

Pauliff Jim Clark
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Lower of Harris
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H.B. No. 552
Harris
Henderson
AN ACT
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1 relating to the creation, establishment, administration, powers,
 2 duties, functions, and financing of the Harris-Galveston Coastal
 3 Subsidence District under Article XVI, Section 59, of the Texas
 4 Constitution; providing penalties; and declaring an emergency.
 5

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

7 Section 1. PURPOSE AND INTENT. (a) The purpose of this
 8 Act is to provide for the regulation of the withdrawal of
 9 groundwater in certain areas of the Gulf Coast for the purpose
 10 of ending land subsidence in the affected area and to prevent
 11 salt water encroachment on the surface of the land while at the
 12 same time providing an adequate groundwater supply and appropriate
 13 groundwater conservation measures.

14 (b) It is the intent of the legislature that the district
 15 shall administer and enforce the terms of this Act, and shall
 16 exercise its rights, powers, and duties in a manner that will
 17 effectively and expeditiously accomplish the purposes of this
 18 Act.

19 Sec. 2. DEFINITIONS. In this Act:

20 (1) "Person" includes corporation, individual, organization,
 21 government or governmental subdivision or agency, business trust,
 22 estate, trust, partnership, association, and any other legal
 23 entity.

24 (2) "District" means the Harris-Galveston Coastal Subsidence

1 District.

2 (3) "Board" means the board of directors of the district.

3 (4) "Groundwater" means water located beneath the earth's
4 surface within the district but does not include water produced
5 with oil in the production of oil and gas.

6 (5) "Wells" means any facility, device, or method used to
7 withdraw groundwater from the groundwater supply within the
8 district.

9 (6) "Groundwater withdrawal year" means the period beginning
10 October 1 of one year and ending September 30 of the following
11 year.

12 (7) "Withdraw" means the act of extracting groundwater by
13 pumping or some other method.

14 (8) "Drill" means drilling, equipping, or completing wells
15 or substantially altering the size of wells or well pumps.

16 Sec. 3. CREATION. There is created under the authority
17 of Article XVI, Section 59, of the Texas Constitution, a
18 conservation and reclamation district to be known as the
19 Harris-Galveston Coastal Subsidence District which shall be a
20 governmental agency and body politic and corporate of the state.
21 A confirmation election is not necessary.

22 Sec. 4. BOUNDARIES. (a) The district shall include all
23 of the area located within the boundaries of Harris County and
24 Galveston County.

25 (b) Except as provided in this subsection, an adjoining
26 county may be added to the district on application of the
27 commissioners court of the adjoining county and by complying with

1 the procedures provided in Sections 55.730-55.744, Water Code,
2 as far as those provisions are applicable. The proposition on
3 the ballots for the elections shall be printed to provide for
4 voting for or against: "Addition of _____ County to the
5 Harris-Galveston Coastal Subsidence District." Any county added
6 to the district under the provisions of this subsection shall be
7 subject to the jurisdiction of the board and the provisions of
8 this Act, and two members shall be added to the board—one shall
9 be chosen by the commissioners court of the county added to the
10 district and one shall be chosen by the mayor of the largest city
11 in the county that is added. The two new members shall draw lots
12 to establish staggered terms of office.

13 Sec. 5. BOARD OF DIRECTORS. (a) The district shall be
14 governed by a board of directors composed of 13 members.

15 (b) The members of the board shall be chosen as follows:

16 (1) three members from the largest city in the district,
17 appointed by the mayor of that city;

18 (2) one member from the next largest city in the district;

19 (3) two members from all incorporated cities in Galveston
20 County appointed by the mayors of those cities;

21 (4) two members appointed by the governor without the
22 advice and consent of the senate, with one member being from each
23 county in the district but not residing in the cities covered
24 under Subdivisions (1) and (2) of this subsection;

25 (5) two members appointed by the Commissioners Court of
26 Harris County, one of these members to be a representative of
27 agriculture;

1 (6) one member appointed by the Commissioners Court of
2 Galveston County;

3 (7) one member from Harris County chosen by the mayors of
4 Baytown, Deer Park, Galena Park, La Porte, Nassau Bay, and Seabrook
5 and the president of the Clear Lake City Water Authority; and

6 (8) one member appointed by the mayors of other incorporated
7 cities in Harris County not covered by Subdivisions (1), (2) or
8 (7) of this subsection.

9 (c) One of the members chosen by the governor shall be a
10 representative of industry. All members of the board shall be
11 residents of and qualified voters in the district.

12 (d) Within 30 days after the effective date of this Act,
13 the County Judge of Harris County and the County Judge of Galveston
14 County jointly shall set a date, time, and place for a meeting
15 of those persons other than the governor designated in Subsection
16 (b) of this section to choose members for the board. The county
17 judges shall decide who shall preside at the meeting, and those
18 chosen for the board at the meeting shall assume their positions
19 on the board within five days after being chosen. The county
20 judges shall give notice of the meeting by mail to all persons
21 designated to make the choices. Selection of subsequent directors
22 shall be made on the second Monday in January at 11 a.m. in the
23 district's main office, and the general manager shall send by
24 mail written notice to each person other than the governor who
25 is designated in Subsection (b) of this section to make choices
26 in that particular year.

27 (e) The governor shall make his initial appointments to

1 the board not later than the date on which other members of the
2 board are appointed under Subsection (d) of this section, and the
3 governor's initial appointees shall take office at the same time
4 as other appointees to the board. Subsequent members to the board
5 selected by the governor shall be appointed not later than the
6 second Monday in January.

7 (f) The terms of office for the initial appointees to the
8 board shall be as follows:

9 (1) from the date of appointment until January 31, 1976--one
10 member chosen under Subdivision (2) of Subsection (b) of this
11 section and two members chosen under Subdivision (1), one member
12 chosen under Subdivision (3), two members chosen under Subdivision
13 (4), and one member chosen under Subdivision (8) of Subsection
14 (b) of this section; and

15 (2) from the date of appointment until January 31, 1977--one
16 member chosen under Subdivision (1) of Subsection (b) of this
17 section and one member chosen under Subdivision (3), one member
18 chosen under Subdivision (7), two members chosen under Subdivision
19 (5), and one member chosen under Subdivision (6) of Subsection
20 (b) of this section.

21 (g) Except as provided in Subsection (f) of this section,
22 members of the board shall serve for terms of two years.

23 (h) The county judges of Harris and Galveston counties,
24 at the time they set the date, time, and place for the selection
25 of directors, shall set the date, time, and place for the initial
26 meeting of the board, and give notice of the date, time, and place
27 to each newly appointed member.

1 (i) At the initial meeting of the board and each year, at
2 the first meeting after the new directors take office, the members
3 shall select one of their number to serve as chairman and one to
4 serve as vice-chairman.

5 (j) The chairman shall preside over meetings of the board,
6 and in his absence, the vice-chairman shall preside.

7 (k) Each member of the board is entitled to receive \$25
8 a day for each day he is engaged in the exercise of his duties
9 under this Act and necessary travel and other expenses incurred
10 in the exercise of his duties under this Act. No member of the
11 board may receive this compensation and travel and other expenses
12 for more than 120 calendar days in any one calendar year.

13 (l) If a vacancy occurs on the board, a person representing
14 the same area from which the person who vacates the position is
15 appointed shall be chosen by the person or persons designated in
16 Subsection (b) of this section to serve the unexpired term.

17 (m) Each member of the board shall take the oath of office
18 prescribed by law for county commissioners, and shall execute a
19 bond in the amount of \$5,000, payable to the district, conditioned
20 on the faithful performance of his duties. The district shall
21 pay for the bond.

22 (n) Six members of the board constitute a quorum for
23 transaction of business of the district, but no official act of
24 the board is valid without the affirmative vote of at least six
25 members of the board.

26 (o) The board shall meet for a regular meeting once each
27 month at a time set by the board, and may hold special meetings

1 at the call of the chairman or on the written request of at least
2 three members of the board.

3 Sec. 6. GENERAL MANAGER. (a) The board shall employ a
4 general manager who shall be the chief administrative officer of
5 the district and may delegate to him full authority to manage and
6 operate the affairs of the district subject only to orders of the
7 board.

8 (b) Among the duties of the general manager are:

9 (1) to administer the orders of the board;

10 (2) to assume responsibility for all records of the
11 district;

12 (3) to coordinate with state, federal, and local agencies;

13 (4) to oversee the development of plans and programs of
14 the district; and

15 (5) to perform other duties assigned by the board.

16 (c) The general manager shall execute a bond in the amount
17 determined by the board, payable to the district, conditioned on
18 the faithful performance of his duties.

19 Sec. 7. EMPLOYEES. (a) The general manager shall employ
20 all persons necessary for the proper handling of the business and
21 operation of the district, and may employ attorneys, bookkeepers,
22 engineers, and other expert and specialized personnel that are
23 considered necessary. He shall determine compensation to be paid
24 by the district.

25 (b) The board shall determine the terms of office and
26 employment and the compensation to be paid the general manager,
27 and the general manager may be discharged by a majority vote of

1 the board. The general manager may discharge employees of the
2 district.

3 (c) The board shall require an employee who collects, pays,
4 or handles any funds of the district to furnish good and sufficient
5 bond, payable to the district, for a sufficient amount to safeguard
6 the district. The bond shall be conditioned on the faithful
7 performance of his duties and on accounting for all funds and
8 property of the district in his hands. The district may pay for
9 the bond.

10 Sec. 8. DISTRICT OFFICE. The board shall maintain a regular
11 office for conducting the business of the district. The office
12 shall be located inside the district.

13 Sec. 9. MINUTES AND RECORDS OF THE DISTRICT. The board
14 shall keep a true and complete account of all its meetings and
15 proceedings and shall preserve its minutes, contracts, records
16 of any kind, notices, accounts, receipts, and records of all kinds
17 in a fireproof vault or safe. All minutes, contracts, records
18 of any kind, notices, accounts, receipts, and other materials are
19 the property of the district and subject to public inspection.

20 Sec. 10. SUITS. The district may sue and be sued in the
21 courts of this state in the name of the district by and through
22 the board. All courts shall take judicial notice of the creation
23 of the district and of its boundaries.

24 Sec. 11. SEAL. The board shall adopt a seal.

25 Sec. 12. RULES AND REGULATIONS. (a) After notice and
26 hearing under Section 14 of this Act, the board shall adopt and
27 enforce rules and regulations that are designed to expeditiously

1 and effectively effectuate the provisions of this Act and
2 accomplish its purposes, including rules governing procedure
3 before the board.

4 (b) The board shall compile its rules and regulations in
5 a book and make them available for use and inspection at the
6 district's principal office. The district may provide copies of
7 its rules and regulations on payment of the cost to reproduce
8 them.

9 Sec. 13. ENFORCEMENT OF RULES AND REGULATIONS. The district
10 may enforce its rules and regulations by injunction, mandatory
11 injunction, or other appropriate remedy including penalties
12 provided in this Act.

13 Sec. 14. HEARINGS. (a) Hearings of the board shall be
14 conducted in the manner provided in this section.

15 (b) At a regular meeting of the board, the board shall set
16 the dates, times, and locations for any hearings to be held under
17 this Act and shall direct the general manager of the district to
18 give notice.

19 (c) Notice of a hearing shall be given in the manner
20 provided in Section 3A, Chapter 271, Acts of the 60th Legislature,
21 Regular Session, 1967, as amended (Article 6252-17, Vernon's Texas
22 Civil Statutes), for districts of less than four counties.

23 (d) Any person who desires to appear at a hearing and
24 present testimony, evidence, exhibits, or other information may
25 do so in person, by counsel, or both.

26 (e) The board may hold hearings at any location within the
27 district.

1 (f) The board may recess a hearing from day to day.

2 (g) The board may use hearing examiners to hear any subject
3 set for hearing so long as the decision on that subject is the
4 decision of the board. Procedures for use of hearing examiners
5 shall be provided in the rules and regulations.

6 (h) The board shall issue its decision on a subject heard
7 under this section not later than 30 days after the day of the
8 hearing.

9 Sec. 15. COMPELLING TESTIMONY, SWEARING WITNESSES, AND
10 SUBPOENAS. The board may compel the testimony of any person
11 necessary to carry out the powers, duties, and functions under
12 this Act, and may administer oaths to persons compelled to testify
13 before the board or any person designated by the board. Also,
14 the board may issue subpoenas to compel the testimony of any
15 persons and the production of any documents necessary to carry
16 out the powers, duties, and functions under this Act.

17 Sec. 16. DISTRICT PLAN. (a) Under Section 17 of this
18 Act, the board shall formulate a plan for the most efficient use
19 of groundwater to control and prevent subsidence.

20 (b) The plan shall specify in as much detail as practicable
21 the acts, procedures, performance, and avoidance that is necessary
22 to carry out the purposes of this Act.

23 Sec. 17. PLANNING PROCEDURE. (a) In preparing the plan
24 for the district, the board may consult and cooperate with and
25 use the services of the Texas Water Development Board and the
26 United States Geological Survey and other state and federal
27 agencies.

1 (b) Included in the information to be gathered for
2 formulation of the plan shall be:

3 (1) a list of all wells in the district which will be
4 subject to regulation under this Act;

5 (2) an accurate estimate of total groundwater usage in the
6 district;

7 (3) an accurate estimate of total groundwater production
8 in the district;

9 (4) an accurate estimate of the water needs of each well
10 owner in the district;

11 (5) a list of all available sources of water in the area
12 of the district other than groundwater;

13 (6) a map showing the location of all areas in the district
14 in which well production has no effect on subsidence;

15 (7) information relating to formulation of a permit system;
16 and

17 (8) other necessary information and material to carry out
18 the management of groundwater in the district.

19 (c) The plan shall be formulated within 12 months after
20 the adoption of this Act.

21 (d) The plan formulated under this Act shall be reviewed
22 by the board and adopted within 60 days after it is formulated.

23 (e) Before the plan is adopted, the board shall hold a
24 hearing to consider the proposed plan in the manner provided in
25 Section 14 of this Act.

26 (f) After the hearing, the board shall make any changes
27 it considers necessary based on evidence and material presented

1 at the hearing and shall adopt the plan.

2 (g) The plan adopted under this section may be amended or
3 repealed and a new plan adopted in the manner provided in this
4 section for the adoption of the original plan.

5 Sec. 18. TEMPORARY REGULATION. (a) During the period in
6 which the board is formulating and adopting the plan under Section
7 17 of this Act, the board shall adopt temporary rules and
8 regulations relating to the withdrawal of groundwater based on
9 available information.

10 (b) Except in the case of an emergency such as no reasonable
11 source of surface supply as determined by the board, no new wells
12 may be drilled within the boundaries of the district after the
13 effective date of this Act until the plan is adopted under Section
14 17 of this Act. This subsection does not apply to wells on which
15 drilling was begun before the effective date of this Act.

16 (c) Wells operating or being drilled on the effective date
17 of this Act may operate until a permit is obtained as provided
18 in Section 19 of this Act.

19 Sec. 19. PERMIT REQUIREMENT. (a) Before a well located
20 within the boundaries of the district which is used for the purpose
21 of withdrawing groundwater may be operated for that purpose, the
22 owner of the well must obtain a permit from the board in the
23 manner provided in this Act.

24 (b) Owners of wells operating or being drilled on the
25 effective date of this Act must apply for a permit within 60 days
26 after the effective date of the district plan and may continue
27 to operate the well without a permit until the application for

1 a permit for the well is acted on by the board.

2 Sec. 20. TERM OF PERMIT. Permits issued under this Act
3 shall be for a term of one year from the date of their issuance.

4 Sec. 21. RENEWAL OF PERMIT. Permits for wells under Section
5 19 of this Act may be renewed by the board in the manner provided
6 for obtaining the original permit.

7 Sec. 22. APPLICATION FOR PERMIT. (a) Any person who
8 desires to obtain a permit under the provisions of this Act shall
9 submit to the board an application.

10 (b) The application shall state:

11 (1) the name of the person requesting the permit;

12 (2) the address of the person requesting the permit;

13 (3) the location and wellhead elevation of the well or
14 proposed well;

15 (4) the amount of water being produced or proposed to be
16 produced; and

17 (5) any other information that the board considers
18 necessary.

19 (c) The application shall be accompanied by an application
20 fee of \$15 to be used for processing the application.

21 Sec. 23. NOTICE AND HEARING ON PERMIT. (a) On receiving
22 an application for a permit, the board shall issue notice and set
23 a time for a hearing on the application.

24 (b) Notice of the date, time, and location of the hearing
25 shall be given by the board to the applicant by certified mail,
26 return receipt requested, at least 10 days before the day of the
27 hearing.

1 (c) Except as provided in this section, the hearing shall
2 be conducted in the manner provided in Section 14 of this Act.

3 (d) The board may consider as many applications for permits
4 as it thinks necessary at any one hearing.

5 Sec. 24. DECISION AND ISSUANCE OF A PERMIT. (a) Within
6 15 days after the hearing, the board shall decide whether or not
7 to issue a permit and if so, the terms of the permit.

8 (b) In deciding whether or not to issue a permit, the board
9 shall take into consideration the availability of surface water
10 supplies.

11 (c) If the board decides to issue the permit, the permit
12 shall be issued to the applicant stating the terms agreed to by
13 the board.

14 (d) The permit shall include the following:

15 (1) the name and address of the person to whom the permit
16 is issued;

17 (2) the location of the well;

18 (3) the date the permit is to expire;

19 (4) conditions and restrictions placed on the withdrawal
20 of groundwater; and

21 (5) any other terms, conditions, and other information
22 that the board considers necessary.

23 Sec. 25. PERMIT NOT TRANSFERABLE. No permit issued under
24 this Act is transferable, and any person who becomes the owner
25 of a well for which a permit is required must make application
26 for a permit in the manner provided in this Act.

27 Sec. 26. ANNUAL REPORTS. Before September 30 of each year,

1 each owner of a well who holds a permit under the provisions of
2 this Act shall submit to the board a report stating the following:

3 (1) the name of the owner of the well;

4 (2) the location of the well;

5 (3) the total amount of groundwater produced by the well
6 during the immediately preceding 12-month period;

7 (4) the total amount of groundwater produced by the well
8 during each separate month of the immediately preceding 12-month
9 period;

10 (5) the purpose for which the groundwater was used;

11 (6) the date on which the permit for the well will expire;

12 and

13 (7) any other information that the board considers
14 necessary.

15 Sec. 27. BOARD INVESTIGATIONS. At least once each year
16 and at any other time that the board considers necessary, the
17 board shall have its staff and the staff of the Texas Water
18 Development Board, if necessary, make a complete study of the
19 groundwater situation within the district and determine the water
20 level, rates of withdrawal, amounts of withdrawal, and other
21 information relating to the withdrawal of groundwater which may
22 effect the subsidence of land within the district.

23 Sec. 28. ANNUAL GROUNDWATER WITHDRAWAL DETERMINATION. (a)
24 Before October 30 of each year, the board shall hold a hearing
25 in the manner provided in Section 14 of this Act to determine the
26 effects of groundwater withdrawal during the preceding groundwater
27 withdrawal year on the subsidence of land within the district.

1 (b) At the hearing, the board shall consider information
2 developed under Sections 26 and 27 of this Act in addition to
3 information represented by persons appearing before the board.

4 (c) After the hearing, the board shall consider all
5 information presented to it and shall make determinations of
6 groundwater withdrawal in the district during the just preceding
7 groundwater withdrawal year and shall make findings of the effects
8 of groundwater withdrawal during the just preceding groundwater
9 withdrawal year on the subsidence of land within the district.
10 These findings and determinations shall be included in a report
11 adopted by the board and shall be made available for examination
12 by any interested persons.

13 Sec. 29. ESTABLISHING TERRITORIES. In implementing the
14 provisions of this Act, the board may divide the district into
15 separate territories based on elevation above mean sea level and
16 differing conditions of land subsidence within the district.

17 Sec. 30. PRIORITIES AND CLASSIFICATIONS. In implementing
18 the provisions of this Act, the board may set reasonable priorities
19 for withdrawal and use of groundwater and may classify users on
20 a reasonable basis.

