

BILL ANALYSIS

C.S.H.B. 5320
By: Guillen
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The bill author has informed the committee that Starr County has separate governance structures for groundwater conservation and drainage which can lead to fragmented policies, duplicative services, and inefficient use of resources, and that such separation may hinder coordinated water planning and infrastructure development. C.S.H.B. 5320, in order to enhance administrative efficiency and provide a unified approach to managing water infrastructure and resources, seeks to consolidate the functions of drainage and groundwater management into a single district for the county by providing for the Starr County Drainage and Groundwater Conservation District.

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. 5320 transfers and redesignates provisions of the Special District Local Laws Code relating to the Starr County Drainage District and the Starr County Groundwater Conservation District and further amends those provisions as follows:

- consolidates the districts into a combined drainage and groundwater conservation district named the Starr County Drainage and Groundwater Conservation District;
- clarifies that the district has the rights, powers, privileges, functions, and duties provided under Water Code provisions relating to groundwater conservation districts, as is specified for the groundwater conservation district under current law;
- changes the composition of the district's board from consisting of the commissioners court of Starr County as is the case for the drainage district, or five elected directors as is the case for the groundwater conservation district, to consisting of the following directors appointed by the county commissioners court: one director who is a bona fide agricultural producer from whom a substantial portion of the person's income is derived from conducting agricultural business in the district, one director who is an employee of a rural water supply entity in the district, one director who represents municipal interests in the district, one director who represents active industrial interests in the district, and one director who represents Starr County at large; and
- authorizes the district to impose a property tax as provided by Water Code provisions generally applicable to all water districts.

C.S.H.B. 5320 repeals provisions relating to the nature, district boundaries, and required confirmation election of the Starr County Groundwater Conservation District as well as those

relating to the district's elected board of directors, the district's authority to act as a court-appointed receiver, and the district's authority to enter into a merger agreement with a water supply or sewer service corporation. The bill retains provisions relating to the district's power to contract with municipalities and its relation to other water-related entities. The bill establishes the following on the bill's effective date:

- the Starr County Groundwater Conservation District is dissolved;
- the terms of the directors of the Starr County Groundwater Conservation District expire;
- any assets and liabilities of the Starr County Groundwater Conservation District are transferred to the Starr County Drainage and Groundwater Conservation District;
- a contract with any party and the Starr County Groundwater Conservation District is a contract between that party and the Starr County Drainage and Groundwater Conservation District;
- an employee of the Starr County Groundwater Conservation District is an employee of the Starr County Drainage and Groundwater Conservation District;
- records of the Starr County Groundwater Conservation District are records of the Starr County Drainage and Groundwater Conservation District; and
- the Starr County Drainage and Groundwater Conservation District may, in all respects, conduct the affairs of the Starr County Groundwater Conservation District as provided by the bill.

The bill requires the Starr County Drainage and Groundwater Conservation District to take any action necessary to close the affairs of the Starr County Groundwater Conservation District, including the filing of any dissolution documents with the Texas Commission on Environmental Quality (TCEQ).

C.S.H.B. 5320 establishes that all applicable requirements relating to the following have been fulfilled and accomplished with respect to the bill:

- the legal notice of intention to introduce;
- governor action;
- TCEQ recommendations; and
- the state constitution and laws and legislative rules and procedures.

C.S.H.B. 5320 repeals the following provisions of the Special District Local Laws Code:

- Subchapters A, B, and D, Chapter 8803;
- Sections 8803.101 and 8803.102;
- the heading to Subchapter C, Chapter 8803; and
- the heading to Chapter 8803.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2025.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 5320 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 provisions that were not in the introduced establishing the following on the bill's effective date:

- the Starr County Groundwater Conservation District is dissolved;
- the terms of the directors of the Starr County Groundwater Conservation District expire;
- any assets and liabilities of the Starr County Groundwater Conservation District are transferred to the Starr County Drainage and Groundwater Conservation District;

- a contract with any party and the Starr County Groundwater Conservation District is a contract between that party and the Starr County Drainage and Groundwater Conservation District;
- an employee of the Starr County Groundwater Conservation District is an employee of the Starr County Drainage and Groundwater Conservation District;
- records of the Starr County Groundwater Conservation District are records of the Starr County Drainage and Groundwater Conservation District; and
- the Starr County Drainage and Groundwater Conservation District may, in all respects, conduct the affairs of the Starr County Groundwater Conservation District as provided by the substitute.

The substitute includes a provision that was not in the introduced requiring the Starr County Drainage and Groundwater Conservation District to take any action necessary to close the affairs of the Starr County Groundwater Conservation District, including the filing of any dissolution documents with the TCEQ.

Whereas the introduced required the Starr County Drainage and Groundwater Conservation District to assess property taxes, the substitute authorizes the district to impose such taxes.

Whereas the introduced did not affect provisions relating to the Starr County Groundwater Conservation District, the substitute repeals provisions relating to the district, except for provisions relating to the district's power to contract with municipalities and its relation to other water-related entities, which mirror those added by the introduced for the Starr County Drainage and Groundwater Conservation District and which the substitute instead transfers to that district.

The substitute includes provisions that were not in the introduced establishing that all applicable requirements relating to the following have been fulfilled and accomplished with respect to the bill:

- the legal notice of intention to introduce;
- governor action;
- TCEQ recommendations; and
- the state constitution and laws and legislative rules and procedures.