

BILL ANALYSIS

Senate Research Center
86R19922 GRM-F

H.B. 1066
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Water & Rural Affairs
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The right of landowners to produce and transfer groundwater in most of Texas is regulated by groundwater conservation districts (district) with different rules. Some districts issue one operating permit for production of groundwater and another permit to transfer the groundwater out of the district. Other districts issue a single operating permit for both production and transfer of groundwater. In either case, production may be authorized for a term of any duration. However, most districts authorize transfer of the groundwater out of the district for a limited term of 30 years, the minimum prescribed by law in Section 36.122, Water Code.

H.B. 1066 addresses the circumstance when a transfer permit expires before the related operating permit for production of a well. The bill permits the district to extend the permit to align with the terms of the operating permit.

H.B. 1066 amends current law relating to extensions of an expired permit for the transfer of groundwater from a groundwater conservation district.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 36.122, Water Code, by adding Subsections (j-1), (j-2), (r), and (s) and amending Subsection (k), as follows:

(j-1) Requires a district that has the authority to regulate the spacing of water wells, the production from water wells, or both (district) to extend a term under Subsection (i)(2) (relating to requiring the period for which the water is authorized to be transferred to be at least three years if certain construction has not been initiated prior to the issuance of the permit) or (j) (relating to requiring a certain term to automatically be extended to certain terms if construction of a conveyance system is begun before the expiration of the initial term) on or before its expiration in the manner prescribed by Section 36.1145 (Operating Permit Renewal):

(1) to a term that is not shorter than the term of an operating permit for the production of water to be transferred that is in effect at the time of the extension; and

(2) for each additional term for which that operating permit for production is renewed under Section 36.1145 or remains in effect under Section 36.1146 (Change in Operating Permits).

(j-2) Provides that a permit extended under Subsection (j-1) continues to be subject to conditions contained in the permit as issued before the extension.

(k) Authorizes a district, notwithstanding the period specified under Subsection (i), (j), or (j-1), rather than the period specified in Subsections (i) and (j), during which water is

authorized to be transferred under a permit, to periodically review the amount of water that is authorized to be transferred under the permit and to limit the amount if additional factors considered in Subsection (f) warrant the limitation, subject to Subsection (c) (relating to prohibiting the district, except under certain provisions, from imposing more restrictive permit conditions on transporters than the district imposes on existing in-district users).

(r) Authorizes the district to grant or deny an application to extend a term under Subsection (i)(2) or (j) submitted under this section only using rules that were in effect at the time the application was submitted.

(s) Provides that an application to extend a term under Subsection (i)(2) or (j) is governed solely by district rules consistent with Subsection (j-1).

SECTION 2. Provides that the changes in law made by this Act apply only to the term of a permit issued under Sections 36.122(i) and (j), Water Code, that expires after September 1, 2019.

SECTION 3. Effective date: September 1, 2019.