36.116(c), Water Code, is amended to read as follows:

(c) Notwithstanding Subsection (a)(2) as it relates to the tract size or acreage of a well site owned by a retail public utility [~~In~~ regulating the production of groundwater based on tract size or acreage], a district shall determine the production amount for a retail public utility that provides retail water service inside the district by considering [~~may consider~~] the service needs or service area of the [a] retail public [~~water~~] utility. For the purposes of this subsection, "retail public [~~water~~] utility" has [~~shall have~~] the meaning assigned by [~~provided at~~] Section 13.002.

SECTION 2. Same as introduced version.