21 Sec. 31. REGULATION OF SPACING AND PRODUCTION. In order
22 to minimize as far as practicable the drawdown of the water table
23 or the reduction of artesian pressure and to control and prevent
24 subsidence, the board may provide for the spacing of wells and
25 regulate the production of groundwater from the wells.

26 Sec. 32. APPROVAL OF WATER METERING DEVICES. The board
27 may adopt orders after notice and hearing as provided in Section

1 14 of this Act approving water metering devices to be placed on
2 wells.

3 Sec. 33. ENGINEERING SURVEYS. The district may use the
4 services of the Texas Water Development Board or a registered
5 professional engineer to make surveys of groundwater formations
6 and facilities for development, production, and use of groundwater
7 and surface water in any effort to determine the amount of water
8 necessary and available to meet the needs of the district while
9 at the same time protecting the land in the district from
10 subsidence.

11 Sec. 34. ACCESS TO PROPERTY. (a) To carry out technical
12 and other investigations necessary to the implementation of this
13 Act, the board and its agents and employees are entitled to access
14 to all property within the district.

15 (b) Before entering property for the purposes stated in
16 Subsection (a) of this section, the person seeking access shall
17 give notice to the owner of the property in the manner provided
18 in the rules and regulations of the district and shall present
19 proper credentials.

20 (c) The board, and its agents and employees who enter
21 private property shall observe the establishment's rules and
22 regulations concerning safety, internal security, and fire
23 protection.

24 Sec. 35. MONITORING AND SUPERVISIONS OF DISTRICT. The
25 district may use subsidence compaction monitors, water level
26 observation wells, and other materials and equipment to determine
27 the amount of groundwater that may be produced while at the same

1 time allowing the rebound and stabilization of groundwater to a
2 level that will halt subsidence.

3 Sec. 36. RESEARCH AND STUDIES. The district may conduct
4 any studies and research that the board considers necessary to
5 implement the provisions of this Act.

6 Sec. 37. TEXAS WATER DEVELOPMENT BOARD ASSISTANCE. The
7 board may request the assistance of the Texas Water Development
8 Board in carrying out the powers, duties, and functions of the
9 district.

10 Sec. 38. COOPERATION WITH THE UNITED STATES GEOLOGICAL
11 SURVEY AND OTHER FEDERAL AGENCIES. The board may cooperate with
12 and request the assistance of the United States Geological Survey
13 and other agencies of the United States in carrying out the powers,
14 duties, and functions of the district.

15 Sec. 39. CONTRACTS. The board may enter into contracts
16 with any person to carry out the provisions of this Act.

17 Sec. 40. APPEAL OF DISTRICT ACTIONS. Any rule, regulation,
18 order, or other official action of the district under this Act
19 may be appealed to a district in any county in the district by
20 a person who is adversely affected. For the purpose of this
21 section, a "person who is adversely affected" includes those
22 persons residing in or owning real property in the district whose
23 residence or real property is subsiding.

24 Sec. 41. PERMIT FEE. (a) At the time of issuance or
25 renewal of a permit, the board shall collect from the permittee
26 a permit fee based on the maximum amount of groundwater authorized
27 by the board under the permit to be withdrawn from the well during

1 the term of the permit.

2 (b) The rate of the fee collected by the board under this
3 section shall be determined by the board after a hearing under
4 Section 14 of this Act.

5 (c) The funds obtained from permit fees collected under
6 this section shall be used to cover the costs of the board in
7 issuing permits and performing other regulatory functions under
8 this Act.

9 Sec. 42. SPECIAL ASSISTANCE. The board may accept on
10 behalf of the district any gifts, grants, loans, or other
11 distributions of money for use in carrying out the provisions of
12 this Act.

13 Sec. 43. GRANTS, PURCHASES, GIFTS, LEASES, ETC. (a) The
14 district may purchase, lease, own, convey, and dispose of property
15 both inside and outside of the district necessary or convenient
16 to the exercise of the powers, duties, and functions under this
17 Act.

18 (b) The district may accept grants, gifts, and devises of
19 property.

20 (c) The district may construct, purchase, lease, or acquire
21 in some other manner any material or property necessary to carry
22 out the provisions of this Act.

23 Sec. 44. OWNERSHIP OF UNDERGROUND WATER. The ownership
24 and rights of the owner of land and his lessees and assigns in
25 groundwater are recognized, and nothing in this Act shall be
26 construed as depriving or divesting the owner or his lessees and
27 assigns of the ownership or rights, subject to rules and

1 regulations and orders and other official actions of the district.

2 Sec. 45. APPLICATION TO SURFACE WATER LAW. The law and
3 rules and regulations of the district relating to the use of
4 surface water do not apply to groundwater under this Act.

5 Sec. 46. SALE AND DISTRIBUTION OF WATER PROHIBITED. The
6 district may not sell or distribute surface water or groundwater
7 for any purpose.

8 Sec. 47. EXCLUSIONS. The provisions of this Act do not
9 apply to wells regulated under the provisions of Chapter 22, Water
10 Code.

11 Sec. 48. TAXES AND BONDS. The district may levy and collect
12 taxes and issue bonds secured by ad valorem taxes in the manner
13 provided in Subchapters F and G of Chapter 54 of the Water Code,
14 in as far as those subchapters are applicable. The general manager
15 may employ an assessor and collector of taxes approved by the
16 board to assess and collect taxes in the district or the board
17 may direct the general manager to enter into a contract with each
18 of the assessors and collectors of taxes in each of the counties
19 in the district to assess and collect taxes on property in the
20 district located in each of the counties. No tax may be levied
21 by the district without approval of a majority of the voters of
22 the district.

23 Sec. 49. PENALTIES. (a) Any person who violates the
24 provisions of the district plan, this Act, the rules and
25 regulations of the district, or an order of the board shall be
26 subject to a civil penalty of not less than \$100 nor more than
27 \$500 for each Act of violation. Each day that a violation

1 continues constitutes a separate offense.

2 (b) Any person who violates the provisions of a permit
3 issued under the provisions of this Act shall be fined not less
4 than \$500 and not more than \$5,000 for each act of violation.
5 Each day that a violation continues constitutes a separate offense.

6 (c) The board may have a suit instituted in a district
7 court in the county in which the violation is alleged to have
8 occurred to recover a penalty under this section.

9 Sec. 50. OTHER RELIEF. The board may have a suit instituted
10 in a district court in the county in which a violation of this
11 Act or of any rule, regulation, order, or permit is occurring or
12 there is a threat that it will occur to obtain injunctive relief.
13 The board is not required to post bond or other security with the
14 court under this section.

15 Sec. 51. EMERGENCY. The importance of this legislation
16 and the crowded condition of the calendars in both houses create
17 an emergency and an imperative public necessity that the
18 constitutional rule requiring bills to be read on three several
19 days in each house be suspended, and this rule is hereby suspended,
20 and that this Act take effect and be in force from and after its
21 passage, and it is so enacted.

AFFIDAVIT OF PUBLICATION

STATE OF TEXAS:

COUNTY OF HARRIS:

Before me, the undersigned authority, a
Notary Public in and for the County of Harris, and the State
of Texas, on this day personally appeared:

J. G. HUETTEL, who after being duly sworn, says
that he is the ASSISTANT MANAGER-ACCOUNTS RECEIVABLE

of The Houston Chronicle, a daily newspaper published in
said County and State, and that the publication, of which,

the annexed is a true copy, was published to-wit:

January 6, 13, 20 and 27, 1975

February 3 and 4, 1975

In class 1745 for 6 days \$110.88

\$.88/Line

21 Lines/Day

126 Total Lines



J. G. HUETTEL

ASSISTANT MANAGER-ACCOUNTS RECEIVABLE

Sworn and subscribed to before me, this the 4th

day of February, 1975 A. D.

Frances R. Champion
Notary Public in and for the
County of Harris, State of Texas

FRANCES R. CHAMPION

Notary Public in and for Harris County, Texas

My Commission Expires June 1, 1975

Bonded By Alexander Lovett, Lawyers Surety Corp.

**NOTICE TO RESIDENTS
OF HARRIS COUNTY AND
GALVESTON COUNTY:
NOTICE IS GIVEN OF THE
INTENTION TO INTRODUCE IN
THE REGULAR SESSION OF
THE 64TH LEGISLATURE OF
THE STATE OF TEXAS A BILL
AS FOLLOWS:**
A bill relating to the creation,
establishment, administration,
powers, duties, functions and fi-
nancing of the Harris-Galveston
Coastal Subsidence District under
Article XVI, Section 59, of the
Texas Constitution; providing
penalties, and declaring an emer-
gency.
Bill Caraway,
Representative
District 100

COMMITTEE REPORT

THE HONORABLE BILL CLAYTON
SPEAKER OF THE HOUSE OF REPRESENTATIVES

Date April 1, 1975

SIR:

We, your COMMITTEE ON Natural Resources to whom was referred H. B. 552
(measure)

have had the same under consideration and beg to report back with the recommendation that it

- () do pass, without amendment.
- () do pass, with amendment(s).
- () do pass and be not printed; a committee substitute is recommended in lieu of the original measure.

~~The Committee recommends that this measure be placed on the (Local / Consent) Calendar.~~

This measure () proposes new law.
 () amends existing law.

~~House Sponsor of Senate Measure:~~ _____

The measure was reported from Committee by the following Record Vote:

<u>7</u>	ayes
<u>6</u>	nays
<u>0</u>	present, not voting
<u>0</u>	absent

John Caldwell
Chairman

Return with Original Measure

BILL ANALYSIS

Background Information:

The pumping of large amounts of ground water in the Houston-Galveston region has resulted in water level declines of as much as 200 feet in wells completed in the Chicot Aquifer and as much as 325 feet in wells completed in the Evangeline Aquifer during the period 1943 through 1973. The declines in artesian pressures have resulted in a pronounced regional subsidence of the lands surface. The center of subsidence is Pasadena where as much as 7.5 feet of subsidence occurred between 1943 and 1973. Planned use of surface water instead of the ground water will probably result in some recovery of artesian pressures. If pressure recovery occurs, the rate of subsidence should decrease substantially in the more critical areas.

What This Bill Proposes To Do:

House Bill 552 would provide for the creation of the Harris-Galveston Coastal Subsidence District to regulate the withdrawal of ground water in certain areas of the Gulf Coast for the purpose of ending land subsidence.

Section By Section Analysis:

Section 1. States purpose and intent of the bill.

Section 2. Provides definitions.

Section 3. Provides that the Harris-Galveston Coastal Subsidence District is created pursuant to Article 16, Section 59 of the Texas Constitution.

Section 4. Provides that the boundaries of the district shall include the area located within Harris and Galveston counties. Further provides for the annexation of counties to the district and for the representation of those counties on the Board of Directors.

Section 5. Provides for a Board of Directors composed of thirteen members. Provides for the selection of the Board of Directors. Provides for staggered two-year terms. Provides for a chairman and vice-chairman of the directors. Provides for compensation of \$25.00 per day for each member of the Board when engaged in the exercise of his duties under this act. Provides for the taking of an oath and for the execution of a bond in the amount of \$5,000.00 by the members of the Board. Provides that a majority of the members of the Board constitute a quorum. Provides that there will be regular monthly meetings and special meetings at the call of the chairman or upon the request of at least three members of the Board.

Section 6. Provides for the powers and duties of the Board. Provides that withdrawals of groundwater are subject to rules and regulations adopted by the Board *and that the Board take*

into account all factors
including availability of surface water, economic impact upon persons and the community, degree and effect of subsidence upon the surface of land, and differing topographical and geophysical characteristics of land areas within the district.

Section 7. Provides for the employment of a general manager to administer the orders of the board, to coordinate with state, federal, and local agencies, to oversee the development of plans and programs of the district and to perform the duties assigned by the Board. Provides that the general manager shall execute a bond in the amount determined by the Board and payable by the district.

Section 8. Provides for the employment for all persons necessary to handle the business of the district including attorneys, bookkeepers, and engineers. Provides that the Board shall determine the terms of office and employment for the general manager and may discharge the general manager by majority vote. Provides that the general manager may discharge employees of the district. Provides that a bond may be required by the Board of any employee who handles funds of the district.

Section 9. Provides that the Board shall maintain an office within the district.

Section 10. Provides that the Board shall keep minutes and records of the district.

Section 11. Provides that the district may sue and be sued. Provides that the Attorney General shall represent the district in the district and appellate courts of this State and in the courts of the United States.

Section 12. Provides that the Board shall adopt a seal.

Section 13. Provides for the adoption of rules and regulations of the Act.

Section 14. Provides for hearings by the Board. Provides for the Board setting the dates, times, and locations of hearings and for written notice to be given to each county and municipal government within the district and to each person the Board believes has an interest in the subject matter to be dealt with at the hearing. The notices are to be mailed not less than 20 days before the date of the hearing. Provides for notice of the hearing to be published in a newspaper at least once in each county within the district with the publication to be not less than 20 days before the date of the hearing. Provides for posting of the notice at each county courthouse. Provides that any person may appear at a hearing and present testimony, evidence and exhibits. Provides that the Board may hold a hearing at any location within the district. Provides that the Board may use hearing examiners.

Section 15. Provides that the Board may compel the testimony of any person to carry out the powers, duties and functions under the act, may administer oaths to persons compelled to testify, and may issue subpoenas to compel the testimony and the production of documents.

Section 16. Provides that the Board will formulate a plan to control and prevent subsidence within the district. Provides that the plan is to accomplish this purpose by reduction of ground water withdrawals to amounts which will restore and maintain sufficient artesian pressure to control and prevent subsidence.

Section 17. Provides that in formulating the plan, the following information shall be gathered: a list of all wells in the district; an accurate estimate of ground water production from each well or proposed well; an accurate estimate of the amount of ground water which may be produced from each well and each area in the district without causing draw down of the water table and reduction of artesian pressure that will lead to subsidence; an accurate estimate of the current and future water needs of each well owner in the district; an accurate estimate of the ground water production capacity of each well; a list of all available sources of water in the area other than ground water; a map showing a location of all the areas in the district in which well production has a negligible effect on subsidence; the purpose for which the water is currently used and for which it ~~will be~~ *is proposed* ^{to be} used in the future; information relating the formulation of a permit system; and all other necessary information to carry out the management of ground water in the district.

Section 18. Provides that during the period of formulation and adoption of the plan, the Board shall adopt temporary rules and regulations relating to the withdrawal of groundwater that are necessary to control subsidence. Provides that no new wells may be drilled within the boundaries of the district until a plan is adopted. Provides that wells operating or being drilled on the effective date of this act may operate until a permit is obtained as provided in Section 19 of the act.

Section 19. Provides that a permit must be obtained before a well located within the boundaries of the district may be used for the purpose of withdrawing groundwater or may be drilled for that purpose. Provides that owners of wells operating or being drilled on the effective date of the act must apply for a permit before September 30, 1975.

Section 20. Provides that the term of a permit shall be for one year.

Section 21. Provides for renewal of permits in the manner for obtaining original permits.

Section 22. Provides for the contents of an application for permit and for an application fee to be set by the Board.

Section 23. Provides for notice and hearing on the permit.

Section 24. Provides that the Board within 35 days after the hearing shall decide whether or not to issue the permit. In deciding whether or not to issue a permit, the Board shall consider (1) the district plan; (2) the ~~availability of surface~~

(2) the quality, quantity and availability of surface water supplies; (3) the economic impact on the applicant vis a vis the effect on subsidence that would result. A permit shall be granted ~~when~~

whenever it is found upon presentation of adequate proof that there is no other adequate and available substitute or supplemental source of surface waters at prices competitive with those charged by suppliers of surface water within the district, and that compliance with any provision of this act, or any rule or regulation of the district, will result in an arbitrary taking of property or in the practical closing and elimination of any lawful business, occupation or activity, in either case without sufficient corresponding benefit or advantage to the people. Provides for the terms of the permit.

Section 25. Provides that the permit is not transferrable.

Section 26. Provides for annual reporting to the Board by permit holders including the information to be included in the report.

Section 27. Provides that the Board together with the Texas Water Development Board, if necessary, shall make a complete study of the groundwater situation within the district and determine the water level rates of withdrawal, amounts of withdrawal and other information relating to the withdrawal of water at least once a year.

Section 28. Provides that the Board shall hold annual meetings on the subsidence effects of groundwater withdrawal during the preceding withdrawal year. Provides that the findings and determination shall be included in a report adopted by the Board and made available for examination by any interested person.

Section 29. Provides that the Board may provide for the spacing of wells and regulate the production of ground water from wells taking into account the economic impact on well owners and the resulting effect on subsidence. Provides that the Board shall hold a hearing and issue notice of the hearing prior to issuing any such order, rule or regulation.

Section 30. Provides that the Board may, after notice and hearing, require water metering devices to be placed on wells.

Section 31. Gives the Board access to all property within the district in order to fulfill this act.

Section 32. Provides that the district may use subsidence compaction monitors, water level observation wells, and other materials and equipment to determine the amount of ground water that may be produced while at the same time allowing the rebound and stabilization of groundwater to the level that will halt subsidence.

Section 33. Provides that the district may conduct any studies and research that the Board considers necessary.

Section 34. Provides that the Board may cooperate with and request the assistance of local, state and federal agencies in implementing the provisions of the act.

Section 35. Provides that the Board may enter into contracts to carry out this act.

Section 36. Provides that the actions of the Board may be appealed to a district court in any county of the district and that the substantial evidence rule be used to review the action.

Section 37. Provides for the collection of permit fees to be based on the maximum amount of groundwater authorized by the Board under the permit.

Section 38. Provides the Board may grant or accept on behalf of the district any gifts, grants, loans or any other distributions of money for use in carrying out the provisions of this act.

Section 39. Provides that the district may purchase, lease, own, convey or dispose of property both inside and outside of the district necessary or convenient for the purposes of this act. Provides that the district may accept grants, gifts, and devisees of property and may construct, purchase, lease or acquire any material or property necessary to carry out the provisions of this act.

Section 40. Recognizes the ownership rights of the owner of the land and his lessees and assigns in the groundwater subject to the rules, regulations and orders and other official actions in the district.

Section 41. Provides that the laws and administrative rules relating to the use of surfacewater do not apply to groundwater.

Section 42. Provides that the district may not sell or distribute surfacewater or groundwater for any purpose.

Section 43. Provides that the provisions of this act do not apply to wells regulated under the Disposal Well Act (Chapter 22 of the Texas Water Code).

Section 44. Provides for the disbursement of district funds.

Section 45. Provides for keeping a complete system of accounts for the district and having an annual audit. Provides for the filing of the audit with each county in the district.

Section 46. Provides for the designation of a depository bank or banks.

Section 47. Provides that the district may levy and collect taxes and issue bonds in accordance with the procedures provided by Subchapters F and G of Chapter 54 of the Water Code which govern municipal utility districts. Provides for the employment of an assessor-collector of taxes. Provides that no taxes may be levied by the district without approval of a majority of the voters of the district.

Provides that the rate of the tax levied by the district shall not exceed a rate of 10¢ per \$100 valuation.

Section 48. Provides for the district's bringing a civil suit against violators of the act and for a penalty of not less than \$50.00 nor more than \$5,000.00 for each violation and each day of violation, or for both injunctive relief and civil penalties. Provides that the Attorney General shall institute and conduct a suit in the name of the district for injunctive relief or to recover civil penalties. Provides that the district is not required to post bond or other security under this section.

Section 49. Provides that the requirements of Articles XVI Section 59(d) and of Articles XVI, Section 59(e) of the Texas Constitution have been met.

Section 50. Emergency clause.

Summary of Committee Action

See Attached

Summary of Committee Action:

The Committee posted notice in accordance with Rule VIII, Section 13, and considered H.B. No. 552 in a (public hearing) (~~formal meeting~~) on April ~~March~~ 25, 1975.

The measure was referred to subcommittee and reported back favorably (with) (~~without~~) amendments on ~~March~~ March 27, 1975.

