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| BILL ANALYSIS |

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| H.B. 26 |
| By: Larson |
| Natural Resources |
| Committee Report (Unamended) |

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| **BACKGROUND AND PURPOSE**  Interested parties contend that certain groundwater conservation districts have violated private property rights by unduly impeding, delaying, or denying the issuance of groundwater permits. H.B. 26 seeks to address this issue by making certain statutory changes relating to the regulation of groundwater. |
| **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**  H.B. 26 amends the Water Code to make the rules of a groundwater conservation district in effect on the date an application for a permit or permit amendment is submitted to the district the only district rules that may govern the district's decision to grant or deny the application.  H.B. 26 revises provisions relating to the export of groundwater out of a district. The bill prohibits a district from requiring a separate permit for the export of groundwater for use outside of the district. The bill changes the exception to the prohibition against a district imposing more restrictive requirements or conditions on exporters than the district imposes on in-district users from an exception as provided by provisions relating to historic users to an exception as provided by provisions relating to export fees and surcharges. The bill requires a term for an export permit that existed on August 17, 2017, to automatically be extended on or before its expiration to a term that is not shorter than the term of an operating permit for the production of water to be exported that is in effect at the time of the extension and for each additional term for which that operating permit for production is renewed or remains in effect under certain provisions. The bill establishes that a term automatically extended continues to be subject to conditions contained in the permit as issued before the automatic extension. The bill repeals provisions relating to the issuance and terms and conditions of a permit for the export of groundwater out of a district.  H.B. 26 prohibits a district from adopting a moratorium on the issuance of a permit or permit amendment unless the district complies with applicable notice and hearing procedures and makes written findings supporting the district's determination regarding the issuance, including the district's justification for imposing the moratorium, if applicable. The bill provides for the notice and public hearing requirements, the imposition of a temporary moratorium, and the expiration of a moratorium.  H.B. 26 prohibits a moratorium on the issuance of a permit or permit amendment that is adopted by a district before December 1, 2017, from continuing in effect after February 28, 2018. The bill provides for the validation and confirmation of certain permits to export groundwater approved by districts before the bill's effective date.  H.B. 26 repeals Sections 36.122(f), (g), (h), (i), (j), (k), (l), (m), (n), (o), (p), and (q), Water Code. |
| **EFFECTIVE DATE**  December 1, 2017. |