

BILL ANALYSIS

Senate Research Center
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H.B. 3059
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Water, Agriculture & Rural Affairs
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Over the last several years, landowners have been impacted from pumping associated with large-scale groundwater transfers. However, groundwater conservation districts need increased flexibility and statutory direction to mitigate the existing wells.

H.B. 3059 updates the export fee structure and rate cap, which has not been significantly amended in over 20 years, and provides that a groundwater conservation district may use funds obtained from certain fees to maintain the operability of wells significantly affected by groundwater development.

H.B. 3059 amends current law relating to the export fee charged 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 amending Subsections (e) and (p) and adding Subsections (e-1) and (e-2), as follows:

(e) Authorizes a groundwater conservation district (district), except as provided by Subsection (e-1), to impose an export fee or surcharge using one of the following methods:

(1) makes no change to this subdivision;

(2) a rate not to exceed 20 cents for each thousand gallons of water exported from the district for a tax-based district, rather than a rate not to exceed the equivalent of the district's tax rate per hundred dollars of valuation for each thousand gallons of water exported from the district or 2.5 cents per thousand gallons of water if the district assesses a tax rate of less than 2.5 cents per hundred dollars of valuation; or

(3) for a fee-based district, a rate not to exceed the greater of 20 cents for each thousand gallons or a 50 percent surcharge, in addition to the district's production fee, for water exported from the district.

(e-1) Provides that the maximum allowable export fee a district is authorized to impose under Subsections (e)(2) and (e)(3) for each thousand gallons exported from the district, effective January 1, 2024, is automatically increased at an annual rate of three percent.

(e-2) Authorizes a district governed by a special law in regard to an export fee or surcharge on water exported from the district to charge an export fee or surcharge in accordance with that special law or in accordance with Subsections (e) and (e-1).

(p) Provides that Subsections (e), (e-1), and (e-2), rather than Subsection (e), do not apply to a district that is collecting an export fee or surcharge on March 1, 2001.

SECTION 2. Amends Section 36.207, Water Code, as follows:

Sec. 36.207. USE OF FEES. Authorizes a district to use funds obtained from administrative, production, or export fees collected under a special law governing the district or Chapter 36 (Groundwater Conservation Districts) for any purpose consistent with the district's approved management plan, including, without limitation, to maintain the operability of wells significantly affected by groundwater development to allow for the highest practicable level of groundwater production while achieving the desired future conditions established under Section 36.108 (Joint Planning in Management Area).

SECTION 3. Effective date: September 1, 2023.