The Committee voted, on April, 1975, by a record vote of 7 ayes and 1 nays, to report the measure back to the House favorably (with) (~~without~~) amendments. as a Committee Substitute

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

April 4, 1975

Honorable Tom Craddick, Chairman
Committee on Natural Resources
House of Representatives
Austin, Texas

In Re: House Bill No. 552, as amended
By: Caraway, et al

Sir:

In response to your request and pursuant to House Rule VIII, Section 27, this office finds the fiscal implications of House Bill No. 552, as amended (providing for the regulation of the withdrawal of groundwater in certain areas of the Gulf Coast for the purpose of ending subsidence) to be as follows:

1. The anticipation that House Bill No. 552, as amended, would not create additional State costs is based on the assumption that the Texas Water Development Board will be able to meet its obligations under Sections 27 and 34 of the bill from its continuing data collection program conducted in cooperation with the U. S. Geological Survey, and that the assistance and cooperation of other State agencies will be limited to provision of data from continuing programs and activities. This appears to be a reasonable assumption.
2. No additional cost to the State attributable to the bill, should it be enacted, are anticipated.


Thomas M. Keel
Director

By [Signature]

①

COMMITTEE AMENDMENT NO. 1

1 Amend House Bill No. 552, by striking all below the enacting
2 clause and substituting the following:

Insert
3 Section 1. PURPOSE AND INTENT. (a) The purpose of this
4 Act is to provide for the regulation of the withdrawal of
5 groundwater in certain areas of the Gulf Coast for the purpose
6 of ending subsidence.

7 (b) It is the intent of the legislature that the district
8 shall administer and enforce the terms of this Act, and shall
9 exercise its rights, powers, and duties in a manner that will
10 effectively and expeditiously accomplish the purposes of this
11 Act.

12 Sec. 2. DEFINITIONS. In this Act:

13 (1) "Person" includes corporation, individual, organization,
14 government or governmental subdivision or agency, business trust,
15 estate, trust, partnership, association, and any other legal
16 entity.

17 (2) "District" means the Harris-Galveston Coastal Subsidence
18 District.

19 (3) "Board" means the board of directors of the district.

20 (4) "Groundwater" means water located beneath the earth's
21 surface within the district but does not include water produced
22 with oil in the production of oil and gas.

23 (5) "Wells" means any facility, device, or method used to
24 withdraw groundwater from the groundwater supply within the
25 district.

APR 17 1975

DATE _____

64R3537 SHH-D

1 READ AND ADOPTED

[Signature]
Chief Clerk
House of Representatives

1 (b) "Groundwater-withdrawal year" means the period beginning
2 January 1 of one year and ending December 31 of that same
3 year.

4 (7) "Withdraw" means the act of extracting groundwater by
5 pumping or some other method.

6 (8) "Drill" means drilling, equipping, or completing wells
7 or substantially altering the size of wells or well pumps.

8 (9) "Subsidence" means the lowering in elevation of the
9 surface of land by the withdrawal of groundwater.

10 Sec. 3. CREATION. There is created under the authority
11 of Article XVI, Section 59, of the Texas Constitution, a
12 conservation and reclamation district to be known as the
13 Harris-Galveston Coastal Subsidence District which shall be a
14 governmental agency and body politic and corporate of the state.
15 A confirmation election is not necessary.

16 Sec. 4. BOUNDARIES. (a) The district shall include all
17 of the area located within the boundaries of Harris County and
18 Galveston County.

19 (b) Except as provided in this subsection, an adjoining
20 county may be added to the district on application of the
21 commissioners court of the adjoining county and by complying with
22 the procedures provided in Sections 55.730-55.744, Water Code,
23 as far as those provisions are applicable. The proposition on
24 the ballots for the elections shall be printed to provide for
25 voting for or against: "Addition of _____ County to the
26 Harris-Galveston Coastal Subsidence District." Any county added
27 to the district under the provisions of this subsection shall be

1 subject to the jurisdiction of the board and the provisions of
2 this Act, and two members shall be added to the board, ² ~~one~~ shall
3 be chosen by the commissioners court of the county added to the
4 district and one shall be chosen by the mayor of the city in the
5 county that is added which has the largest population, according
6 to the last preceding federal census. The two new members shall
7 draw lots to establish staggered terms of office.

8 Sec. 5. BOARD OF DIRECTORS. (a) The district shall be
9 governed by a board of directors composed of 13 members.

10 (b) The members of the board shall be chosen as follows:

11 (1) three members from the city in the district having the
12 largest population of any city in the district, according to the
13 most recent federal census, to be appointed by the mayor of that
14 city;

15 (2) one member from the city in the district having the
16 next largest population of any city in the district, according
17 to the most recent federal census, to be appointed by the mayor
18 of that city;

19 (3) two members from all incorporated cities in Galveston
20 County, appointed by the mayors of those cities;

21 (4) one member from the city of Baytown, appointed by the
22 mayor of that city;

23 (5) two members appointed by the Commissioners Court of
24 Harris County, one of these members to be a representative of
25 agriculture, and one to be a representative of industry;

26 (6) two members appointed by the Commissioners Court of
27 Galveston County;

1 (7) one member from Harris County chosen by the mayors of
2 the cities of Deer Park, Galena Park, La Porte, Nassau Bay, and
3 Seabrook and the president of the Clear Lake City Water Authority;
4 and

5 (8) one member appointed by the mayors of other incorporated
6 cities in Harris County not covered by subdivisions (1), (2),
7 (4), or (7) of this subsection.

8 (c) All members of the board shall be residents of and
9 qualified voters in the district.

10 (d) Within 30 days after the effective date of this Act,
11 the County Judge of Harris County and the County Judge of Galveston
12 County jointly shall set a date, time, and place for a meeting
13 of those persons designated in Subsection (b) of this section to
14 choose members for the board. The county judges shall decide who
15 shall preside at the meeting, and those chosen for the board at
16 the meeting shall assume their positions on the board within five
17 days after being chosen. The county judges shall give notice of
18 the meeting by mail to all persons designated to make the choices.
19 Selection of subsequent directors shall be made on the second
20 Monday in January at 11 a.m. in the district's main office, and
21 the general manager shall send by mail written notice to each
22 person who is designated in Subsection (b) of this section to
23 make choices in that particular year. All notice given under this
24 subsection shall be mailed not less than 20 days before the
25 meeting for which notice is given.

24 (e) The terms of office for the initial appointees to the
25 board shall be as follows:

26 (1) from the date of appointment until January 31, 1976--two
27 members chosen under Subdivision (1) of Subsection (b) of this

1 section, one member chosen under Subdivision (3), one member
2 chosen under Subdivision (5), one member chosen under Subdivision
3 (6), and one member chosen under Subdivision (8) of Subsection
4 (b) of this section; and

5 (2) from the date of appointment until January 31, 1977--one
6 member chosen under Subdivision (1) of Subsection (b) of this
7 section and one member chosen under Subdivision (2), one member
8 chosen under Subdivision (3), one member chosen under Subdivision
9 (4), one member chosen under Subdivision (5), one member chosen
10 under Subdivision (6), and one member chosen under Subdivision
11 (7) of Subsection (b) of this section.

12 (f) Except as provided in Subsection (e) of this section,
13 members of the board shall serve for terms of two years.

14 (g) The county judges of Harris and Galveston counties,
15 at the time they set the date, time, and place for the selection
16 of directors, shall set the date, time, and place for the initial
17 meeting of the board, and give notice of the date, time, and place
18 to each newly appointed member. Such notice shall be given by
mail and shall be sent not less than 20 days before the time set
for the initial meeting of the board.

19 (h) At the initial meeting of the board and each year at
20 the first meeting after the new directors take office, the members
21 shall select one of their number to serve as chairman, one to
22 serve as vice-chairman, and one to serve as secretary.

23 (i) The chairman shall preside over meetings of the board,
24 and in his absence the vice-chairman shall preside.

25 (j) Each member of the board is entitled to receive \$25
26 a day for each day he is engaged in the exercise of his duties
27 under this Act and necessary travel and other expenses incurred

1 in the exercise of his duties under this Act. No member of the
2 board may receive this compensation and travel and other expenses
3 for more than 120 calendar days in any one calendar year.

4 (k) If a vacancy occurs on the board, a person representing
5 the same area from which the person who vacates the position is
6 appointed shall be chosen by the person or persons designated in
7 Subsection (b) of this section to serve the unexpired term.

8 (l) Each member of the board shall take the oath of office
9 prescribed by law for county commissioners and shall execute a
10 bond in the amount of \$5,000, payable to the district, conditioned
11 on the faithful performance of his duties. The district shall
12 pay for the bond.

13 (m) A majority of the members of the board constitute a
14 quorum for transaction of business of the district, but no official
15 act of the board is valid without the affirmative vote of a
16 majority of the members of the board.

17 (n) The board shall meet for a regular meeting once each
18 month at a time set by the board and may hold special meetings
19 at the call of the chairman or on the written request of at least
20 three members of the board.

21 Sec. 6. POWERS AND DUTIES IN GENERAL. The board shall
22 administer the provisions of this Act as provided in Section 1
23 of this Act. Withdrawals of groundwater covered by the provisions
24 of this Act are subject to reasonable rules, regulations, and
25 orders adopted by the board, taking into account all factors
including availability of surface water, economic impact upon
persons and the community, degree and effect of subsidence
upon the surface of land, and differing topographical and
geophysical characteristics of land areas within the district.
The board has the powers and duties specifically described in
this Act and all other powers necessary or convenient to
carry out its responsibilities and achieve the purpose of the Act.

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Sec. 7. GENERAL MANAGER. (a) The board shall employ a general manager who shall be the chief administrative officer of the district and may delegate to him full authority to manage and operate the affairs of the district subject only to orders of the board.

(b) Among the duties of the general manager are:

- (1) to administer the orders of the board;
- (2) to coordinate with state, federal, and local

agencies;

(3) to oversee the development of plans and programs of the district; and

(4) to perform other duties assigned by the board.

(c) The general manager shall execute a bond in the amount determined by the board, payable to the district, conditioned on the faithful performance of his duties. The district shall pay for the bond.

Sec. 8. EMPLOYEES. (a) The general manager shall employ all persons necessary for the proper handling of the business and operation of the district and may employ attorneys, bookkeepers, engineers, and other expert and specialized personnel that are considered necessary. He shall determine compensation to be paid by the district.

(b) The board shall determine the terms of office and employment and the compensation to be paid the general manager, and the general manager may be discharged by a majority vote of the board. The general manager may discharge employees of the

1 district.

2 (c) The board shall require an employee who collects, pays,
3 or handles any funds of the district to furnish good and sufficient
4 bond, payable to the district, for a sufficient amount to safeguard
5 the district. The bond shall be conditioned on the faithful
6 performance of his duties and on accounting for all funds and
7 property of the district in his hands. The district shall pay for
8 the bond.

9 Sec. 9. DISTRICT OFFICE. The board shall maintain a regular
10 office for conducting the business of the district. The office
11 shall be located inside the district.

12 Sec. 10. MINUTES AND RECORDS OF THE DISTRICT. The board
13 secretary shall keep a true and complete account of all its
14 meetings and proceedings and shall preserve the board's minutes,
15 contracts, records of any kind, notices, accounts, receipts, and
16 records of all kinds in a fireproof vault or safe. All minutes,
17 contracts, records of any kind, notices, accounts, receipts, and
18 other materials are the property of the district and subject to
19 public inspection.

20 Sec. 11. SUITS. The district may sue and be sued in the
21 courts of this state in the name of the district by and through
22 the board. The attorney general shall represent the district in
23 the district and appellate courts of this state and in the courts
24 of the United States. All courts shall take judicial notice of
25 the creation of the district and of its boundaries.

26 Sec. 12. SEAL. The board shall adopt a seal.

27 Sec. 13. RULES AND REGULATIONS. (a) After notice and

1 hearing under Section 14 of this Act, the board shall adopt and
2 enforce rules and regulations that are designed to expeditiously
3 and effectively effectuate the provisions of this Act and
4 accomplish its purposes, including rules governing procedure
5 before the board.

6 (b) The board shall compile its rules and regulations in
7 a book and make them available for use and inspection at the
8 district's principal office. The district shall provide copies
9 of its rules and regulations on payment of the cost to reproduce
10 them.

11 Sec. 14. HEARINGS. (a) Hearings of the board shall be
12 conducted in the manner provided in this section.

13 (b) At a regular meeting of the board, the board shall set
14 the dates, times, and locations for any hearings to be held under
15 this Act and shall direct the general manager of the district to
16 give notice.

17 (c) Written notice of a hearing under this section shall
18 be given to each county and municipal government within the
19 district and to each person that the board believes has an interest
20 in the subject matter to be dealt with at the hearing. The date
21 of delivery or mailing of notice shall not be less than 20 days
22 before the date set for the hearing.

23 (d) Notice of a hearing under this section shall be
24 published at least once in a newspaper of general circulation in
25 each county within the district. The date of publication shall
26 not be less than 20 days before the date set for the hearing.

27 (e) A copy of the notice shall be posted at the county

1 courthouse of each county within the district in the place where
2 notices are usually posted. The date of posting shall not be
3 less than 20 days before the date of the hearing.

4 (f) Any person who desires to appear at a hearing and
5 present testimony, evidence, exhibits, or other information may
6 do so in person, by counsel, or both.

7 (g) The board may hold hearings at any location within the
8 district.

9 (h) The board may recess a hearing from day to day.

10 (i) The board may use hearing examiners to hear any subject
11 set for hearing so long as the decision on that subject is the
12 decision of the board. Procedures for use of hearing examiners
13 shall be provided in the rules and regulations.

14 Sec. 15. COMPELLING TESTIMONY, SWEARING WITNESSES, AND
15 SUBPOENAS. The board may compel the testimony of any person
16 necessary to carry out the powers, duties, and functions under
17 this Act and may administer oaths to persons compelled to testify
18 before the board or any person designated by the board. Also,
19 the board may issue subpoenas to compel the testimony of any
20 persons and the production of any documents necessary to carry
21 out the powers, duties, and functions under this Act.

22 Sec. 16. DISTRICT PLAN. (a) Under Section 14 of this
23 Act, the board shall formulate a plan to control and prevent
24 subsidence within the district. The plan shall accomplish this
25 purpose by the reduction of groundwater withdrawals to amounts
26 which will restore and maintain sufficient artesian pressure to
27 control and prevent subsidence.

1 (b) The plan shall specify in as much detail as practicable
2 the acts, procedures, performance, and avoidance that ^{are} necessary
3 to carry out the purposes of this Act.

4 Sec. 17. PLANNING PROCEDURES. (a) Included in the
5 information to be gathered for formulation of the plan shall be:

6 (1) a list of all wells in the district which will be
7 subject to regulation under this Act;

8 (2) an accurate estimate of groundwater production from
9 each well or proposed well in the district;

10 (3) an accurate estimate of the amount of groundwater which
11 may be produced from each well and each area in the district
12 without causing drawdown of the water table and reduction of
13 artesian pressure that will lead to subsidence within the district;

14 (4) an accurate estimate of the current and future water
15 needs of each well-owner in the district;

16 (5) an accurate estimate of the groundwater production
17 capacity of each well in the district;

18 (6) a list of all available sources of water in the area
19 of the district other than groundwater;

20 (7) the purpose for which the water is currently used and
21 for which it is proposed to be used in the future;

22 (8) information relating to formulation of a permit system;

23 and

24 (9) other necessary information and material to carry out
25 the management of groundwater in the district and to effectively
26 and expeditiously accomplish the purposes of this Act.

27 (b) The plan shall be formulated within 12 months after

1 the effective date of this Act.

2 (c) The plan formulated under this Act shall be reviewed
3 by the board and adopted within 60 days after it is formulated.

4 (d) Before the plan is adopted, the board shall hold a
5 hearing to consider the proposed plan in the manner provided in
6 Section 14 of this Act.

7 (e) After the hearing, the board shall make any changes
8 it considers necessary based on evidence and material presented
9 at the hearing and shall adopt the plan.

10 (f) The plan adopted under this section may be amended or
11 repealed and a new plan adopted in the manner provided in this
12 section for the adoption of the original plan. A plan, once
13 adopted, shall remain in effect until the adoption of a new plan.

14 Sec. 18. TEMPORARY REGULATION. (a) During the period in
15 which the board is formulating and adopting the plan under Section
16 16 of this Act, the board shall adopt temporary rules and
17 regulations relating to the withdrawal of groundwater that are
18 necessary to control subsidence.

19 (b) Except as permitted by the board under this section,
20 no new wells may be drilled within the boundaries of the district
21 after the effective date of this Act until the plan is adopted
22 under Section ~~14~~¹⁸ of this Act. This subsection does not apply to
23 wells on which drilling was begun before the effective date of
24 this Act.

25 (c) Wells operating or being drilled on the effective date
26 of this Act may operate until a permit is obtained as provided
27 in Section 19 of this Act.

1 Sec. 19. PERMIT REQUIREMENT. (a) Before a well located
2 within the boundaries of the district which is used or to be used
3 for the purpose of withdrawing groundwater may be operated or
4 drilled for that purpose, the owner of the well must obtain a
5 permit from the board in the manner provided in this Act.

6 (b) Owners of wells operating or being drilled on the
7 effective date of this Act must apply for a permit before September
8 30, 1975, and may continue to operate the well without a permit
9 until the application for a permit for the well is acted on by
10 the board.

11 Sec. 20. TERM OF PERMIT. Permits issued under this Act
12 shall be for a term of one year from the date of their issuance.

13 Sec. 21. RENEWAL OF PERMIT. Permits for wells under Section
14 19 of this Act may be renewed by the board in the manner provided
15 for obtaining the original permit.

16 Sec. 22. APPLICATION FOR PERMIT. (a) Any person who
17 desires to obtain a permit under the provisions of this Act shall
18 submit to the board an application.

19 (b) The application shall state:

20 (1) the name of the person requesting the permit;

21 (2) the address of the person requesting the permit;

22 (3) the location and wellhead elevation of the well or
23 proposed well;

24 (4) the amount of water being produced or proposed to be
25 produced; and

26 (5) any other information necessary for the board to control
27 and prevent subsidence in the district.

1 (c) The application shall be accompanied by a reasonable
2 application fee to be used for processing the application, the
3 amount of which shall be set by the board.

4 Sec. 23. NOTICE AND HEARING ON PERMIT. (a) On receiving
5 an application for a permit, the board shall issue notice and set
6 a time for a hearing on the application.

7 (b) Notice of the date, time, and location of the hearing
8 shall be given by the board to the applicant by certified mail,
9 return receipt requested, at least 20 days before the day of the
10 hearing.

11 (c) Except as provided in this section, the hearing shall
12 be conducted and notice of hearing given in the manner provided
13 in Section 14 of this Act.

14 (d) The board may consider as many applications for permits
15 as it thinks necessary at any one hearing.

16 Sec. 24. DECISION AND ISSUANCE OF A PERMIT. (a) Within
17 a reasonable period of time after the hearing, but not later than
18 35 days after the hearing, the board shall decide whether or not
19 to issue a permit and, if so, shall formulate the terms of the
20 permit.

(b) In deciding whether or not to issue a permit and
in setting the terms of the permit, the board shall consider,
along with the purpose of this act and all other relevant
factors:

- (1) the district plan;
- (2) the quality, quantity, and availability of surface
water at competitive prices;
- (3) the economic impact on the applicant from ~~z~~ grant
or denial of the permit, or the terms prescribed by a permit,
in relation to the effect on subsidence that would result.

(c) The board shall grant a permit to an applicant
whenever it is found upon presentation of adequate proof
that there is no other adequate and available substitute or
supplemental source of surface waters at prices competitive
with those charged by suppliers of surface water within the
district, and that compliance with any provision of this act,
or any rule or regulation of the district, will result in an

arbitrary taking of property or in the practical closing and elimination of any lawful business, occupation or activity, in either case without sufficient corresponding benefit or advantage to the people.

3 (d) If the board decides to issue the permit, the permit
4 shall be issued to the applicant stating the terms prescribed by
5 the board.

6 (e) The permit shall include the following:

7 (1) the name and address of the person to whom the permit
8 is issued;

9 (2) the location of the well;

10 (3) the date the permit is to expire;

11 (4) conditions and restrictions placed on the withdrawal
12 of groundwater; and

13 (5) any other terms and conditions necessary to control
14 and prevent subsidence.

15 Sec. 25. PERMIT NOT TRANSFERABLE. No permit issued under
16 this Act is transferable, and any person who becomes the owner
17 of a well for which a permit is required must make application
18 for a permit in the manner provided in this Act.

