

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

By: King of Uvalde

H.B. No. 3059

A BILL TO BE ENTITLED

AN ACT

relating to the export fee charged for the transfer of groundwater from a groundwater conservation district.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 36.122, Water Code, is amended by amending Subsections (e) and (p) and adding Subsections (e-1) and (e-2) to read as follows:

(e) Except as provided by Subsection (e-1), the ~~[The]~~ district may impose an export fee or surcharge using one of the following methods:

(1) a fee negotiated between the district and the exporter;

(2) for a tax-based district, a rate not to exceed 20 cents ~~[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) Effective January 1, 2024, the maximum allowable export fee a district may impose under Subsections (e)(2) and

1 (e)(3) for each thousand gallons exported from the district is  
2 automatically increased at an annual rate of three percent.

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

7 (p) Subsections [Subsection] (e), (e-1), and (e-2) do  
8 [does] not apply to a district that is collecting an export fee or  
9 surcharge on March 1, 2001.

10 SECTION 2. Section 36.207, Water Code, is amended to read as  
11 follows:

12 Sec. 36.207. USE OF FEES. A district may use funds obtained  
13 from administrative, production, or export fees collected under a  
14 special law governing the district or this chapter for any purpose  
15 consistent with the district's approved management plan,  
16 including, without limitation, making grants, loans, or  
17 contractual payments to achieve, facilitate, or expedite  
18 reductions in groundwater pumping or the development or  
19 distribution of alternative water supplies or to maintain the  
20 operability of wells significantly affected by groundwater  
21 development to allow for the highest practicable level of  
22 groundwater production while achieving the desired future  
23 conditions established under Section 36.108.

24 SECTION 3. This Act takes effect September 1, 2023.

ADOPTED

MAY 18 2023

Lacey Law  
Secretary of the Senate

By: Chad Perry

H.B. No. 3059

Substitute the following for H.B. No. 3059:

By: Chad Perry

C.S. H.B. No. 3059

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the export fee charged for the transfer of groundwater  
3 from a groundwater conservation district.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 36.122, Water Code, is amended by  
6 amending Subsections (e) and (p) and adding Subsections (e-1),  
7 (e-2), and (e-3) to read as follows:

8 (e) Except as provided by Subsection (e-1), the [The]  
9 district may impose an export fee or surcharge using one of the  
10 following methods:

11 (1) a fee negotiated between the district and the  
12 exporter;

13 (2) for a tax-based district, a rate not to exceed 20  
14 cents [~~the equivalent of the district's tax rate per hundred~~  
15 ~~dollars of valuation]~~ for each thousand gallons of water exported  
16 from the district [~~or 2.5 cents per thousand gallons of water, if~~  
17 ~~the district assesses a tax rate of less than 2.5 cents per hundred~~  
18 ~~dollars of valuation]~~; or

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

23 (e-1) Effective January 1, 2024, the maximum allowable rate  
24 a district may impose for an export fee or surcharge under

1 Subsection (e)(2) or (e)(3) increases by three percent each  
2 calendar year.

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

7 (e-3) An export fee or surcharge imposed under Subsection  
8 (e) or an increase in an imposed export fee or surcharge is not  
9 valid unless it is approved by the board after a public hearing.

10 (p) Subsections [Subsection] (e), (e-1), and (e-2) do  
11 [does] not apply to a district that is collecting an export fee or  
12 surcharge on March 1, 2001.

13 SECTION 2. Section 36.207, Water Code, is amended to read as  
14 follows:

15 Sec. 36.207. USE OF FEES. A district may use funds obtained  
16 from administrative, production, or export fees collected under a  
17 special law governing the district or this chapter for any purpose  
18 consistent with the district's approved management plan,  
19 including, without limitation, making grants, loans, or  
20 contractual payments to achieve, facilitate, or expedite  
21 reductions in groundwater pumping or the development or  
22 distribution of alternative water supplies or to maintain the  
23 operability of wells significantly affected by groundwater  
24 development to allow for the highest practicable level of  
25 groundwater production while achieving the desired future  
26 conditions established under Section 36.108.

27 SECTION 3. This Act takes effect September 1, 2023.



ADOPTED

MAY 18 2023

*Lately Law*  
Secretary of the Senate

FLOOR AMENDMENT NO. 2

BY: *Chad Feun*

1 Amend C.S.H.B. No. 3059 (senate committee printing) in  
2 SECTION 2 of the bill amending Section 36.207, Water Code, as  
3 follows:

4 (1) On page 1, line 58, between "FEES." and "A", insert  
5 "(a)".

6 (2) On page 2, between lines 9 and 10, insert the following:

7 (b) A district may use funds obtained from an increase in an  
8 export fee imposed under Section 36.122 on or after September 1,  
9 2023, only to maintain the operability of wells significantly  
10 affected by groundwater development to allow for the highest  
11 practicable level of groundwater production while achieving the  
12 desired future conditions established under Section 36.108.

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION**

**May 20, 2023**

**TO:** Honorable Dade Phelan, Speaker of the House, House of Representatives

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB3059** by King, Tracy O. (Relating to the export fee charged for the transfer of groundwater from a groundwater conservation district.), **As Passed 2nd House**

**No fiscal implication to the State is anticipated.**

**Local Government Impact**

The bill's provisions could result in increased revenue for groundwater conservation districts that export water and increased costs for other units of local government that import water.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JMc, SZ, DPE, SD, KDw, BC

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION**

**May 8, 2023**

**TO:** Honorable Charles Perry, Chair, Senate Committee on Water, Agriculture & Rural Affairs

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB3059** by King, Tracy O. (relating to the export fee charged for the transfer of groundwater from a groundwater conservation district.), **Committee Report 2nd House, Substituted**

**No fiscal implication to the State is anticipated.**

**Local Government Impact**

The bill's provisions could result in increased revenue for groundwater conservation districts that export water and increased costs for other units of local government that import water.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JMc, SZ, DPE, KDw, BC



**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION**

**May 6, 2023**

**TO:** Honorable Charles Perry, Chair, Senate Committee on Water, Agriculture & Rural Affairs

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB3059** by King, Tracy O. (Relating to the export fee charged for the transfer of groundwater from a groundwater conservation district.), **As Engrossed**

**No fiscal implication to the State is anticipated.**

**Local Government Impact**

The bill's provisions could result in increased revenue for groundwater conservation districts that export water and increased costs for other units of local government that import water.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JMc, SZ, KDw, DPE, BC

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION**

**April 6, 2023**

**TO:** Honorable Tracy O. King, Chair, House Committee on Natural Resources

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE:** **HB3059** by King, Tracy O. (relating to the export fee charged for the transfer of groundwater from a groundwater conservation district.), **Committee Report 1st House, Substituted**

<b>No fiscal implication to the State is anticipated.</b>
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**Local Government Impact**

The bill's provisions could result in increased revenue for groundwater conservation districts that export water and increased costs for other units of local government that import water.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JMc, KDw, DPE, BC

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION**

**March 27, 2023**

**TO:** Honorable Tracy O. King, Chair, House Committee on Natural Resources

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB3059** by King, Tracy O. (Relating to fees charged by a groundwater conservation district; authorizing an increase in the rate of a fee.), **As Introduced**

**No fiscal implication to the State is anticipated.**

**Local Government Impact**

The bill's provisions could result in increased revenue for groundwater conservation districts that export water and increased costs for other units of local government that import water.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JMc, KDw, BC, DPE