

BILL ANALYSIS

H.B. 4636
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Natural Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Concerns have been raised that, without a local groundwater conservation district, Val Verde County could face critical groundwater problems in the future such as shortages of surface water, contamination of groundwater supply, and land subsidence resulting from groundwater withdrawal. H.B. 4636 seeks to address these concerns by creating the Val Verde County Groundwater Conservation District.

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. 4636 amends the Special District Local Laws Code to create the Val Verde County Groundwater Conservation District, whose boundaries are coextensive with the boundaries of Val Verde County. The bill provides for the district's dissolution on September 1, 2026, and for the expiration of the bill's provisions if the district's creation is not confirmed at a confirmation election held before that date or the Texas Water Development Board does not adopt water management guidelines required under the bill's provisions before that date. The bill provides for temporary directors of the district and their duties regarding the confirmation election, the costs of which must be paid equally by the county and the City of Del Rio. The bill sets out provisions regarding the district's board of directors.

H.B. 4636 provides for the district's general powers and rulemaking regarding permits and sets out provisions relating to permits for the City of Del Rio, for retail public utilities, and for commercial use, industrial use, and transport. The bill also sets out provisions relating to the following:

- permit renewal;
- exempt agricultural and domestic use;
- well registration;
- property rights;
- management zones of the district;
- adoption of the required water management guidelines;
- regional groundwater planning and sustainability;
- the reduction and curtailment of groundwater production;
- the right of district employees and agents to enter land; and
- authorization for a water conservation initiative.

H.B. 4636 prohibits the district from doing the following:

- purchasing, selling, transporting, or distributing surface water or groundwater for any purpose; or
- exercising the power of eminent domain.

H.B. 4636 caps the district's property tax rate at three cents on each \$100 valuation of taxable property in the district and provides for the applicability of certain tax provisions. The bill authorizes the district's board of directors by rule to impose uniform, reasonable, equitable, and nondiscriminatory annual production fees on the amount of permitted water actually produced from each well. A production fee must be consistent with statutory provisions relating to a groundwater conservation district's authority to set fees and may be based on the following:

- the size of column pipe used by the well; or
- the amount of water actually withdrawn from the well, or the amount authorized or anticipated to be withdrawn.

The bill authorizes the district to assess a uniform and nondiscriminatory export fee consistent with applicable statutory provisions on groundwater that is produced from a well inside the district and transferred outside the district. The bill authorizes the district by rule or resolution to set fees relating to administrative acts of the district, including filing applications, reviewing and processing permits, conducting permit hearings, providing public notice, and paying costs of legal fees, expert fees, and hearing facility rental fees. The bill caps at \$250 the amount of a permit processing fee assessed by the district.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2021.