Sec. 26. ANNUAL REPORTS. (a) Before January 31 of
each year after the effective date of this act, each owner of
a well who holds a permit under the provisions of this Act
shall submit to the board a report stating the following:

23 (1) the name of the owner of the well;

24 (2) the location of the well;

25 (3) the total amount of groundwater produced by the well
26 during the immediately preceding 12-month period;

27 (4) the total amount of groundwater produced by the well

1 during each separate month of the immediately preceding 12-month
2 period;

3 (5) the purpose for which the groundwater was used;

4 (6) the date on which the permit for the well will expire;

5 and

6 (7) any other information necessary for the board to control
7 and prevent subsidence within the district.

8 (b) Subdivisions (3) and (4) of Subsection (a) of this
9 section do not apply to:

10 (1) those persons owning only one well within the district
11 with a casing diameter of five inches or less; and

12 (2) other persons whose well or wells the board determines
13 have a negligible effect upon subsidence within the district,
14 provided that an exemption under this subdivision shall be allowed
15 only upon application for the exemption in the manner and according
16 to the form prescribed by the board for applications.

17 Sec. 27. BOARD INVESTIGATIONS. At least once each year
18 and at any other time that the board considers necessary, the
19 board shall have its staff and the staff of the Texas Water
20 Development Board, if necessary, make a complete study of the
21 groundwater situation within the district and determine the water
22 level, rates of withdrawal, amounts of withdrawal, and other
23 information relating to the withdrawal of groundwater which may
24 effect the subsidence of land within the district.

25 Sec. 28. ANNUAL GROUNDWATER-WITHDRAWAL DETERMINATION. (a)
26 Before March 31 of each year, the board shall hold a hearing in
27 the manner provided in Section 14 of this Act to determine the

1 effects of groundwater withdrawal during the preceding groundwater[^]
2 withdrawal year on the subsidence of land within the district.

3 (b) At the hearing, the board shall consider information
4 developed under Sections 26 and 27 of this Act in addition to
5 information represented by persons appearing before the board.

6 (c) After the hearing, the board shall consider all
7 information presented to it and shall make determinations of
8 groundwater[^] withdrawal in the district during the just preceding
9 groundwater[^] withdrawal year and shall make findings of the effects
10 of groundwater withdrawal during the just preceding groundwater[^]
11 withdrawal year on the subsidence of land within the district.
12 These findings and determinations shall be included in a report
13 adopted by the board and shall be made available for examination
14 by any interested persons.

15 Sec. 29. REGULATION OF SPACING AND PRODUCTION. (a) In
16 order to minimize as far as practicable the drawdown of the water
17 table and the reduction of artesian pressure, and to control and
18 prevent subsidence, the board may provide for the spacing of wells
19 and regulate the production of groundwater from the wells[^] taking
20 into consideration, among other relevant factors, the economic
21 impact on well[^]-owners and the resulting effect on subsidence.

22 (b) Before issuing any order, rule, or regulation under
23 this section, the board shall set a hearing on the proposed order,
24 rule, or regulation and issue notice of the hearing. Notice shall
25 be given and hearings conducted in the manner provided in Section
26 14 of this Act.

27 Sec. 30. REQUIRING WATER-METERING DEVICES. THE BOARD MAY

1 adopt orders after notice and hearing as provided in Section 14
2 of this Act requiring water-metering devices to be placed on
3 wells.

4 Sec. 31. ACCESS TO PROPERTY. (a) To carry out technical
5 and other investigations necessary to the implementation of this
6 Act, the board and its agents and employees are entitled to access
7 to all property within the district.

8 (b) Before entering property for the purposes stated in
9 Subsection (a) of this section, the person seeking access shall
10 give notice to the owner of the property in the manner provided
11 in the rules and regulations of the district and shall present
12 proper credentials.

13 (c) The board, and its agents and employees who enter
14 private property, shall observe the establishment's rules and
15 regulations concerning safety, internal security, and fire
16 protection.

17 Sec. 32. MONITORING AND SUPERVISIONS OF DISTRICT. The
18 district may use subsidence compaction monitors, water-level
19 observation wells, and other materials and equipment to determine
20 the amount of groundwater that may be produced while at the same
21 time allowing the rebound and stabilization of groundwater to a
22 level that will halt subsidence.

23 Sec. 33. RESEARCH AND STUDIES. The district may conduct
24 any studies and research that the board considers necessary to
25 implement the provisions of this Act. The district may use the
26 services of geologists, hydrologists, registered professional
27 engineers, or other expert personnel to accomplish the purposes

1 of this section.

2 Sec. 34. COOPERATION WITH AND ASSISTANCE OF OTHER
3 GOVERNMENTAL ENTITIES. The board may cooperate with and request
4 the assistance of the Texas Water Development Board, the United
5 States Geological Survey, local governments, and other agencies
6 of the United States and the State of Texas in implementing the
7 provisions of this Act.

8 Sec. 35. CONTRACTS. The board may enter into contracts
9 with any person to carry out the provisions of this Act.

 Sec. 36. APPEAL OF DISTRICT ACTIONS. (a) Any rule,
regulation, order, or other official action of the district
under this Act may be appealed to a district court in any
county in the district by a person who is adversely affected.
For the purposes of this section, a "person who is adversely
affected" includes those persons residing in or owning real
property in the district whose residence or real property is
subsiding.

 (b) In appeals taken under this section, the ~~Substantial
Evidence Rule~~ shall be used to determine the legal propriety of
a rule, regulation, order, or other action of the board.

17 Sec. 37. PERMIT FEE. (a) At the time of issuance or
18 renewal of a permit, the board shall collect from the permittee
19 a permit fee, established by schedule on an annual basis, based
20 on the maximum amount of groundwater authorized by the board under
21 the permit to be withdrawn from the well during the term of the
22 permit.

23 (b) The rate of the fee collected by the board under this
24 section shall be determined by the board after a hearing under
25 Section 14 of this Act. In no case shall the rate of the fee exceed
110% of the highest rate charged by the City of Houston for
surface water supply to its customers within the district.

26 (c) The funds obtained from permit fees collected under
27 this section shall be used to cover the costs of the board in

issuing permits and performing other regulatory functions under this Act.

Sec. 38. SPECIAL ASSISTANCE. The board may accept on behalf of the district any gifts, grants, loans, or other distributions of money for use in carrying out the provisions of this Act.

Sec. 39. GRANTS, PURCHASES, GIFTS, LEASES, ETC. (a) The district may purchase, lease, own, convey, and dispose of property both inside and outside of the district necessary or convenient to the exercise of the powers, duties, and functions under this Act.

(b) The district may accept grants, gifts, and devises of property.

(c) The district may construct, purchase, lease, or acquire in some other manner any material or property necessary to carry out the provisions of this Act.

Sec. 40. OWNERSHIP OF UNDERGROUND WATER. The ownership and rights of the owner of land and his lessees and assigns in groundwater are recognized, and nothing in this Act shall be construed as depriving or divesting the owner or his lessees and assigns of the ownership or rights, subject to rules and regulations and orders and other official actions of the district.

Sec. 41. SURFACE WATER LAWS NOT APPLICABLE. The laws and administrative rules relating to the use of surface water do not apply to groundwater.

Sec. 42. SALE AND DISTRIBUTION OF WATER PROHIBITED. The district may not sell or distribute surface water or groundwater

for any purpose.

Sec. 43. EXCLUSIONS. The provisions of this Act do not apply to wells regulated under the provisions of Chapter 22, Water Code.

Sec. 44. DISBURSEMENT OF FUNDS. The district's money may be disbursed only by check, draft, order, or other instruments, signed by the person or persons authorized to do so in the board's bylaws, or by resolution of the board.

Sec. 45. ACCOUNTS AND INDEPENDENT AUDIT. (a) The district shall keep a complete system of accounts and shall have its affairs audited each year by an independent certified public accountant, or a firm of independent certified public accountants, of recognized integrity and ability selected by the board. The cost of the audit shall be paid by the district.

(b) The district shall file copies of the audit with the commissioners court of each county in the district, and the board shall keep at least one copy of the audit at the office of the district open to inspection by any interested person during normal office hours.

Sec. 46. DEPOSITORY BANKS. (a) The board shall designate one or more banks within the district to serve as depository for the funds of the district. All funds of the district shall be deposited in the depository bank or banks except that bond proceeds and funds pledged to pay bonds may, to the extent provided in a trust indenture, be deposited with the trustee bank named in the trust indenture and shall be remitted to the bank of payment for the payment of principal of and interest on bonds. To the extent

1 that funds in the depository banks or a trustee bank are not
2 invested or insured by the F.D.I.C., they shall be secured in the
3 manner provided by law for the security of county funds.

4 (b) Before designating a depository bank or banks, the
5 board shall issue a notice stating the time and place when and
6 where the board will meet for such purpose and inviting the banks
7 in the district to submit applications to be designated
8 depositories. The term of service for depositories shall be
9 prescribed by the board. The notice shall be published one time
10 in a newspaper of general circulation in the district and specified
11 by the board, or, in lieu of the publication, a copy of the notice
12 may be mailed to each bank in the district.

13 (c) At the time mentioned in the notice, the board shall
14 consider the applications and the management and condition of the
15 banks filing them and shall designate as depositories the bank
16 or banks which offer the most favorable terms and conditions for
17 the handling of the funds of the district and which the board
18 finds have proper management and are in condition to warrant
19 handling of district funds. Membership on the board of an officer
20 or director of a bank shall not disqualify the bank from being
21 designated as depository.

22 (d) If no applications are received by the time stated in
23 the notice, the board shall designate some bank or banks within
24 or outside the district upon the terms and conditions as it may
25 find advantageous to the district.

26 Sec. 47. TAXES AND BONDS. (a) The district may levy and collect
27 taxes and issue bonds secured by ad valorem taxes in the manner

1 provided in Subchapters F and G of Chapter 54 of the Water Code,
2 in as far as those subchapters are applicable. The general manager
3 may employ an assessor and collector of taxes approved by the
4 board to assess and collect taxes in the district, or the board
5 may direct the general manager to enter into a contract with each
6 of the assessors and collectors of taxes in each of the counties
7 in the district to assess and collect taxes on property in the
8 district located in each of the counties subject to district
taxation. No tax may be levied by the district without approval
of a majority of the voters of the district.

(b) In no case shall the rate of the tax levied by the
district exceed a rate of 10^{cents} per \$100 valuation.

11 **Sec. 48. PENALTIES.** (a) If it appears that a person has
12 violated or is violating or threatening to violate any provision
13 of this Act, or any rule, regulation, permit, or other order of
14 the district, the district may have a civil suit instituted in
15 a district court within the district for injunctive relief to
16 restrain the person from continuing the violation or threat of
17 violation, or for the assessment and recovery of a civil penalty
18 of not less than \$50 nor more than \$5,000 for each violation and
19 for each day of violation, or for both injunctive relief and civil
20 penalties.

21 (b) Upon application for injunctive relief and a finding
22 that a person is violating or threatening to violate any provisions
23 of this Act, or any rule, permit, or other order of the district,
24 the district court shall grant any injunctive relief as the facts
25 may warrant.

26 (c) At the request of the district, or the general manager
27 authorized by the board, the attorney general shall institute and

1 conduct a suit in the name of the district for injunctive relief
2 or to recover a civil penalty or for both injunctive relief and
3 penalty as authorized by Subsection (a) of this section.

4 (d) The board is not required to post bond or other security
5 with the court under this section.

6 Sec. 49. The legislature specifically finds and declares
7 that the requirements of Article XVI, Section 59(d), and of Article
8 XVI, Section 59(e), of the Texas Constitution have been performed
9 and accomplished in due course in time and order, and that the
10 legislature has the power and authority to enact this Act.

11 Sec. 50. EMERGENCY. The importance of this legislation
12 and the crowded condition of the calendars in both houses create
13 an emergency and an imperative public necessity that the
14 constitutional rule requiring bills to be read on three several
15 days in each house be suspended, and this rule is hereby suspended,
16 and that this Act take effect and be in force from and after its
17 passage, and it is so enacted.

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A BILL TO BE ENTITLED

AN ACT

1 *Senate Substitute*
2 relating to the creation, establishment, administration, powers,
3 duties, functions, and financing of the Harris-Galveston Coastal
4 Subsidence District under Article XVI, Section 59, of the Texas
5 Constitution; providing penalties; and declaring an emergency.

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

7 Section 1. PURPOSE AND INTENT. (a) The purpose of this
8 Act is to provide for the regulation of the withdrawal of
9 groundwater in certain areas of the Gulf Coast for the purpose
10 of ending subsidence.

11 (b) It is the intent of the legislature that the district
12 shall administer and enforce the terms of this Act and shall
13 exercise its rights, powers, and duties in a manner that will
14 effectively and expeditiously accomplish the purposes of this
15 Act.

16 Sec. 2. DEFINITIONS. In this Act:

17 (1) "Person" includes corporation, individual, organization,
18 government or governmental subdivision or agency, business trust,
19 estate, trust, partnership, association, and any other legal
20 entity.

21 (2) "District" means the Harris-Galveston Coastal Subsidence
22 District.

23 (3) "Board" means the board of directors of the district.

24 (4) "Groundwater" means water located beneath the earth's
25 surface within the district but does not include water produced

1 with oil in the production of oil and gas.

2 (5) "Wells" means any facility, device, or method used to
3 withdraw groundwater from the groundwater supply within the
4 district.

5 (6) "Groundwater-withdrawal year" means the period beginning
6 January 1 of one year and ending December 31 of that same year.

7 (7) "Withdraw" means the act of extracting groundwater by
8 pumping or some other method.

9 (8) "Drill" means drilling, equipping, or completing wells
10 or substantially altering the size of wells or well pumps.

11 (9) "Subsidence" means the lowering in elevation of the
12 surface of land by the withdrawal of groundwater.

13 Sec. 3. CREATION. There is created under the authority
14 of Article XVI, Section 59, of the Texas Constitution, a
15 conservation and reclamation district to be known as the
16 Harris-Galveston Coastal Subsidence District which shall be a
17 governmental agency and body politic and corporate of the state.
18 A confirmation election is not necessary.

19 Sec. 4. BOUNDARIES. (a) The district shall include all
20 of the area located within the boundaries of Harris County and
21 Galveston County.

22 (b) Except as provided in this subsection, an adjoining
23 county may be added to the district on application of the
24 commissioners court of the adjoining county and by complying with
25 the procedures provided in Sections 55.730-55.744, Water Code,
26 as far as those provisions are applicable. The proposition on

1 the ballots for the elections shall be printed to provide for
2 voting for or against: "Addition of _____ County to the
3 Harris-Galveston Coastal Subsidence District." Any county added
4 to the district under the provisions of this subsection shall be
5 subject to the jurisdiction of the board and the provisions of
6 this Act, and two members shall be added to the board. One shall
7 be chosen by the commissioners court of the county added to the
8 district and one shall be chosen by the mayor of the city in the
9 county that is added which has the largest population according
10 to the last preceding federal census. The two new members shall
11 draw lots to establish staggered terms of office. _____

12 Sec. 5. BOARD OF DIRECTORS. (a) The district shall be
13 governed by a board of directors composed of 13 members. _____

14- (b) The members of the board shall be chosen as follows: _____

15 (1) three members from the city in the district having the
16 largest population of any city in the district, according to the
17 most recent federal census, to be appointed by the mayor of that
18 city; _____

19 (2) one member from the city in the district having the
20 next largest population of any city in the district, according
21 to the most recent federal census, to be appointed by the mayor
22 of that city; _____

23 (3) two members from all incorporated cities in Galveston
24 County, appointed by the mayors of those cities; _____

25 (4) one member from the city of Baytown, appointed by the
26 mayor of that city; _____

1 (5) two members appointed by the Commissioners Court of
2 Harris County, one of these members to be a representative of
3 agriculture and one to be a representative of industry;

4 (6) two members appointed by the Commissioners Court of
5 Galveston County;

6 (7) one member from Harris County chosen by the mayors of
7 the cities of Deer Park, Galena Park, La Porte, Nassau Bay, and
8 Seabrook and the president of the Clear Lake City Water Authority;
9 and

10 (8) one member appointed by the mayors of other incorporated
11 cities in Harris County not covered by Subdivision (1), (2), (4),
12 or (7) of this subsection.

13 (c) All members of the board shall be residents of and
14 qualified voters in the district.

15 (d) Within 30 days after the effective date of this Act,
16 the County Judge of Harris County and the County Judge of Galveston
17 County jointly shall set a date, time, and place for a meeting
18 of those persons designated in Subsection (b) of this section to
19 choose members for the board. The county judges shall decide who
20 shall preside at the meeting, and those chosen for the board at
21 the meeting shall assume their positions on the board within five
22 days after being chosen. The county judges shall give notice of
23 the meeting by mail to all persons designated to make the choices.
24 Selection of subsequent directors shall be made on the second
25 Monday in January at 11 a.m. in the district's main office, and
26 the general manager shall send by mail written notice to each

1 person who is designated in Subsection (b) of this section to
2 make choices in that particular year. All notice given under
3 this subsection shall be mailed not less than 20 days before the
4 meeting for which notice is given. _____

5 (e) The terms of office for the initial appointees to the
6 board shall be as follows: _____

7 (1) from the date of appointment until January 31, 1976--two
8 members chosen under Subdivision (1) of Subsection (b) of this
9 section, one member chosen under Subdivision (3), one member
10 chosen under Subdivision (5), one member chosen under Subdivision
11 (6), and one member chosen under Subdivision (8) of Subsection
12 (b) of this section; and _____

13 (2) from the date of appointment until January 31, 1977--one
14 member chosen under Subdivision (1) of Subsection (b) of this
15 section and one member chosen under Subdivision (2), one member
16 chosen under Subdivision (3), one member chosen under Subdivision
17 (4), one member chosen under Subdivision (5), one member chosen
18 under Subdivision (6), and one member chosen under Subdivision
19 (7) of Subsection (b) of this section. _____

20 (f) Except as provided in Subsection (e) of this section,
21 members of the board shall serve for terms of two years. _____

22 (g) The county judges of Harris and Galveston counties,
23 at the time they set the date, time, and place for the selection
24 of directors, shall set the date, time, and place for the initial
25 meeting of the board, and give notice of the date, time, and place
26 to each newly appointed member. Such notice shall be given by _____

1 mail and shall be sent not less than 20 days before the time set
2 for the initial meeting of the board. _____

3 (h) At the initial meeting of the board and each year at
4 the first meeting after the new directors take office, the members
5 shall select one of their number to serve as chairman, one to
6 serve as vice-chairman, and one to serve as secretary. _____

7 (i) The chairman shall preside over meetings of the board,
8 and in his absence the vice-chairman shall preside. _____

9 (j) Each member of the board is entitled to receive \$25
10 a day for each day he is engaged in the exercise of his duties
11 under this Act and necessary travel and other expenses incurred
12 in the exercise of his duties under this Act. No member of the
13 board may receive this compensation and travel and other expenses
14 for more than 120 calendar days in any one calendar year. _____

15 (k) If a vacancy occurs on the board, a person representing
16 the same area from which the person who vacates the position is
17 appointed shall be chosen by the person or persons designated in
18 Subsection (b) of this section to serve the unexpired term. _____

19 (l) Each member of the board shall take the oath of office
20 prescribed by law for county commissioners and shall execute a
21 bond in the amount of \$5,000, payable to the district, conditioned
22 on the faithful performance of his duties. The district shall
23 pay for the bond. _____

24 (m) A majority of the members of the board constitute a
25 quorum for transaction of business of the district, but no official
26 act of the board is valid without the affirmative vote of a _____

1 majority of the members of the board. _____

2 (n) The board shall meet for a regular meeting once each
3 month at a time set by the board and may hold special meetings
4 at the call of the chairman or on the written request of at least
5 three members of the board. _____

6 Sec. 6. POWERS AND DUTIES IN GENERAL. The board shall
7 administer the provisions of this Act as provided in Section 1
8 of this Act. Withdrawals of groundwater covered by the provisions
9 of this Act are subject to reasonable rules, regulations, and
10 orders adopted by the board, taking into account all factors
11 including availability of surface water, economic impact upon
12 persons and the community, degree and effect of subsidence upon
13 the surface of land, and differing topographical and geophysical
14 characteristics of land areas within the district. The board has
15 the powers and duties specifically described in this Act and all
16 other powers necessary or convenient to carry out its
17 responsibilities and achieve the purpose of the Act. _____

18 Sec. 7. GENERAL MANAGER. (a) The board shall employ a
19 general manager who shall be the chief administrative officer of
20 the district and may delegate to him full authority to manage and
21 operate the affairs of the district subject only to orders of the
22 board. _____

23 (b) Among the duties of the general manager are: _____

24 (1) to administer the orders of the board; _____

25 (2) to coordinate with state, federal, and local agencies; _____

26 (3) to oversee the development of plans and programs of _____

1 the district; and

2 (4) to perform other duties assigned by the board.

