

BILL ANALYSIS

C.S.H.B. 3059
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Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The House Committee on Natural Resources Interim Report to the 88th Legislature found that pumping associated with large-scale groundwater transfers may impact aquifer conditions in ways that negatively affect existing users. C.S.H.B. 3059 seeks to provide groundwater conservation districts with increased financial flexibility and clear statutory authority to address certain issues that arise when such pumping occurs. The bill 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.

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

C.S.H.B. 3059 amends the Water Code to revise the rate of an export fee or surcharge that a groundwater conservation district may impose for the transfer of groundwater outside of the district's boundaries as follows:

- for a tax-based district, replaces the rate that is capped at the district's tax rate per hundred dollars of valuation for each thousand gallons of exported water or 2.5 cents per thousand gallons of water, as applicable, with a rate capped at 20 cents for each thousand gallons of exported water; and
- for a fee-based district, replaces the 50 percent surcharge, in addition to the district's production fee, with a rate capped at the greater of that surcharge or 20 cents for each thousand gallons of exported water, in addition to the production fee.

The bill establishes that, effective January 1, 2024, the maximum allowable export fee a district may impose for each thousand gallons exported from the district is automatically increased at an annual rate of three percent.

C.S.H.B. 3059 authorizes a groundwater conservation 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 the bill's provisions. The bill's provisions relating to the maximum export fee and a district governed by a special law do not apply to a district that is collecting an export fee or surcharge on March 1, 2001. The bill includes the maintenance of 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 by joint planning in a management area among the authorized uses of district funds obtained from administrative, production, or export fees collected under a special law governing a district or under Water Code provisions governing such districts.

EFFECTIVE DATE

September 1, 2023.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 3059 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute includes a provision absent from the introduced establishing that the bill's provisions relating to the maximum export fee and a district governed by a special law do not apply to a district that is collecting an export fee or surcharge on March 1, 2001.

The substitute revises a provision in the introduced regarding the use of funds obtained from fees by specifying that the maintenance of well operability to allow for the highest practicable level of groundwater production while achieving the desired future conditions established by joint planning in a management area is an authorized use of applicable funds.