

BILL ANALYSIS

Senate Research Center
88R28750 LRM-F

C.S.H.B. 3059
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Water, Agriculture & Rural Affairs
5/8/2023
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Over the last several years, landowners have been impacted from pumping associated with largescale 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.

(Original Author's/Sponsor's Statment of Intent)

C.S.H.B. 3059 removes the automatic percentage increase for export fees or surcharges, caps any increase at three percent, and requires a public meeting of the groundwater conservation district when approving an increase.

C.S.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), (e-2) and (e-3), 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 rate a district is authorized to impose for an export fee or surcharge under Subsections (e)(2) or (e)(3), effective January 1, 2024, increases by three percent each calendar year.

(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).

(e-3) Provides that an export fee or surcharge imposed under Subsection (e) or an increase in an imposed export fee or surcharge is not valid unless it is approved by the board of directors of the district after a public hearing.

(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.