3 (c) The general manager shall execute a bond in the amount
4 determined by the board, payable to the district, conditioned on
5 the faithful performance of his duties. The district shall pay
6 for the bond.

7 Sec. 8. EMPLOYEES. (a) The general manager shall employ
8 all persons necessary for the proper handling of the business and
9 operation of the district and may employ attorneys, bookkeepers,
10 engineers, and other expert and specialized personnel that are
11 considered necessary. He shall determine compensation to be paid
12 by the district.

13 (b) The board shall determine the terms of office and
14 employment and the compensation to be paid the general manager,
15 and the general manager may be discharged by a majority vote of
16 the board. The general manager may discharge employees of the
17 district.

18 (c) The board shall require an employee who collects, pays,
19 or handles any funds of the district to furnish good and sufficient
20 bond, payable to the district, for a sufficient amount to safeguard
21 the district. The bond shall be conditioned on the faithful
22 performance of his duties and on accounting for all funds and
23 property of the district in his hands. The district shall pay
24 for the bond.

25 Sec. 9. DISTRICT OFFICE. The board shall maintain a regular
26 office for conducting the business of the district. The office

1 shall be located inside the district.

2 Sec. 10. MINUTES AND RECORDS OF THE DISTRICT. The board
3 secretary shall keep a true and complete account of all its
4 meetings and proceedings and shall preserve the board's minutes,
5 contracts, records of any kind, notices, accounts, receipts, and
6 records of all kinds in a fireproof vault or safe. All minutes,
7 contracts, records of any kind, notices, accounts, receipts, and
8 other materials are the property of the district and subject to
9 public inspection.

10 Sec. 11. SUITS. The district may sue and be sued in the
11 courts of this state in the name of the district by and through
12 the board. The attorney general shall represent the district in
13 the district and appellate courts of this state and in the courts
14 of the United States. All courts shall take judicial notice of
15 the creation of the district and of its boundaries.

16 Sec. 12. SEAL. The board shall adopt a seal.

17 Sec. 13. RULES AND REGULATIONS. (a) After notice and
18 hearing under Section 14 of this Act, the board shall adopt and
19 enforce rules and regulations that are designed to expeditiously
20 and effectively effectuate the provisions of this Act and
21 accomplish its purposes, including rules governing procedure
22 before the board.

23 (b) The board shall compile its rules and regulations in
24 a book and make them available for use and inspection at the
25 district's principal office. The district shall provide copies
26 of its rules and regulations on payment of the cost to reproduce

1 them.

2 Sec. 14. HEARINGS. (a) Hearings of the board shall be
3 conducted in the manner provided in this section.

4 (b) At a regular meeting of the board, the board shall set
5 the dates, times, and locations for any hearings to be held under
6 this Act and shall direct the general manager of the district to
7 give notice.

8 (c) Written notice of a hearing under this section shall
9 be given to each county and municipal government within the
10 district and to each person that the board believes has an interest
11 in the subject matter to be dealt with at the hearing. The date
12 of delivery or mailing of notice shall not be less than 20 days
13 before the date set for the hearing.

14. (d) Notice of a hearing under this section shall be
15 published at least once in a newspaper of general circulation in
16 each county within the district. The date of publication shall
17 not be less than 20 days before the date set for the hearing.

18 (e) A copy of the notice shall be posted at the county
19 courthouse of each county within the district in the place where
20 notices are usually posted. The date of posting shall not be
21 less than 20 days before the date of the hearing.

22 (f) Any person who desires to appear at a hearing and
23 present testimony, evidence, exhibits, or other information may
24 do so in person, by counsel, or both.

25 (g) The board may hold hearings at any location within the
26 district.

1 (h) The board may recess a hearing from day to day.

2 (i) The board may use hearing examiners to hear any subject
3 set for hearing so long as the decision on that subject is the
4 decision of the board. Procedures for use of hearing examiners
5 shall be provided in the rules and regulations.

6 Sec. 15. COMPELLING TESTIMONY, SWEARING WITNESSES, AND
7 SUBPOENAS. The board may compel the testimony of any person
8 necessary to carry out the powers, duties, and functions under
9 this Act and may administer oaths to persons compelled to testify
10 before the board or any person designated by the board. Also,
11 the board may issue subpoenas to compel the testimony of any
12 persons and the production of any documents necessary to carry
13 out the powers, duties, and functions under this Act.

14 Sec. 16. DISTRICT PLAN. (a) Under Section 14 of this
15 Act, the board shall formulate a plan to control and prevent
16 subsidence within the district. The plan shall accomplish this
17 purpose by the reduction of groundwater withdrawals to amounts
18 which will restore and maintain sufficient artesian pressure to
19 control and prevent subsidence.

20 (b) The plan shall specify in as much detail as practicable
21 the acts, procedures, performance, and avoidance that are necessary
22 to carry out the purposes of this Act.

23 Sec. 17. PLANNING PROCEDURES. (a) Included in the
24 information to be gathered for formulation of the plan shall be:

25 (1) a list of all wells in the district which will be
26 subject to regulation under this Act;

1 (2) an accurate estimate of groundwater production from
2 each well or proposed well in the district;

3 (3) an accurate estimate of the amount of groundwater which
4 may be produced from each well and each area in the district
5 without causing drawdown of the water table and reduction of
6 artesian pressure that will lead to subsidence within the district;

7 (4) an accurate estimate of the current and future water
8 needs of each well-owner in the district;

9 (5) - an accurate estimate of the groundwater production
10 capacity of each well in the district;

11 (6) a list of all available sources of water in the area
12 of the district other than groundwater;

13 (7) the purpose for which the water is currently used and
14- for which it is proposed to be used in the future;

15 (8) information relating to formulation of a permit system;
16 and

17 (9) other necessary information and material to carry out
18 the management of groundwater in the district and to effectively
19 and expeditiously accomplish the purposes of this Act.

20 (b) The plan shall be formulated within 12 months after
21 the effective date of this Act.

22 (c) The plan formulated under this Act shall be reviewed
23 by the board and adopted within 60 days after it is formulated.

24 (d) Before the plan is adopted, the board shall hold a
25 hearing to consider the proposed plan in the manner provided in
26 Section 14 of this Act.

1 (e) After the hearing, the board shall make any changes
2 it considers necessary based on evidence and material presented
3 at the hearing and shall adopt the plan.

4 (f) The plan adopted under this section may be amended or
5 repealed and a new plan adopted in the manner provided in this
6 section for the adoption of the original plan. A plan, once
7 adopted, shall remain in effect until the adoption of a new plan.

8 Sec. 18. TEMPORARY REGULATION. (a) During the period in
9 which the board is formulating and adopting the plan under Section
10 16 of this Act, the board shall adopt temporary rules and
11 regulations relating to the withdrawal of groundwater that are
12 necessary to control subsidence.

13 (b) Except as permitted by the board under this section,
14 no new wells may be drilled within the boundaries of the district
15 after the effective date of this Act until the plan is adopted
16 under Section 17 of this Act. This subsection does not apply to
17 wells on which drilling was begun before the effective date of
18 this Act.

19 (c) Wells operating or being drilled on the effective date
20 of this Act may operate until a permit is obtained as provided
21 in Section 19 of this Act.

22 Sec. 19. PERMIT REQUIREMENT. (a) Before a well located
23 within the boundaries of the district which is used or to be used
24 for the purpose of withdrawing groundwater may be operated or
25 drilled for that purpose, the owner of the well must obtain a
26 permit from the board in the manner provided in this Act.

1 **(b)** Owners of wells operating or being drilled on the
2 effective date of this Act must apply for a permit before September
3 30, 1975, and may continue to operate the well without a permit
4 until the application for a permit for the well is acted on by
5 the board.

6 Sec. 20. TERM OF PERMIT. Permits issued under this Act
7 shall be for a term of one year from the date of their issuance.

8 Sec. 21. RENEWAL OF PERMIT. Permits for wells under Section
9 19 of this Act may be renewed by the board in the manner provided
10 for obtaining the original permit.

11 Sec. 22. APPLICATION FOR PERMIT. **(a)** Any person who
12 desires to obtain a permit under the provisions of this Act shall
13 submit to the board an application.

14 **(b)** The application shall state:

15 **(1)** the name of the person requesting the permit;

16 **(2)** the address of the person requesting the permit;

17 **(3)** the location and wellhead elevation of the well or
18 proposed well;

19 **(4)** the amount of water being produced or proposed to be
20 produced; and

21 **(5)** any other information necessary for the board to control
22 and prevent subsidence in the district.

23 **(c)** The application shall be accompanied by a reasonable
24 application fee to be used for processing the application, the
25 amount of which shall be set by the board.

26 Sec. 23. NOTICE AND HEARING ON PERMIT. **(a)** On receiving

1 an application for a permit, the board shall issue notice and set
2 a time for a hearing on the application. _____

3 (b) Notice of the date, time, and location of the hearing
4 shall be given by the board to the applicant by certified mail,
5 return receipt requested, at least 20 days before the day of the
6 hearing. _____

7 (c) Except as provided in this section, the hearing shall
8 be conducted and notice of hearing given in the manner provided
9 in Section 14 of this Act. _____

10 (d) The board may consider as many applications for permits
11 as it thinks necessary at any one hearing. _____

12 Sec. 24. DECISION AND ISSUANCE OF A PERMIT. (a) Within
13 a reasonable period of time after the hearing, but not later than
14 35 days after the hearing, the board shall decide whether or not
15 to issue a permit and, if so, shall formulate the terms of the
16 permit. _____

17 (b) In deciding whether or not to issue a permit and in
18 setting the terms of the permit, the board shall consider, along
19 with the purpose of this Act and all other relevant factors: _____

20 (1) the district plan; _____

21 (2) the quality, quantity, and availability of surface
22 water at competitive prices; _____

23 (3) the economic impact on the applicant from grant or
24 denial of the permit, or the terms prescribed by a permit, in
25 relation to the effect on subsidence that would result. _____

26 (c) The board shall grant a permit to an applicant whenever

1 it is found upon presentation of adequate proof that there is no
2 other adequate and available substitute or supplemental source
3 of surface waters at prices competitive with those charged by
4 suppliers of surface water within the district, and that compliance
5 with any provision of this Act, or any rule or regulation of the
6 district, will result in an arbitrary taking of property or in
7 the practical closing and elimination of any lawful business,
8 occupation or activity, in either case without sufficient
9 corresponding benefit or advantage to the people.

10 (d) If the board decides to issue the permit, the permit
11 shall be issued to the applicant stating the terms prescribed by
12 the board.

13 (e) The permit shall include the following:

14 (1) the name and address of the person to whom the permit
15 is issued;

16 (2) the location of the well;

17 (3) the date the permit is to expire;

18 (4) conditions and restrictions placed on the withdrawal
19 of groundwater; and

20 (5) any other terms and conditions necessary to control
21 and prevent subsidence.

22 Sec. 25. PERMIT NOT TRANSFERABLE. No permit issued under
23 this Act is transferable, and any person who becomes the owner
24 of a well for which a permit is required must make application
25 for a permit in the manner provided in this Act.

26 Sec. 26. ANNUAL REPORTS. (a) Before January 31 of each

1 year after the effective date of this Act, each owner of a well
2 who holds a permit under the provisions of this Act shall submit
3 to the board a report stating the following: _____

4 (1) the name of the owner of the well; _____

5 (2) the location of the well; _____

6 (3) the total amount of groundwater produced by the well
7 during the immediately preceding 12-month period; _____

8 (4) the total amount of groundwater produced by the well
9 during each separate month of the immediately preceding 12-month
10 period; _____

11 (5) the purpose for which the groundwater was used; _____

12 (6) the date on which the permit for the well will expire; _____

13 and _____

14 (7) any other information necessary for the board to control
15 and prevent subsidence within the district. _____

16 (b) Subdivisions (3) and (4) of Subsection (a) of this
17 section do not apply to: _____

18 (1) those persons owning only one well within the district
19 with a casing diameter of five inches or less; and _____

20 (2) other persons whose well or wells the board determines
21 have a negligible effect upon subsidence within the district,
22 provided that an exemption under this subdivision shall be allowed
23 only upon application for the exemption in the manner and according
24 to the form prescribed by the board for applications. _____

25 Sec. 27, BOARD INVESTIGATIONS. At least once each year
26 and at any other time that the board considers necessary, the _____

1 board shall have its staff and the staff of the Texas Water
2 Development Board, if necessary, make a complete study of the
3 groundwater situation within the district and determine the water
4 level, rates of withdrawal, amounts of withdrawal, and other
5 information relating to the withdrawal of groundwater which may
6 effect the subsidence of land within the district.

7 Sec. 28. ANNUAL GROUNDWATER-WITHDRAWAL DETERMINATION. (a)

8 Before March 31 of each year, the board shall hold a hearing in
9 the manner provided in Section 14 of this Act to determine the
10 effects of groundwater withdrawal during the preceding
11 groundwater-withdrawal year on the subsidence of land within the
12 district.

13 (b) At the hearing, the board shall consider information
14 developed under Sections 26 and 27 of this Act in addition to
15 information represented by persons appearing before the board.

16 (c) After the hearing, the board shall consider all
17 information presented to it and shall make determinations of
18 groundwater withdrawal in the district during the just preceding
19 groundwater-withdrawal year and shall make findings of the effects
20 of groundwater withdrawal during the just preceding
21 groundwater-withdrawal year on the subsidence of land within the
22 district. These findings and determinations shall be included
23 in a report adopted by the board and shall be made available for
24 examination by any interested persons.

25 Sec. 29. REGULATION OF SPACING AND PRODUCTION. (a) In

26 order to minimize as far as practicable the drawdown of the water

1 table and the reduction of artesian pressure, and to control and
2 prevent subsidence, the board may provide for the spacing of wells
3 and regulate the production of groundwater from the wells, taking
4 into consideration, among other relevant factors, the economic
5 impact on well-owners and the resulting effect on subsidence.

6 (b) Before issuing any order, rule, or regulation under
7 this section, the board shall set a hearing on the proposed order,
8 rule, or regulation and issue notice of the hearing. Notice shall
9 be given and hearings conducted in the manner provided in Section
10 14 of this Act.

11 Sec. 30. REQUIRING WATER-METERING DEVICES. The board may
12 adopt orders after notice and hearing as provided in Section 14
13 of this Act requiring water-metering devices to be placed on
14 wells.

15 Sec. 31. ACCESS TO PROPERTY. (a) To carry out technical
16 and other investigations necessary to the implementation of this
17 Act, the board and its agents and employees are entitled to access
18 to all property within the district.

19 (b) Before entering property for the purposes stated in
20 Subsection (a) of this section, the person seeking access shall
21 give notice to the owner of the property in the manner provided
22 in the rules and regulations of the district and shall present
23 proper credentials.

24 (c) The board, and its agents and employees who enter
25 private property, shall observe the establishment's rules and
26 regulations concerning safety, internal security, and fire

1 protection.

2 Sec. 32. MONITORING AND SUPERVISIONS OF DISTRICT. The
3 district may use subsidence compaction monitors, water-level
4 observation wells, and other materials and equipment to determine
5 the amount of groundwater that may be produced while at the same
6 time allowing the rebound and stabilization of groundwater to a
7 level that will halt subsidence.

8 Sec. 33. RESEARCH AND STUDIES. The district may conduct
9 any studies and research that the board considers necessary to
10 implement the provisions of this Act. The district may use the
11 services of geologists, hydrologists, registered professional
12 engineers, or other expert personnel to accomplish the purposes
13 of this section.

14. Sec. 34. COOPERATION WITH AND ASSISTANCE OF OTHER
15 GOVERNMENTAL ENTITIES. The board may cooperate with and request
16 the assistance of the Texas Water Development Board, the United
17 States Geological Survey, local governments, and other agencies
18 of the United States and the State of Texas in implementing the
19 provisions of this Act.

20 Sec. 35. CONTRACTS. The board may enter into contracts
21 with any person to carry out the provisions of this Act.

22 Sec. 36. APPEAL OF DISTRICT ACTIONS. (a) Any rule,
23 regulation, order, or other official action of the district under
24 this Act may be appealed to a district court in any county in the
25 district by a person who is adversely affected. For the purposes
26 of this section, a "person who is adversely affected" includes

1 those persons residing in or owning real property in the district
2 whose residence or real property is subsiding. _____

3 (b) In appeals taken under this section, the substantial
4 evidence rule shall be used to determine the legal propriety of
5 a rule, regulation, order, or other action of the board. _____

6 Sec. 37. PERMIT FEE. (a) At the time of issuance or
7 renewal of a permit, the board shall collect from the permittee
8 a permit fee, established by schedule on an annual basis, based
9 on the maximum amount of groundwater authorized by the board under
10 the permit to be withdrawn from the well during the term of the
11 permit. _____

12 (b) The rate of the fee collected by the board under this
13 section shall be determined by the board after a hearing under
14 Section 14 of this Act. In no case shall the rate of the fee
15 exceed 110 percent of the highest rate charged by the City of
16 Houston for surface water supplied to its customers within the
17 district. _____

18 (c) The funds obtained from permit fees collected under
19 this section shall be used to cover the costs of the board in
20 issuing permits and performing other regulatory functions under
21 this Act. _____

22 Sec. 38. SPECIAL ASSISTANCE. The board may accept on
23 behalf of the district any gifts, grants, loans, or other
24 distributions of money for use in carrying out the provisions of
25 this Act. _____

26 Sec. 39. GRANTS, PURCHASES, GIFTS, LEASES, ETC. (a) The _____

1 district may purchase, lease, own, convey, and dispose of property
2 both inside and outside of the district necessary or convenient
3 to the exercise of the powers, duties, and functions under this
4 Act.

5 (b) The district may accept grants, gifts, and devises of
6 property.

7 (c) The district may construct, purchase, lease, or acquire
8 in some other manner any material or property necessary to carry
9 out the provisions of this Act.

10 Sec. 40. OWNERSHIP OF UNDERGROUND WATER. The ownership
11 and rights of the owner of land and his lessees and assigns in
12 groundwater are recognized, and nothing in this Act shall be
13 construed as depriving or divesting the owner or his lessees and
14 assigns of the ownership or rights, subject to rules and
15 regulations and orders and other official actions of the district.

16 Sec. 41. SURFACE WATER LAWS NOT APPLICABLE. The laws and
17 administrative rules relating to the use of surface water do not
18 apply to groundwater.

19 Sec. 42. SALE AND DISTRIBUTION OF WATER PROHIBITED. The
20 district may not sell or distribute surface water or groundwater
21 for any purpose.

22 Sec. 43. EXCLUSIONS. The provisions of this Act do not
23 apply to wells regulated under the provisions of Chapter 22, Water
24 Code.

25 Sec. 44. DISBURSEMENT OF FUNDS. The district's money may
26 be disbursed only by check, draft, order, or other instruments,

1 signed by the person or persons authorized to do so in the board's
2 bylaws, or by resolution of the board.

3 Sec. 45. ACCOUNTS AND INDEPENDENT AUDIT. (a) The district
4 shall keep a complete system of accounts and shall have its affairs
5 audited each year by an independent certified public accountant,
6 or a firm of independent certified public accountants, of
7 recognized integrity and ability selected by the board. The cost
8 of the audit shall be paid by the district.

