By: Keffer

H.B. No. 3813

A BILL TO BE ENTITLED

AN ACT

2 relating to the purpose and operation of groundwater conservation 3 districts.

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 36.0015, Water Code, is amended to read 6 as follows:

7 Sec. 36.0015. PURPOSE. In order to provide for the conservation, preservation, protection, recharging, and prevention 8 9 of waste of groundwater, and of groundwater reservoirs or their subdivisions, and to control subsidence caused by withdrawal of 10 11 water from those groundwater reservoirs or their subdivisions, 12 consistent with the objectives of Section 59, Article XVI, Texas Constitution, groundwater conservation districts may be created as 13 provided by this chapter. Groundwater conservation districts 14 created as provided by this chapter are the state's preferred 15 16 method of groundwater management in order to protect property rights, balance the development and conservation of groundwater to 17 meet the state's needs, and utilize the best available science, 18 through rules developed, adopted, and promulgated by a district in 19 20 accordance with the provisions of this chapter.

21 SECTION 2. Section 36.066, Water Code, is amended by 22 amending subsection (g) and adding a subsection (h) to read as 23 follows:

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Sec. 36.066. SUITS. (g) If the district prevails in any

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1 suit other than a suit in which it voluntarily intervenes, the 2 district may seek and the court <u>may</u>, in the interests of justice and 3 <u>as provided by subsection (h)</u>, [shall] grant, in the same action, 4 recovery for attorney's fees, costs for expert witnesses, and other 5 costs incurred by the district before the court. The amount of the 6 attorney's fees shall be fixed by the court.

7 (h) If the district prevails on some, but not all, of the 8 issues in the suit, the court may award attorney's fees and costs 9 only for those issues on which the district prevails. The district 10 has the burden of segregating its attorney's fees and costs in order 11 for the court to make an award.

SECTION 3. Section 36.122, Water Code, subsections (a),
(b), (c), (e), and (h), are amended to read as follows:

Sec. 36.122. <u>EXPORT</u> [TRANSFER] OF GROUNDWATER OUT OF DISTRICT. (a) If an application for a permit or an amendment to a permit under Section 36.113 proposes the <u>export</u> [transfer] of groundwater outside of a district's boundaries, the district may also consider the provisions of this section in determining whether to grant or deny the permit or permit amendment.

(b) A district may promulgate rules requiring a person to obtain a permit or an amendment to a permit under Section 36.113 from the district <u>to export</u> [for the transfer of] groundwater [out of the district] to:

(1) increase, on or after March 2, 1997, the amount of
 groundwater to be <u>exported</u> [transferred] under a continuing
 arrangement in effect before that date; or

27 (2) <u>export</u> [transfer] groundwater [out of the

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1 district] on or after March 2, 1997, under a new arrangement.

(c) Except as provided in Section 36.113(e), the district
may not impose more restrictive permit conditions on <u>exporters</u>
[transporters] than the district imposes on existing in-district
users. <u>The district may not deny a permit based on the fact that the</u>
<u>applicant seeks to export groundwater</u>. A district may not prohibit

7 the export of groundwater.

8 (e) The district may impose <u>an export</u> [a reasonable] fee or 9 surcharge [for an export fee] using one of the following methods:

10 (1) a fee negotiated between the district and the 11 <u>exporter</u> [transporter];

12 (2) a rate not to exceed the equivalent of the 13 district's tax rate per hundred dollars of valuation for each 14 thousand gallons of water <u>exported from</u> [transferred out of] the 15 district or 2.5 cents per thousand gallons of water, if the district 16 assesses a tax rate of less than 2.5 cents per hundred dollars of 17 valuation; or

18 (3) for a fee-based district, a 50 percent export
19 surcharge, in addition to the district's production fee, for water
20 <u>exported from</u> [transferred out of] the district.

(h) In addition to conditions provided by Section 36.1131,the permit shall specify:

(1) the amount of water that may be <u>exported from</u>
[transferred out of] the district; and

(2) the period for which the water may be <u>exported</u>
[transferred].

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(p) Subsection (e) does not apply to a district that is

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1 collecting an export fee or surcharge on March 1, 2001.

2 SECTION 4. Subsections (f), (g), (k), (l), (m), (n), (o), 3 and (q), Section 36.122, Water Code, are repealed.

4 SECTION 5. This Act takes effect immediately if it receives 5 a vote of two-thirds of all the members elected to each house, as 6 provided by Section 39, Article III, Texas Constitution. If this 7 Act does not receive the vote necessary for immediate effect, this 8 Act takes effect September 1, 2015.