

BILL ANALYSIS

C.S.H.B. 27
By: Harris
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The bill author has informed the committee that there are proposed large-volume groundwater production and export projects in the Neches and Trinity Valleys Groundwater Conservation District that could have substantial impacts on the Carrizo-Wilcox Aquifer, one of the region's key underground water sources, on other aquifers in the area, and on hydrologically connected surface water resources. The bill author has further informed the committee that current available science to assess the anticipated hydrological effects of such large-volume projects is limited.

Accordingly, C.S.H.B. 27 requires the Texas Water Development Board (TWDB) to conduct a study assessing certain hydrological effects of groundwater pumping in the aquifers underlying the district and to compare anticipated effects under various pumping scenarios, as well as to prepare a report on the results of the study. The bill places a temporary moratorium on the district's issuance of new permits or permit amendments for producing and transferring groundwater out of the district for a period starting on the bill's effective date and lasting until after the 270th day after the deadline for TWDB's submission of the report, so that better science can be developed, understood, and available to support such important decisions impacting the region's water resources.

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. 27 amends the Special District Local Laws Code to require the Texas Water Development Board (TWDB) to conduct a study of aquifers underlying the territory of the Neches and Trinity Valleys Groundwater Conservation District to do the following:

- analyze the annual maximum amount of groundwater that can be produced in perpetuity in the district from the aquifers underlying the district's territory without impeding the achievement of the desired future conditions (DFCs) adopted for those aquifers that are applicable to the territory of the district;
- compare the results of those analyses to the amount of modeled available groundwater determined by the executive administrator of the TWDB before September 1, 2025, for each aquifer; and
- assess the hydrological effects in the district of proposed groundwater production in the district as represented in the applicable DFCs, and of transfers of produced groundwater

to areas outside of the district proposed in any pending applications for a permit or permit amendment from the district, and compare those effects with the hydrological effects that would be expected if groundwater production in the district were limited annually to the amount that could be produced in perpetuity as determined under the analyses.

The bill requires the assessed hydrological effects to include effects on average annual recharge, inflows, discharges, spring flows, capture, and interaction between groundwater and surface water in the district.

C.S.H.B. 27 requires the TWDB, not later than January 12, 2027, to prepare and submit to the governor, the lieutenant governor, the speaker of the house of representatives, and each standing legislative committee with primary jurisdiction over groundwater a report on the results of the study. The bill prohibits the district from issuing a new permit or permit amendment to an applicant for the production and transfer out of the district of groundwater until after the 270th day after the deadline for the submission of the report. The prohibition does not apply to a permit or a permit amendment issued by the district before the bill's effective date. The bill's provisions expire November 1, 2027.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, the 91st day after the last day of the legislative session.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 27 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 makes the following changes to the introduced version:

- omits the specification from the introduced that the study is limited to the geographic boundaries of the district;
- revises the introduced version's requirement for the study to analyze the maximum amount of groundwater that can be produced annually in perpetuity from the aquifer underlying the district without impeding the achievement of the district's modeled available groundwater, as follows:
 - provides for such analysis for all the aquifers underlying the district's territory, rather than referring to a single aquifer; and
 - changes the amount to be analyzed to the annual maximum amount of groundwater that can be produced in perpetuity in the district from the applicable aquifers without impeding the achievement of the DFCs adopted for the aquifers that are applicable to the district's territory;
- includes a requirement absent from the introduced for the study to compare the results of the analyses to the amount of modeled available groundwater determined by the executive administrator of the TWDB before September 1, 2025, for each aquifer;
- replaces the introduced version's requirement for the study to assess the hydrological impacts to the area within the district from transfers of groundwater out of the aquifer underlying the district with a requirement for the study to assess the hydrological effects in the district of the following:
 - proposed groundwater production in the district as represented in the applicable DFCs; and
 - transfers of produced groundwater to areas outside of the district proposed in any pending applications for a permit or permit amendment from the district;
- includes a requirement absent from the introduced for the study to compare those effects with the hydrological effects that would be expected if groundwater production in the district were limited annually to the amount that could be produced in perpetuity as determined in the previously described analyses;

- includes capture among the hydrological effects to be assessed, whereas the introduced did not include capture among the hydrological impacts to be assessed;
- clarifies that the report containing the study's results must be submitted to the standing legislative committees with primary jurisdiction over groundwater, rather than those with primary jurisdiction over natural resources as in the introduced;
- specifies that the prohibition against the district issuing a new permit or permit amendment to an applicant for the production and transfer out of the district of groundwater applies until after the 270th day after the deadline for the submission of the report, whereas the introduced did not specify the duration of the prohibition other than as implied by the introduced version's expiration date of September 1, 2027; and
- changes the date the bill's provisions expire from September 1, 2027, as in the introduced, to November 1, 2027.