9 (b) The district shall file copies of the audit with the
10 commissioners court of each county in the district, and the board
11 shall keep at least one copy of the audit at the office of the
12 district open to inspection by any interested person during normal
13 office hours.

14 Sec. 46. DEPOSITORY BANKS. (a) The board shall designate
15 one or more banks within the district to serve as depository for
16 the funds of the district. All funds of the district shall be
17 deposited in the depository bank or banks except that bond proceeds
18 and funds pledged to pay bonds may, to the extent provided in a
19 trust indenture, be deposited with the trustee bank named in the
20 trust indenture and shall be remitted to the bank of payment for
21 the payment of principal of and interest on bonds. To the extent
22 that funds in the depository banks or a trustee bank are not
23 invested or insured by the F.D.I.C., they shall be secured in the
24 manner provided by law for the security of county funds.

25 (b) Before designating a depository bank or banks, the
26 board shall issue a notice stating the time and place when and

1 where the board will meet for such purpose and inviting the banks
2 in the district to submit applications to be designated
3 depositories. The term of service for depositories shall be
4 prescribed by the board. The notice shall be published one time
5 in a newspaper of general circulation in the district and specified
6 by the board, or, in lieu of the publication, a copy of the notice
7 may be mailed to each bank in the district.

8 (c) At the time mentioned in the notice, the board shall
9 consider the applications and the management and condition of the
10 banks filing them and shall designate as depositories the bank
11 or banks which offer the most favorable terms and conditions for
12 the handling of the funds of the district and which the board
13 finds have proper management and are in condition to warrant
14 handling of district funds. Membership on the board of an officer
15 or director of a bank shall not disqualify the bank from being
16 designated as depository.

17 (d) If no applications are received by the time stated in
18 the notice, the board shall designate some bank or banks within
19 or outside the district upon the terms and conditions as it may
20 find advantageous to the district.

21 Sec. 47. TAXES AND BONDS. (a) The district may levy and
22 collect taxes and issue bonds secured by ad valorem taxes in the
23 manner provided in Subchapters F and G of Chapter 54 of the Water
24 Code, in as far as those subchapters are applicable. The general
25 manager may employ an assessor and collector of taxes approved
26 by the board to assess and collect taxes in the district, or the

1 board may direct the general manager to enter into a contract
2 with each of the assessors and collectors of taxes in each of the
3 counties in the district to assess and collect taxes on property
4 in the district located in each of the counties subject to district
5 taxation. No tax may be levied by the district without approval
6 of a majority of the voters of the district.

7 (b) In no case shall the rate of the tax levied by the
8 district exceed a rate of 10 cents per \$100 valuation.

9 Sec. 48. PENALTIES. (a) If it appears that a person has
10 violated or is violating or threatening to violate any provision
11 of this Act, or any rule, regulation, permit, or other order of
12 the district, the district may have a civil suit instituted in
13 a district court within the district for injunctive relief to
14 restrain the person from continuing the violation or threat of
15 violation, or for the assessment and recovery of a civil penalty
16 of not less than \$50 nor more than \$5,000 for each violation and
17 for each day of violation, or for both injunctive relief and civil
18 penalties.

19 (b) Upon application for injunctive relief and a finding
20 that a person is violating or threatening to violate any provisions
21 of this Act, or any rule, permit, or other order of the district,
22 the district court shall grant any injunctive relief as the facts
23 may warrant.

24 (c) At the request of the district, or the general manager
25 authorized by the board, the attorney general shall institute and
26 conduct a suit in the name of the district for injunctive relief

1 or to recover a civil penalty or for both injunctive relief and
2 penalty as authorized by Subsection (a) of this section.

3 (d) The board is not required to post bond or other security
4 with the court under this section.

5 Sec. 49. The legislature specifically finds and declares
6 that the requirements of Article XVI, Section 59(d), and of Article
7 XVI, Section 59(e), of the Texas Constitution have been performed
8 and accomplished in due course in time and order and that the
9 legislature has the power and authority to enact this Act.

10 Sec. 50. EMERGENCY. The importance of this legislation
11 and the crowded condition of the calendars in both houses create
12 an emergency and an imperative public necessity that the
13 constitutional rule requiring bills to be read on three several
14 days in each house be suspended, and this rule is hereby suspended,
15 and that this Act take effect and be in force from and after its
16 passage, and it is so enacted.

--END--

COMMITTEE SUBSTITUTE FORM

Austin, Texas
May 8, 1975

Honorable William P. Hobby
President of the Senate

Sir:

We, your Committee on Natural Resources to which was referred
H. B. No. 552, have had the same under consideration, and I am instructed to report it back to the
Senate with the recommendation that it do not pass, but that the Committee Substitute adopted in lieu
thereof do pass and be printed.


Chairman

Paper clip two copies of the Committee Substitute and two copies of this form to the original bill and retain one copy of this form for your file.

ADOPTED

MAY 9 1975

Charles Schwab
Secretary of the Senate

~~COMMITTEE SUBSTITUTE NO. 2 FOR H.B. No. 552~~

G. Jones

1 A BILL TO BE ENTITLED

2 AN ACT

3 relating to the creation, establishment, administration, powers,
4 duties, functions, and financing of the Harris-Galveston Coastal
5 Subsidence District under Article XVI, Section 59, of the Texas
6 Constitution; providing penalties; and declaring an emergency.

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

8 Section 1. PURPOSE AND INTENT. (a) The purpose of this
9 Act is to provide for the regulation of the withdrawal of
10 groundwater within the boundaries of the district for the purpose
11 of ending subsidence which contributes to or precipitates flooding,
12 inundation, or overflow of any area within the district, including
13 without limitation rising waters resulting from storms or
14 hurricanes.

15 (b) It is the intent of the legislature that the district
16 shall administer and enforce the terms of this Act and shall
17 exercise its rights, powers, and duties in a manner that will
18 effectively and expeditiously accomplish the purposes of this
19 Act.

20 Sec. 2. DEFINITIONS. In this Act:

21 (1) "Person" includes corporation, individual, organization,
22 government or governmental subdivision or agency, business trust,
23 estate, trust, partnership, association, and any other legal
24 entity.

25 (2) "District" means the Harris-Galveston Coastal Subsidence
26 District.

27 (3) "Board" means the board of directors of the district.

28 (4) "Groundwater" means water located beneath the earth's

1 surface within the district but does not include water produced
2 with oil in the production of oil and gas.

3 (5) "Wells" means any facility, device, or method used to
4 withdraw groundwater from the groundwater supply within the
5 district.

6 (6) "Groundwater-withdrawal year" means the period beginning
7 January 1 of one year and ending December 31 of that same year.

8 (7) "Withdraw" means the act of extracting groundwater by
9 pumping or some other method.

10 (8) "Drill" means drilling, equipping, or completing wells
11 or substantially altering the size of wells or well pumps.

12 (9) "Subsidence" means the lowering in elevation of the
13 surface of land by the withdrawal of groundwater.

14 Sec. 3. CREATION. There is created under the authority
15 of Article XVI, Section 59, of the Texas Constitution, a
16 conservation and reclamation district to be known as the
17 Harris-Galveston Coastal Subsidence District which shall be a
18 governmental agency and body politic and corporate of the state.
19 A confirmation election is not necessary.

20 Sec. 4. BOUNDARIES. (a) The district shall include all
21 of the area located within the boundaries of Harris County and
22 Galveston County.

23 (b) Except as provided in this subsection, an adjoining
24 county may be added to the district on application of the
25 commissioners court of the adjoining county and by complying with
26 the procedures provided in Sections 55.730-55.744, Water Code,
27 as far as those provisions are applicable. The proposition on

1 the ballots for the elections shall be printed to provide for
2 voting for or against: "Addition of _____ County to the
3 Harris-Galveston Coastal Subsidence District." Any county added
4 to the district under the provisions of this subsection shall be
5 subject to the jurisdiction of the board and the provisions of
6 this Act, and two members shall be added to the board. One shall
7 be chosen by the commissioners court of the county added to the
8 district and one shall be chosen by the mayor of the city in the
9 county that is added which has the largest population according
10 to the last preceding federal census. The two new members shall
11 draw ~~lots~~ to establish staggered terms of office.

12 Sec. 5. BOARD OF DIRECTORS. (a) The district shall be
13 governed by a board of directors composed of 15 members.

14 (b) The members of the board shall be chosen as follows:

15 (1) six members from the city in the district having the
16 largest population of any city in the district, according to the
17 most recent federal census, to be appointed by the mayor of that
18 city, one of these members to be a representative of industry;

19 (2) one member from the city in the district having the
20 next largest population of any city in the district, according
21 to the most recent federal census, to be appointed by the mayor
22 of that city;

23 (3) two members from all incorporated cities in Galveston
24 County, appointed by the mayors of those cities;

25 (4) one member from the city of Baytown, appointed by the
26 mayor of that city;

27 (5) two members appointed by the Commissioners Court of

1 Harris County, one of these members to be a representative of
2 agriculture and one to be a representative of industry, provided
3 that neither of these members shall be residents of the city
4 in the district having the largest population of any city in the
5 district;

6 (6) two members appointed by the Commissioners Court of
7 Galveston County; and

8 (7) one member from Harris County chosen by the mayors of
9 the cities of Deer Park, Galena Park, La Porte, Nassau Bay, and
10 Seabrook and the president of the Clear Lake City Water Authority.

11 (c) All members of the board shall be residents of and
12 qualified voters in the district.

13 (d) Within 30 days after the effective date of this Act,
14 the County Judge of Harris County and the County Judge of Galveston
15 County jointly shall set a date, time, and place for a meeting
16 of those persons designated in Subsection (b) of this section to
17 choose members for the board. The county judges shall decide who
18 shall preside at the meeting, and those chosen for the board at
19 the meeting shall assume their positions on the board within five
20 days after being chosen. The county judges shall give notice of
21 the meeting by mail to all persons designated to make the choices.
22 Selection of subsequent directors shall be made on the second
23 Monday in January at 11^{AM} a.m. in the district's main office, and
24 the general manager shall send by mail written notice to each
25 person who is designated in Subsection (b) of this section to
26 make choices in that particular year. All notice given under

1 this subsection shall be mailed not less than 20 days before the
2 meeting for which notice is given.

3 (e) The terms of office for the initial appointees to the
4 board shall be as follows:

5 (1) from the date of appointment until January 31, 1976--
6 ^{two} three members chosen under Subdivision (1) of Subsection (b) of this
7 section, one member chosen under Subdivision (3), one member chosen
8 under Subdivision (5), and one member chosen under Subdivision
9 (6) of Subsection (b) of this section; and

10 (2) from the date of appointment until January 31, 1977--
11 three members chosen under Subdivision (1) of Subsection (b) of
12 this section and one member chosen under Subdivision (2), one
13 member chosen under Subdivision (3), one member chosen under
14 Subdivision (4), one member chosen under Subdivision (5), one
15 member chosen under Subdivision (6), and one member chosen under
16 Subdivision (7) of Subsection (b) of this section.

17 (f) Except as provided in Subsection (e) of this section,
18 members of the board shall serve for terms of two years.

19 (g) The county judges of Harris and Galveston counties,
20 at the time they set the date, time, and place for the selection
21 of directors, shall set the date, time, and place for the initial
22 meeting of the board, and give notice of the date, time, and place
23 to each newly appointed member. Such notice shall be given by
24 mail and shall be sent not less than 20 days before the time set
25 for the initial meeting of the board.

26 (h) At the initial meeting of the board and each year at
27 the first meeting after the new directors take office, the members

1 shall select one of their number to serve as chairman, one to
2 serve as vice-chairman, and one to serve as secretary.

3 (i) The chairman shall preside over meetings of the board,
4 and in his absence the vice-chairman shall preside.

5 (j) Each member of the board is entitled to receive \$25
6 a day for each day he is engaged in the exercise of his duties
7 under this Act and necessary travel and other expenses incurred
8 in the exercise of his duties under this Act. No member of the
9 board may receive this compensation and travel and other expenses
10 for more than 120 calendar days in any one calendar year.

11 (k) If a vacancy occurs on the board, a person representing
12 the same area from which the person who vacates the position is
13 appointed shall be chosen by the person or persons designated in
14 Subsection (b) of this section to serve the unexpired term.

15 (l) Each member of the board shall take the oath of office
16 prescribed by law for county commissioners and shall execute a
17 bond in the amount of \$5,000, payable to the district, conditioned
18 on the faithful performance of his duties. The district shall
19 pay for the bond.

20 (m) A majority of the members of the board constitute a
21 quorum for transaction of business of the district, but no official
22 act of the board is valid without the affirmative vote of a
23 majority of the members of the board.

24 (n) The board shall meet for a regular meeting once each
25 month at a time set by the board and may hold special meetings
26 at the call of the chairman or on the written request of at least
27 three members of the board.

1 Sec. 6. POWERS AND DUTIES IN GENERAL. The board shall
2 administer the provisions of this Act as provided in Section 1
3 of this Act. Withdrawals of groundwater covered by the provisions
4 of this Act are subject to reasonable rules, regulations, and
5 orders adopted by the board, taking into account all factors
6 including availability of surface water, economic impact upon
7 persons and the community, degree and effect of subsidence upon
8 the surface of land, and differing topographical and geophysical
9 characteristics of land areas within the district. The board has
10 the powers and duties specifically described in this Act and all
11 other powers necessary or convenient to carry out its
12 responsibilities and achieve the purpose of the Act.

13 Sec. 7. GENERAL MANAGER. (a) The board shall employ a
14 general manager who shall be the chief administrative officer of
15 the district and may delegate to him full authority to manage and
16 operate the affairs of the district subject only to orders of the
17 board.

18 (b) Among the duties of the general manager are:

- 19 (1) to administer the orders of the board;
20 (2) to coordinate with state, federal, and local agencies;
21 (3) to oversee the development of plans and programs of
22 the district; and
23 (4) to perform other duties assigned by the board.

24 (c) The general manager shall execute a bond in the amount
25 determined by the board, payable to the district, conditioned on
26 the faithful performance of his duties. The district shall pay
27 for the bond.

1 Sec. 8. EMPLOYEES. (a) The general manager shall employ
2 all persons necessary for the proper handling of the business and
3 operation of the district and may employ attorneys, bookkeepers,
4 engineers, and other expert and specialized personnel that are
5 considered necessary. He shall determine compensation to be paid
6 by the district.

7 (b) The board shall determine the terms of office and
8 employment and the compensation to be paid the general manager,
9 and the general manager may be discharged by a majority vote of
10 the board. The general manager may discharge employees of the
11 district.

12 (c) The board shall require an employee who collects, pays,
13 or handles any funds of the district to furnish good and sufficient
14 bond, payable to the district, for a sufficient amount to safeguard
15 the district. The bond shall be conditioned on the faithful
16 performance of his duties and on accounting for all funds and
17 property of the district in his hands. The district shall pay
18 for the bond.

19 Sec. 9. DISTRICT OFFICE. The board shall maintain a regular
20 office for conducting the business of the district. The office
21 shall be located inside the district.

22 Sec. 10. MINUTES AND RECORDS OF THE DISTRICT. The board
23 secretary shall keep a true and complete account of all its
24 meetings and proceedings and shall preserve the board's minutes,
25 contracts, records of any kind, notices, accounts, receipts, and
26 records of all kinds in a fireproof vault or safe. All minutes,
27 contracts, records of any kind, notices, accounts, receipts, and

1 other materials are the property of the district and subject to
2 public inspection.

3 Sec. 11. SUITS. The district may sue and be sued in the
4 courts of this state in the name of the district by and through
5 the board. The attorney general shall represent the district in
6 the district and appellate courts of this state and in the courts
7 of the United States. All courts shall take judicial notice of
8 the creation of the district and of its boundaries.

9 Sec. 12. SEAL. The board shall adopt a seal.

10 Sec. 13. RULES AND REGULATIONS. (a) After notice and
11 hearing under Section 14 of this Act, the board shall adopt and
12 enforce rules and regulations that are designed to expeditiously
13 and effectively effectuate the provisions of this Act and
14 accomplish its purposes, including rules governing procedure
15 before the board.

16 (b) The board shall compile its rules and regulations in
17 a book and make them available for use and inspection at the
18 district's principal office. The district shall provide copies
19 of its rules and regulations on payment of the cost to reproduce
20 them.

21 Sec. 14. HEARINGS. (a) Hearings of the board shall be
22 conducted in the manner provided in this section.

23 (b) At a regular meeting of the board, the board shall set
24 the dates, times, and locations for any hearings to be held under
25 this Act and shall direct the general manager of the district to
26 give notice.

27 (c) Written notice of a hearing under this section shall

1 be given to each county and municipal government within the
2 district and to each person that the board believes has an interest
3 in the subject matter to be dealt with at the hearing. The date
4 of delivery or mailing of notice shall not be less than 20 days
5 before the date set for the hearing.

6 (d) Notice of a hearing under this section shall be
7 published at least once in a newspaper of general circulation in
8 each county within the district. The date of publication shall
9 not be less than 20 days before the date set for the hearing.

10 (e) A copy of the notice shall be posted at the county
11 courthouse of each county within the district in the place where
12 notices are usually posted. The date of posting shall not be
13 less than 20 days before the date of the hearing.

14 (f) Any person who desires to appear at a hearing and
15 present testimony, evidence, exhibits, or other information may
16 do so in person, by counsel, or both.

17 (g) The board may hold hearings at any location within the
18 district.

19 (h) The board may recess a hearing from day to day.

20 (i) The board may use hearing examiners to hear any subject
21 set for hearing so long as the decision on that subject is the
22 decision of the board. Procedures for use of hearing examiners
23 shall be provided in the rules and regulations.

24 Sec. 15. COMPELLING TESTIMONY, SWEARING WITNESSES, AND
25 SUBPOENAS. The board may compel the testimony of any person

1 necessary to carry out the powers, duties, and functions under
2 this Act and may administer oaths to persons compelled to testify
3 before the board or any person designated by the board. Also,
4 the board may issue subpoenas to compel the testimony of any
5 persons and the production of any documents necessary to carry
6 out the powers, duties, and functions under this Act.

7 Sec. 16. DISTRICT PLAN. (a) Under Section 14 of this
8 Act, the board shall formulate a plan to control and prevent
9 subsidence within the district. The plan shall accomplish this
10 purpose by the reduction of groundwater withdrawals to amounts
11 which will restore and maintain sufficient artesian pressure to
12 control and prevent subsidence.

13 (b). The plan shall specify in as much detail as practicable
14 the acts, procedures, performance, and avoidance that are necessary
15 to carry out the purposes of this Act.

16 Sec. 17. PLANNING PROCEDURES. (a) Included in the
17 information to be gathered for formulation of the plan shall be:

18 (1) a list of all wells in the district which will be
19 subject to regulation under this Act;

20 (2) an accurate estimate of groundwater production from
21 each well or proposed well in the district;

22 (3) an accurate estimate of the amount of groundwater which
23 may be produced from each well and each area in the district
24 without causing drawdown of the water table and reduction of
25 artesian pressure that will lead to subsidence within the district;

26 (4) an accurate estimate of the current and future water
27 needs of each well-owner in the district;

1 (5) an accurate estimate of the groundwater production
2 capacity of each well in the district;

3 (6) a list of all available sources of water in the area
4 of the district other than groundwater;

5 (7) the purpose for which the water is currently used and
6 for which it is proposed to be used in the future;

7 (8) information relating to formulation of a permit system;
8 and

9 (9) other necessary information and material to carry out
10 the management of groundwater in the district and to effectively
11 and expeditiously accomplish the purposes of this Act.

12 (b) The plan shall be formulated within 12 months after
13 the effective date of this Act.

14 (c) The plan formulated under this Act shall be reviewed
15 by the board and adopted within 60 days after it is formulated.

16 (d) Before the plan is adopted, the board shall hold a
17 hearing to consider the proposed plan in the manner provided in
18 Section 14 of this Act.

19 (e) After the hearing, the board shall make any changes
20 it considers necessary based on evidence and material presented
21 at the hearing and shall adopt the plan.

22 (f) The plan adopted under this section may be amended or
23 repealed and a new plan adopted in the manner provided in this
24 section for the adoption of the original plan. A plan, once
25 adopted, shall remain in effect until the adoption of a new plan.

