

House Bill 3059
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

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

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

SENATE VERSION (IE)

SECTION 1. Section 36.122, Water Code, is amended by amending Subsections (e) and (p) and adding Subsections (e-1), (e-2), (e-3), and (e-4) to read as follows: [FA1(1)]

(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 rate a district may impose for an export fee or surcharge under Subsection (e)(2) or (e)(3) increases by three percent each calendar year.

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

(e-3) 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 after a public hearing.

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

No equivalent provision.

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

Sec. 36.207. USE OF FEES. A district may use funds obtained from administrative, production, or export fees collected under a special law governing the district or this chapter for any purpose consistent with the district's approved management plan, including, without limitation, making grants, loans, or contractual payments to achieve, facilitate, or expedite reductions in groundwater pumping or the development or distribution of alternative water supplies or 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.

SENATE VERSION (IE)

~~(e-4) A well exempt from the district's permit requirements under Section 36.117, Water Code, is exempt from a fee the district may impose under Subsection (e) or (e-2). [FA1(2)]~~
(p) ~~Subsections [Subsection] (e), (e-1), and (e-2) do [does]~~ not apply to a district that is collecting an export fee or surcharge on March 1, 2001.

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

Sec. 36.207. USE OF FEES. (a) A district may use funds obtained from administrative, production, or export fees collected under a special law governing the district or this chapter for any purpose consistent with the district's approved management plan, including, without limitation, making grants, loans, or contractual payments to achieve, facilitate, or expedite reductions in groundwater pumping or the development or distribution of alternative water supplies or 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. [FA2(1)]

(b) A district may use funds obtained from an increase in an export fee imposed under Section 36.122 on or after September 1, 2023, only 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. [FA2(2)]

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

SENATE VERSION (IE)

SECTION 3. Same as House version.

CONFERENCE