26 Sec. 18. TEMPORARY REGULATION. (a) During the period in
27 which the board is formulating and adopting the plan under Section

1 16 of this Act, the board shall adopt temporary rules and
2 regulations relating to the withdrawal of groundwater that are
3 necessary to control subsidence.

4 (b) Wells operating or being drilled on the effective date
5 of this Act may operate until a permit is obtained as provided
6 in Section 19 of this Act.

7 Sec. 19. PERMIT REQUIREMENT. (a) Before a well located
8 within the boundaries of the district which is used or to be used
9 for the purpose of withdrawing groundwater may be operated or
10 drilled for that purpose, the owner of the well must obtain a
11 permit from the board in the manner provided in this Act.

12 (b) Owners of wells operating or being drilled on the
13 effective date of this Act must apply for a permit before September
14 30, 1975, and may continue to operate the well without a permit
15 until the application for a permit for the well is acted on by
16 the board.

17 Sec. 20. TERM OF PERMIT. (a) Permits issued under this
18 Act shall be for a term of one year from the date of their issuance
19 unless a longer term is specified by the board. The board may
20 issue a permit for a term longer than one year, but not to exceed
21 five years, whenever to do so would aid the district in the
22 effective and expeditious performance of its duties and would not
23 impair the ability of the district to control and prevent
24 subsidence within the district.

25 (b) A permit does not become a vested right in the holder.
26 It may be revoked or suspended, or its terms may be modified or
27 amended after notice and public hearing in the manner provided

1 in Section 14 of this Act, whenever reasonably necessary to
2 accomplish the purposes of this Act.

3 Sec. 21. RENEWAL OF PERMIT. Permits for wells under Section
4 19 of this Act may be renewed by the board in the manner provided
5 for obtaining the original permit.

6 Sec. 22. APPLICATION FOR PERMIT. (a) Any person who
7 desires to obtain a permit under the provisions of this Act shall
8 submit to the board an application.

9 (b) The application shall state:

10 (1) the name of the person requesting the permit;

11 (2) the address of the person requesting the permit;

12 (3) the location and wellhead elevation of the well or
13 proposed well;

14 (4) the amount of water being produced or proposed to be
15 produced; and

16 (5) any other information necessary for the board to control
17 and prevent subsidence in the district.

18 (c) The application shall be accompanied by a reasonable
19 application fee to be used for processing the application, the
20 amount of which shall be set by the board.

21 Sec. 23. NOTICE AND HEARING ON PERMIT. (a) On receiving
22 an application for a permit, the board shall issue notice and set
23 a time for a hearing on the application.

24 (b) Notice of the date, time, and location of the hearing
25 shall be given by the board to the applicant by certified mail,
26 return receipt requested, at least 20 days before the day of the
27 hearing.

1 (c) Except as provided in this section, the hearing shall
2 be conducted and notice of hearing given in the manner provided
3 in Section 14 of this Act.

4 (d) The board may consider as many applications for permits
5 as it thinks necessary at any one hearing.

6 Sec. 24. DECISION AND ISSUANCE OF A PERMIT. (a) Within
7 a reasonable period of time after the hearing, but not later than
8 35 days after the hearing, the board shall decide whether or not
9 to issue a permit and, if so, shall formulate the terms of the
10 permit.

11 (b) In deciding whether or not to issue a permit and in
12 setting the terms of the permit, the board shall consider, along
13 with the purpose of this Act and all other relevant factors:

14 (1) the district plan;

15 (2) the quality, quantity, and availability of surface
16 water at prices competitive with those charged by suppliers of
17 surface water within the district;

18 (3) the economic impact on the applicant from grant or
19 denial of the permit, or the terms prescribed by a permit, in
20 relation to the effect on subsidence that would result.

21 (c) The board shall grant a permit to an applicant whenever
22 it is found upon presentation of adequate proof that there is no
23 other adequate and available substitute or supplemental source
24 of surface waters at prices competitive with those charged by
25 suppliers of surface water within the district, and that compliance
26 with any provision of this Act, or any rule or regulation of the
27 district, will result in an arbitrary taking of property or in

1 the practical closing and elimination of any lawful business,
2 occupation or activity, in either case without sufficient
3 corresponding benefit or advantage to the people.

4 (d) If the board decides to issue the permit, the permit
5 shall be issued to the applicant stating the terms prescribed by
6 the board.

7 (e) The permit shall include the following:

8 (1) the name and address of the person to whom the permit
9 is issued;

10 (2) the location of the well;

11 (3) the date the permit is to expire;

12 (4) conditions and restrictions placed on the withdrawal
13 of groundwater; and

14 (5) any other terms and conditions necessary to control
15 and prevent subsidence.

16 Sec. 25. PERMIT NOT TRANSFERABLE. No permit issued under
17 this Act is transferable, and any person who becomes the owner
18 of a well for which a permit is required must make application
19 for a permit in the manner provided in this Act.

20 Sec. 26. ANNUAL REPORTS. Before January 31 of each
21 year after the effective date of this Act, each owner of a well
22 who holds a permit under the provisions of this Act shall submit
23 to the board a report stating the following:

24 (1) the name of the owner of the well;

25 (2) the location of the well;

26 (3) the total amount of groundwater produced by the well
27 during the immediately preceding 12-month period;

1 (4) the total amount of groundwater produced by the well
2 during each separate month of the immediately preceding 12-month
3 period;

4 (5) the purpose for which the groundwater was used;

5 (6) the date on which the permit for the well will expire;
6 and

7 (7) any other information necessary for the board to control
8 and prevent subsidence within the district.

9 Sec. 27. BOARD INVESTIGATIONS. At least once each year
10 and at any other time that the board considers necessary, the
11 board shall have its staff and the staff of the Texas Water
12 Development Board, if necessary, make a complete study of the
13 groundwater situation within the district and determine the water
14 level, rates of withdrawal, amounts of withdrawal, and other
15 information relating to the withdrawal of groundwater which may
16 effect the subsidence of land within the district.

17 Sec. 28. ANNUAL GROUNDWATER-WITHDRAWAL DETERMINATION. (a)
18 Before March 31 of each year, the board shall hold a hearing in

1 the manner provided in Section 14 of this Act to determine the ⁷/₉
2 effects of groundwater withdrawal during the preceding
3 groundwater-withdrawal year on the subsidence of land within the
4 district.

5 (b) At the hearing, the board shall consider information
6 developed under Sections 26 and 27 of this Act in addition to
7 information represented by persons appearing before the board.

8 (c) After the hearing, the board shall consider all
9 information presented to it and shall make determinations of
10 groundwater withdrawal in the district during the just preceding
11 groundwater-withdrawal year and shall make findings of the effects
12 of groundwater withdrawal during the just preceding
13 groundwater-withdrawal year on the subsidence of land within the
14 district. These findings and determinations shall be included
15 in a report adopted by the board and shall be made available for
16 examination by any interested persons.

17 Sec. 29. REGULATION OF SPACING AND PRODUCTION. (a) In
18 order to minimize as far as practicable the drawdown of the water
19 table and the reduction of artesian pressure, and to control and
20 prevent subsidence, the board may provide for the spacing of wells
21 and regulate the production of groundwater from the wells, taking
22 into consideration, among other relevant factors, the economic
23 impact on well-owners and the resulting effect on subsidence.

24 (b) Before issuing any order, rule, or regulation under
25 this section, the board shall set a hearing on the proposed order,
26 rule, or regulation and issue notice of the hearing. Notice shall
27 be given and hearings conducted in the manner provided in Section

1 14 of this Act.

2 Sec. 30. REQUIRING WATER-METERING DEVICES. The board may
3 adopt orders after notice and hearing as provided in Section 14
4 of this Act requiring water-metering devices to be placed on
5 wells.

6 Sec. 31. ACCESS TO PROPERTY. (a) To carry out technical
7 and other investigations necessary to the implementation of this
8 Act, the board and its agents and employees are entitled to access
9 to all property within the district.

10 (b) Before entering property for the purposes stated in
11 Subsection (a) of this section, the person seeking access shall
12 give notice to the owner of the property in the manner provided
13 in the rules and regulations of the district and shall present
14 proper credentials.

15 (c) The board, and its agents and employees who enter
16 private property, shall observe the establishment's rules and
17 regulations concerning safety, internal security, and fire
18 protection.

19 Sec. 32. MONITORING AND SUPERVISIONS OF DISTRICT. The
20 district may use subsidence compaction monitors, water-level
21 observation wells, and other materials and equipment to determine
22 the amount of groundwater that may be produced while at the same
23 time allowing the rebound and stabilization of groundwater to a
24 level that will halt subsidence.

25 Sec. 33. RESEARCH AND STUDIES. The district may conduct
26 any studies and research that the board considers necessary to
27 implement the provisions of this Act. The district may use the

1 services of geologists, hydrologists, registered professional
2 engineers, or other expert personnel to accomplish the purposes
3 of this section.

4 Sec. 34. COOPERATION WITH AND ASSISTANCE OF OTHER
5 GOVERNMENTAL ENTITIES. The board may cooperate with and request
6 the assistance of the Texas Water Development Board, the United
7 States Geological Survey, local governments, and other agencies
8 of the United States and the State of Texas in implementing the
9 provisions of this Act.

10 Sec. 35. CONTRACTS. The board may enter into contracts
11 with any person to carry out the provisions of this Act.

12 Sec. 36. APPEAL OF DISTRICT ACTIONS. (a) Any rule,
13 regulation, order, or other official action of the district under
14 this Act may be appealed to a district court in any county in the
15 district by a person who is adversely affected. For the purposes
16 of this section, a "person who is adversely affected" includes
17 those persons residing in or owning real property in the district
18 whose residence or real property is subsiding. An appeal under
19 this section must be filed within 45 days after the rule, regulation,
20 order, or other official action appealed from is promulgated.

21 (b) Upon written request of a person residing in or owning
22 real property in the district the board shall make written findings
23 and conclusions with respect to a rule, regulation, order, or other
24 official action of the district and provide certified copies of
25 such findings and conclusions to the requesting person within 35
26 days after written request therefor.

27 (c) In appeals taken under this section, the Substantial
28 Evidence Rule shall be used to determine the legal propriety of
29 a rule, regulation, order, or other action of the board.

30 Sec. 37. PERMIT FEE. (a) At the time of issuance or
31 renewal of a permit, the board shall collect from the permittee
32 a permit fee, established by schedule, based on the term of the
33 permit and the maximum annual amount of groundwater authorized by
34 the board to be withdrawn from the well.

1 (b) The rate of the fee collected by the board under this
2 section shall be determined by the board after a hearing under
3 Section 14 of this Act. In no case shall the rate of the fee
4 exceed 110 percent of the highest rate charged by the City of
5 Houston for surface water supplied to its customers within the
6 district.

7 (c) The funds obtained from permit fees collected under
8 this section shall be used to cover the costs of the board in
9 issuing permits and performing other regulatory functions under
10 this Act.

11 Sec. 38. SPECIAL ASSISTANCE. The board may accept on
12 behalf of the district any gifts, grants, loans, or other
13 distributions of money for use in carrying out the provisions of
14 this Act.

15 Sec. 39. GRANTS, PURCHASES, GIFTS, LEASES, ETC. (a) The
16 district may purchase, lease, own, convey, and dispose of property
17 both inside and outside of the district necessary or convenient
18 to the exercise of the powers, duties, and functions under this
19 Act.

20 (b) The district may accept grants, gifts, and devises of
21 property.

22 (c) The district may construct, purchase, lease, or acquire
23 in some other manner any material or property necessary to carry
24 out the provisions of this Act.

25 Sec. 40. OWNERSHIP OF UNDERGROUND WATER. The ownership
26 and rights of the owner of land and his lessees and assigns in
27 groundwater are recognized, and nothing in this Act shall be

1 construed as depriving or divesting the owner or his lessees and
2 assigns of the ownership or rights, subject to rules and
3 regulations and orders and other official actions of the district.

4 Sec. 41. SURFACE-WATER LAWS NOT APPLICABLE. The laws and
5 administrative rules relating to the use of surface water do not
6 apply to groundwater.

7 Sec. 42. SALE AND DISTRIBUTION OF WATER PROHIBITED. The
8 district may not sell or distribute surface water or groundwater
9 for any purpose.

10 Sec. 43. EXCLUSIONS. The provisions of this Act do not
11 apply to:

12 (1) wells regulated under the provisions of Chapter 22,
13 Water Code; or

14 (2) shallow wells, commonly known as relief wells, producing
15 water solely to prevent hazardous sand boils, dewater surface
16 construction sites, or relieve hydrostatic uplift on permanent
17 structures, and not used to provide a water supply for human
18 consumption, agricultural use, manufacturing or industrial use,
19 or water injection.

20 (3) those persons owning only one well within the district,
21 which well has a casing diameter of five inches or less; and

22 (4) such other wells with a casing diameter of five inches
23 or less which serve a single-family dwelling and which have a
24 negligible effect upon subsidence within the district, provided
25 that an exemption under this subdivision shall be allowed only
26 upon application therefor² in the manner and according to the form
27 prescribed by the board for applications.

28 Sec. 44. DISBURSEMENT OF FUNDS. The district's money may
29 be disbursed only by check, draft, order, or other instruments,
30 signed by the person or persons authorized to do so in the board's

bylaws, or by resolution of the board.

Sec. 45. ACCOUNTS AND INDEPENDENT AUDIT. (a) The district shall keep a complete system of accounts and shall have its affairs audited each year by an independent certified public accountant, or a firm of independent certified public accountants, of recognized integrity and ability selected by the board. The cost of the audit shall be paid by the district.

(b) The district shall file copies of the audit with the commissioners court of each county in the district, and the board shall keep at least one copy of the audit at the office of the district open to inspection by any interested person during normal office hours.

Sec. 46. DEPOSITORY BANKS. (a) The board shall designate one or more banks within the district to serve as depository for the funds of the district. All funds of the district shall be deposited in the depository bank or banks except that bond proceeds and funds pledged to pay bonds may, to the extent provided in a trust indenture, be deposited with the trustee bank named in the trust indenture and shall be remitted to the bank of payment for the payment of principal of and interest on bonds. To the extent that funds in the depository banks or a trustee bank are not invested or insured by the F.D.I.C., they shall be secured in the manner provided by law for the security of county funds.

(b) Before designating a depository bank or banks, the board shall issue a notice stating the time and place when and where the board will meet for such purpose and inviting the banks in the district to submit applications to be designated depositories. The term of service for depositories shall be prescribed by the board. The notice shall be published one time in a newspaper of general circulation in the district and specified by the board, or, in lieu of the publication, a copy of the notice may be mailed to each bank in the district.

1 (c) At the time mentioned in the notice, the board shall
2 consider the applications and the management and condition of the
3 banks filing them and shall designate as depositories the bank
4 or banks which offer the most favorable terms and conditions for
5 the handling of the funds of the district and which the board
6 finds have proper management and are in condition to warrant
7 handling of district funds. Membership on the board of an officer
8 or director of a bank shall not disqualify the bank from being
9 designated as depository.

10 (d) If no applications are received by the time stated in
11 the notice, the board shall designate some bank or banks within
12 or outside the district upon the terms and conditions as it may
13 find advantageous to the district.

14 Sec. 47. PENALTIES. (a) If it appears that a person has
15 violated or is violating or threatening to violate any provision
16 of this Act, or any rule, regulation, permit, or other order of
17 the district, the district may have a civil suit instituted in
18 a district court within the district for injunctive relief to
19 restrain the person from continuing the violation or threat of
20 violation, or for the assessment and recovery of a civil penalty
21 of not less than \$50 nor more than \$5,000 for each violation and
22 for each day of violation, or for both injunctive relief and civil
23 penalties.

1 (b) Upon application for injunctive relief and a finding
2 that a person is violating or threatening to violate any provisions
3 of this Act, or any rule, permit, or other order of the district,
4 the district court shall grant any injunctive relief as the facts
5 may warrant.

6 (c) At the request of the district, or the general manager
7 authorized by the board, the attorney general shall institute and
8 conduct a suit in the name of the district for injunctive relief
9 or to recover a civil penalty or for both injunctive relief and
10 penalty as authorized by Subsection (a) of this section.

11 (d) The board is not required to post bond or other security
12 with the court under this section.

13 Sec. 48. CONSTITUTIONAL FINDINGS. The legislature specifically
14 finds and declares that the requirements of Article XVI, Section
15 59(d), and of Article XVI, Section 59(e), of the Texas Constitution
16 have been performed and accomplished in due course in time and
17 order and that the legislature has the power and authority to
18 enact this Act.

19 Sec. 49. EMERGENCY. The importance of this legislation
20 and the crowded condition of the calendars in both houses create
21 an emergency and an imperative public necessity that the
22 constitutional rule requiring bills to be read on three several
23 days in each house be suspended, and this rule is hereby suspended,
24 and that this Act take effect and be in force from and after its
25 passage, and it is so enacted.

MAY 14 1975

ENROLLED

H.B. No. 552

1 AN ACT

2 relating to the creation, establishment, administration, powers,
3 duties, functions, and financing of the Harris-Galveston Coastal
4 Subsidence District under Article XVI, Section 59, of the Texas
5 Constitution; providing penalties; and declaring an emergency.

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

7 Section 1. PURPOSE AND INTENT. (a) The purpose of this
8 Act is to provide for the regulation of the withdrawal of
9 groundwater within the boundaries of the district for the purpose
10 of ending subsidence which contributes to or precipitates flooding,
11 inundation, or overflow of any area within the district, including
12 without limitation rising waters resulting from storms or
13 hurricanes.

14 (b) It is the intent of the legislature that the district
15 shall administer and enforce the terms of this Act and shall
16 exercise its rights, powers, and duties in a manner that will
17 effectively and expeditiously accomplish the purposes of this
18 Act.

19 Sec. 2. DEFINITIONS. In this Act:

20 (1) "Person" includes corporation, individual, organization,
21 government or governmental subdivision or agency, business trust,
22 estate, trust, partnership, association, and any other legal
23 entity.

24 (2) "District" means the Harris-Galveston Coastal Subsidence
25 District.

1 (3) "Board" means the board of directors of the district.

2 (4) "Groundwater" means water located beneath the earth's
3 surface within the district but does not include water produced
4 with oil in the production of oil and gas.

5 (5) "Wells" means any facility, device, or method used to
6 withdraw groundwater from the groundwater supply within the
7 district.

8 (6) "Groundwater-withdrawal year" means the period beginning
9 January 1 of one year and ending December 31 of that same year.

10 (7) "Withdraw" means the act of extracting groundwater by
11 pumping or some other method.

12 (8) "Drill" means drilling, equipping, or completing wells
13 or substantially altering the size of wells or well pumps.

14 (9) "Subsidence" means the lowering in elevation of the
15 surface of land by the withdrawal of groundwater.

16 Sec. 3. CREATION. There is created under the authority
17 of Article XVI, Section 59, of the Texas Constitution, a
18 conservation and reclamation district to be known as the
19 Harris-Galveston Coastal Subsidence District which shall be a
20 governmental agency and body politic and corporate of the state.
21 A confirmation election is not necessary.

22 Sec. 4. BOUNDARIES. (a) The district shall include all
23 of the area located within the boundaries of Harris County and
24 Galveston County.

25 (b) Except as provided in this subsection, an adjoining
26 county may be added to the district on application of the

1 commissioners court of the adjoining county and by complying with
2 the procedures provided in Sections 55.730-55.744, Water Code,
3 as far as those provisions are applicable. The proposition on
4 the ballots for the elections shall be printed to provide for
5 voting for or against: "Addition of _____ County to the
6 Harris-Galveston Coastal Subsidence District." Any county added
7 to the district under the provisions of this subsection shall be
8 subject to the jurisdiction of the board and the provisions of
9 this Act, and two members shall be added to the board. One shall
10 be chosen by the commissioners court of the county added to the
11 district and one shall be chosen by the mayor of the city in the
12 county that is added which has the largest population according
13 to the last preceding federal census. The two new members shall
14 draw lots to establish staggered terms of office.

15 Sec. 5. BOARD OF DIRECTORS. (a) The district shall be
16 governed by a board of directors composed of 15 members.

17 (b) The members of the board shall be chosen as follows:

18 (1) six members from the city in the district having the
19 largest population of any city in the district, according to the
20 most recent federal census, to be appointed by the mayor of that
21 city, one of these members to be a representative of industry;

22 (2) one member from the city in the district having the
23 next largest population of any city in the district, according
24 to the most recent federal census, to be appointed by the mayor
25 of that city;

26 (3) two members from all incorporated cities in Galveston

1 County, appointed by the mayors of those cities;

2 (4) one member from the city of Baytown, appointed by the
3 mayor of that city;

4 (5) two members appointed by the Commissioners Court of
5 Harris County, one of these members to be a representative of
6 agriculture and one to be a representative of industry, provided
7 that neither of these members shall be residents of the city in
8 the district having the largest population of any city in the
9 district;

10 (6) two members appointed by the Commissioners Court of
11 Galveston County; and

12 (7) one member from Harris County chosen by the mayors of
13 the cities of Deer Park, Galena Park, La Porte, Nassau Bay, and
14 Seabrook and the president of the Clear Lake City Water Authority.

15 (c) All members of the board shall be residents of and
16 qualified voters in the district.

17 (d) Within 30 days after the effective date of this Act,
18 the County Judge of Harris County and the County Judge of Galveston
19 County jointly shall set a date, time, and place for a meeting
20 of those persons designated in Subsection (b) of this section to
21 choose members for the board. The county judges shall decide who
22 shall preside at the meeting, and those chosen for the board at
23 the meeting shall assume their positions on the board within five
24 days after being chosen. The county judges shall give notice of
25 the meeting by mail to all persons designated to make the choices.
26 Selection of subsequent directors shall be made on the second

1 Monday in January at 11:00 a.m. in the district's main office,
2 and the general manager shall send by mail written notice to each
3 person who is designated in Subsection (b) of this section to
4 make choices in that particular year. All notice given under
5 this subsection shall be mailed not less than 20 days before the
6 meeting for which notice is given.

7 (e) The terms of office for the initial appointees to the
8 board shall be as follows:

9 (1) from the date of appointment until January 31, 1976--
10 three members chosen under Subdivision (1) of Subsection (b) of
11 this section, one member chosen under Subdivision (3), one member
12 chosen under Subdivision (5), and one member chosen under
13 Subdivision (6) of Subsection (b) of this section; and

14 (2) from the date of appointment until January 31, 1977--
15 three members chosen under Subdivision (1) of Subsection (b) of
16 this section and one member chosen under Subdivision (2), one
17 member chosen under Subdivision (3), one member chosen under
18 Subdivision (4), one member chosen under Subdivision (5), one
19 member chosen under Subdivision (6), and one member chosen under
20 Subdivision (7) of Subsection (b) of this section.

21 (f) Except as provided in Subsection (e) of this section,
22 members of the board shall serve for terms of two years.

23 (g) The county judges of Harris and Galveston counties,
24 at the time they set the date, time, and place for the selection
25 of directors, shall set the date, time, and place for the initial
26 meeting of the board and give notice of the date, time, and place

1 to each newly appointed member. Such notice shall be given by
2 mail and shall be sent not less than 20 days before the time set
3 for the initial meeting of the board.

4 (h) At the initial meeting of the board and each year at
5 the first meeting after the new directors take office, the members
6 shall select one of their number to serve as chairman, one to
7 serve as vice-chairman, and one to serve as secretary.

8 (i) The chairman shall preside over meetings of the board,
9 and in his absence the vice-chairman shall preside.

10 (j) Each member of the board is entitled to receive \$25
11 a day for each day he is engaged in the exercise of his duties
12 under this Act and necessary travel and other expenses incurred
13 in the exercise of his duties under this Act. No member of the
14 board may receive this compensation and travel and other expenses
15 for more than 120 calendar days in any one calendar year.

16 (k) If a vacancy occurs on the board, a person representing
17 the same area from which the person who vacates the position is
18 appointed shall be chosen by the person or persons designated in
19 Subsection (b) of this section to serve the unexpired term.

20 (l) Each member of the board shall take the oath of office
21 prescribed by law for county commissioners and shall execute a
22 bond in the amount of \$5,000, payable to the district, conditioned
23 on the faithful performance of his duties. The district shall
24 pay for the bond.

25 (m) A majority of the members of the board constitute a
26 quorum for transaction of business of the district, but no official

1 act of the board is valid without the affirmative vote of a
2 majority of the members of the board.

3 (n) The board shall meet for a regular meeting once each
4 month at a time set by the board and may hold special meetings
5 at the call of the chairman or on the written request of at least
6 three members of the board.

7 Sec. 6. POWERS AND DUTIES IN GENERAL. The board shall
8 administer the provisions of this Act as provided in Section 1
9 of this Act. Withdrawals of groundwater covered by the provisions
10 of this Act are subject to reasonable rules, regulations, and
11 orders adopted by the board, taking into account all factors
12 including availability of surface water, economic impact upon
13 persons and the community, degree and effect of subsidence upon
14 the surface of land, and differing topographical and geophysical
15 characteristics of land areas within the district. The board has
16 the powers and duties specifically described in this Act and all
17 other powers necessary or convenient to carry out its
18 responsibilities and achieve the purpose of the Act.

19 Sec. 7. GENERAL MANAGER. (a) The board shall employ a
20 general manager who shall be the chief administrative officer of
21 the district and may delegate to him full authority to manage and
22 operate the affairs of the district subject only to orders of the
23 board.

24 (b) Among the duties of the general manager are:

25 (1) to administer the orders of the board;

26 (2) to coordinate with state, federal, and local agencies;

1 (3) to oversee the development of plans and programs of
2 the district; and

3 (4) to perform other duties assigned by the board.

4 (c) The general manager shall execute a bond in the amount
5 determined by the board, payable to the district, conditioned on
6 the faithful performance of his duties. The district shall pay
7 for the bond.

8 Sec. 8. EMPLOYEES. (a) The general manager shall employ
9 all persons necessary for the proper handling of the business and
10 operation of the district and may employ attorneys, bookkeepers,
11 engineers, and other expert and specialized personnel that are
12 considered necessary. He shall determine compensation to be paid
13 by the district.

14 (b) The board shall determine the terms of office and
15 employment and the compensation to be paid the general manager,
16 and the general manager may be discharged by a majority vote of
17 the board. The general manager may discharge employees of the
18 district.

19 (c) The board shall require an employee who collects, pays,
20 or handles any funds of the district to furnish good and sufficient
21 bond, payable to the district, for a sufficient amount to safeguard
22 the district. The bond shall be conditioned on the faithful
23 performance of his duties and on accounting for all funds and
24 property of the district in his hands. The district shall pay
25 for the bond.

26 Sec. 9. DISTRICT OFFICE. The board shall maintain a regular

1 office for conducting the business of the district. The office
2 shall be located inside the district.

3 Sec. 10. MINUTES AND RECORDS OF THE DISTRICT. The board
4 secretary shall keep a true and complete account of all its
5 meetings and proceedings and shall preserve the board's minutes,
6 contracts, records of any kind, notices, accounts, receipts, and
7 records of all kinds in a fireproof vault or safe. All minutes,
8 contracts, records of any kind, notices, accounts, receipts, and
9 other materials are the property of the district and subject to
10 public inspection.

11 Sec. 11. SUITS. The district may sue and be sued in the
12 courts of this state in the name of the district by and through
13 the board. The attorney general shall represent the district in
14 the district and appellate courts of this state and in the courts
15 of the United States. All courts shall take judicial notice of
16 the creation of the district and of its boundaries.

17 Sec. 12. SEAL. The board shall adopt a seal.

18 Sec. 13. RULES AND REGULATIONS. (a) After notice and
19 hearing under Section 14 of this Act, the board shall adopt and
20 enforce rules and regulations that are designed to expeditiously
21 and effectively effectuate the provisions of this Act and
22 accomplish its purposes, including rules governing procedure
23 before the board.

24 (b) The board shall compile its rules and regulations in
25 a book and make them available for use and inspection at the
26 district's principal office. The district shall provide copies

1 of its rules and regulations on payment of the cost to reproduce
2 them.

3 Sec. 14. HEARINGS. (a) Hearings of the board shall be
4 conducted in the manner provided in this section.

5 (b) At a regular meeting of the board, the board shall set
6 the dates, times, and locations for any hearings to be held under
7 this Act and shall direct the general manager of the district to
8 give notice.

9 (c) Written notice of a hearing under this section shall
10 be given to each county and municipal government within the
11 district and to each person that the board believes has an interest
12 in the subject matter to be dealt with at the hearing. The date
13 of delivery or mailing of notice shall not be less than 20 days
14 before the date set for the hearing.

15 (d) Notice of a hearing under this section shall be
16 published at least once in a newspaper of general circulation in
17 each county within the district. The date of publication shall
18 not be less than 20 days before the date set for the hearing.

19 (e) A copy of the notice shall be posted at the county
20 courthouse of each county within the district in the place where
21 notices are usually posted. The date of posting shall not be
22 less than 20 days before the date of the hearing.

23 (f) Any person who desires to appear at a hearing and
24 present testimony, evidence, exhibits, or other information may
25 do so in person, by counsel, or both.

26 (g) The board may hold hearings at any location within the

1 district.

2 (h) The board may recess a hearing from day to day.

3 (i) The board may use hearing examiners to hear any subject
4 set for hearing so long as the decision on that subject is the
5 decision of the board. Procedures for use of hearing examiners
6 shall be provided in the rules and regulations.

7 Sec. 15. COMPELLING TESTIMONY, SWEARING WITNESSES, AND
8 SUBPOENAS. The board may compel the testimony of any person
9 necessary to carry out the powers, duties, and functions under
10 this Act and may administer oaths to persons compelled to testify
11 before the board or any person designated by the board. Also,
12 the board may issue subpoenas to compel the testimony of any
13 persons and the production of any documents necessary to carry
14 out the powers, duties, and functions under this Act.

15 Sec. 16. DISTRICT PLAN. (a) Under Section 14 of this
16 Act, the board shall formulate a plan to control and prevent
17 subsidence within the district. The plan shall accomplish this
18 purpose by the reduction of groundwater withdrawals to amounts
19 which will restore and maintain sufficient artesian pressure to
20 control and prevent subsidence.

21 (b) The plan shall specify in as much detail as practicable
22 the acts, procedures, performance, and avoidance that are necessary
23 to carry out the purposes of this Act.

24 Sec. 17. PLANNING PROCEDURES. (a) Included in the
25 information to be gathered for formulation of the plan shall be:

26 (1) a list of all wells in the district which will be

1 subject to regulation under this Act;

2 (2) an accurate estimate of groundwater production from
3 each well or proposed well in the district;

4 (3) an accurate estimate of the amount of groundwater which
5 may be produced from each well and each area in the district
6 without causing drawdown of the water table and reduction of
7 artesian pressure that will lead to subsidence within the district;

8 (4) an accurate estimate of the current and future water
9 needs of each well-owner in the district;

10 (5) an accurate estimate of the groundwater production
11 capacity of each well in the district;

12 (6) a list of all available sources of water in the area
13 of the district other than groundwater;

14 (7) the purpose for which the water is currently used and
15 for which it is proposed to be used in the future;

16 (8) information relating to formulation of a permit system;
17 and

18 (9) other necessary information and material to carry out
19 the management of groundwater in the district and to effectively
20 and expeditiously accomplish the purposes of this Act.

21 (b) The plan shall be formulated within 12 months after
22 the effective date of this Act.

23 (c) The plan formulated under this Act shall be reviewed
24 by the board and adopted within 60 days after it is formulated.

25 (d) Before the plan is adopted, the board shall hold a
26 hearing to consider the proposed plan in the manner provided in

1 Section 14 of this Act.

2 (e) After the hearing, the board shall make any changes
3 it considers necessary based on evidence and material presented
4 at the hearing and shall adopt the plan.

5 (f) The plan adopted under this section may be amended or
6 repealed and a new plan adopted in the manner provided in this
7 section for the adoption of the original plan. A plan, once
8 adopted, shall remain in effect until the adoption of a new plan.

9 Sec. 18. TEMPORARY REGULATION. (a) During the period in
10 which the board is formulating and adopting the plan under Section
11 16 of this Act, the board shall adopt temporary rules and
12 regulations relating to the withdrawal of groundwater that are
13 necessary to control subsidence.

14 (b) Wells operating or being drilled on the effective date
15 of this Act may operate until a permit is obtained as provided
16 in Section 19 of this Act.

17 Sec. 19. PERMIT REQUIREMENT. (a) Before a well located
18 within the boundaries of the district which is used or to be used
19 for the purpose of withdrawing groundwater may be operated or
20 drilled for that purpose, the owner of the well must obtain a
21 permit from the board in the manner provided in this Act.

22 (b) Owners of wells operating or being drilled on the
23 effective date of this Act must apply for a permit before September
24 30, 1975, and may continue to operate the well without a permit
25 until the application for a permit for the well is acted on by
26 the board.

1 Sec. 20. TERM OF PERMIT. (a) Permits issued under this
2 Act shall be for a term of one year from the date of their issuance
3 unless a longer term is specified by the board. The board may
4 issue a permit for a term longer than one year, but not to exceed
5 five years, whenever to do so would aid the district in the
6 effective and expeditious performance of its duties and would not
7 impair the ability of the district to control and prevent
8 subsidence within the district.

9 (b) A permit does not become a vested right in the holder.
10 It may be revoked or suspended, or its terms may be modified or
11 amended after notice and public hearing in the manner provided
12 in Section 14 of this Act, whenever reasonably necessary to
13 accomplish the purposes of this Act.

14 Sec. 21. RENEWAL OF PERMIT. Permits for wells under Section
15 19 of this Act may be renewed by the board in the manner provided
16 for obtaining the original permit.

17 Sec. 22. APPLICATION FOR PERMIT. (a) Any person who
18 desires to obtain a permit under the provisions of this Act shall
19 submit to the board an application.

20 (b) The application shall state:

- 21 (1) the name of the person requesting the permit;
22 (2) the address of the person requesting the permit;
23 (3) the location and wellhead elevation of the well or
24 proposed well;
25 (4) the amount of water being produced or proposed to be
26 produced; and

1 (5) any other information necessary for the board to control
2 and prevent subsidence in the district.

3 (c) The application shall be accompanied by a reasonable
4 application fee to be used for processing the application, the
5 amount of which shall be set by the board.

6 Sec. 23. NOTICE AND HEARING ON PERMIT. (a) On receiving
7 an application for a permit, the board shall issue notice and set
8 a time for a hearing on the application.

9 (b) Notice of the date, time, and location of the hearing
10 shall be given by the board to the applicant by certified mail,
11 return receipt requested, at least 20 days before the day of the
12 hearing.

13 (c) Except as provided in this section, the hearing shall
14 be conducted and notice of hearing given in the manner provided
15 in Section 14 of this Act.

16 (d) The board may consider as many applications for permits
17 as it thinks necessary at any one hearing.

18 Sec. 24. DECISION AND ISSUANCE OF A PERMIT. (a) Within
19 a reasonable period of time after the hearing, but not later than
20 35 days after the hearing, the board shall decide whether or not
21 to issue a permit and, if so, shall formulate the terms of the
22 permit.

23 (b) In deciding whether or not to issue a permit and in
24 setting the terms of the permit, the board shall consider, along
25 with the purpose of this Act and all other relevant factors:

26 (1) the district plan;

1 (2) the quality, quantity, and availability of surface
2 water at prices competitive with those charged by suppliers of
3 surface water within the district;

4 (3) the economic impact on the applicant from grant or
5 denial of the permit, or the terms prescribed by a permit, in
6 relation to the effect on subsidence that would result.

7 (c) The board shall grant a permit to an applicant whenever
8 it is found upon presentation of adequate proof that there is no
9 other adequate and available substitute or supplemental source
10 of surface waters at prices competitive with those charged by
11 suppliers of surface water within the district and that compliance
12 with any provision of this Act, or any rule or regulation of the
13 district, will result in an arbitrary taking of property or in
14 the practical closing and elimination of any lawful business,
15 occupation, or activity, in either case without sufficient
16 corresponding benefit or advantage to the people.

17 (d) If the board decides to issue the permit, the permit
18 shall be issued to the applicant stating the terms prescribed by
19 the board.

20 (e) The permit shall include the following:

21 (1) the name and address of the person to whom the permit
22 is issued;

23 (2) the location of the well;

24 (3) the date the permit is to expire;

25 (4) conditions and restrictions placed on the withdrawal
26 of groundwater; and

1 (5) any other terms and conditions necessary to control
2 and prevent subsidence.

3 Sec. 25. PERMIT NOT TRANSFERABLE. No permit issued under
4 this Act is transferable, and any person who becomes the owner
5 of a well for which a permit is required must make application
6 for a permit in the manner provided in this Act.

7 Sec. 26. ANNUAL REPORTS. Before January 31 of each year
8 after the effective date of this Act, each owner of a well who
9 holds a permit under the provisions of this Act shall submit to
10 the board a report stating the following:

11 (1) the name of the owner of the well;

12 (2) the location of the well;

13 (3) the total amount of groundwater produced by the well
14 during the immediately preceding 12-month period;

15 (4) the total amount of groundwater produced by the well
16 during each separate month of the immediately preceding 12-month
17 period;

18 (5) the purpose for which the groundwater was used;

19 (6) the date on which the permit for the well will expire;

20 and

21 (7) any other information necessary for the board to control
22 and prevent subsidence within the district.

23 Sec. 27. BOARD INVESTIGATIONS. At least once each year
24 and at any other time that the board considers necessary, the
25 board shall have its staff and the staff of the Texas Water
26 Development Board, if necessary, make a complete study of the

1 groundwater situation within the district and determine the water
2 level, rates of withdrawal, amounts of withdrawal, and other
3 information relating to the withdrawal of groundwater which may
4 effect the subsidence of land within the district.

5 Sec. 28. ANNUAL GROUNDWATER-WITHDRAWAL DETERMINATION. (a)
6 Before March 31 of each year, the board shall hold a hearing in
7 the manner provided in Section 14 of this Act to determine the
8 effects of groundwater withdrawal during the preceding
9 groundwater-withdrawal year on the subsidence of land within the
10 district.

11 (b) At the hearing, the board shall consider information
12 developed under Sections 26 and 27 of this Act in addition to
13 information represented by persons appearing before the board.

14 (c) After the hearing, the board shall consider all
15 information presented to it and shall make determinations of
16 groundwater withdrawal in the district during the just preceding
17 groundwater-withdrawal year and shall make findings of the effects
18 of groundwater withdrawal during the just preceding
19 groundwater-withdrawal year on the subsidence of land within the
20 district. These findings and determinations shall be included
21 in a report adopted by the board and shall be made available for
22 examination by any interested persons.

23 Sec. 29. REGULATION OF SPACING AND PRODUCTION. (a) In
24 order to minimize as far as practicable the drawdown of the water
25 table and the reduction of artesian pressure and to control and
26 prevent subsidence, the board may provide for the spacing of wells

1 and regulate the production of groundwater from the wells, taking
2 into consideration, among other relevant factors, the economic
3 impact on well-owners and the resulting effect on subsidence.

4 (b) Before issuing any order, rule, or regulation under
5 this section, the board shall set a hearing on the proposed order,
6 rule, or regulation and issue notice of the hearing. Notice shall
7 be given and hearings conducted in the manner provided in Section
8 14 of this Act.

9 Sec. 30. REQUIRING WATER-METERING DEVICES. The board may
10 adopt orders after notice and hearing as provided in Section 14
11 of this Act requiring water-metering devices to be placed on
12 wells.

13 Sec. 31. ACCESS TO PROPERTY. (a) To carry out technical
14 and other investigations necessary to the implementation of this
15 Act, the board and its agents and employees are entitled to access
16 to all property within the district.

17 (b) Before entering property for the purposes stated in
18 Subsection (a) of this section, the person seeking access shall
19 give notice to the owner of the property in the manner provided
20 in the rules and regulations of the district and shall present
21 proper credentials.

22 (c) The board, and its agents and employees who enter
23 private property, shall observe the establishment's rules and
24 regulations concerning safety, internal security, and fire
25 protection.

26 Sec. 32. MONITORING AND SUPERVISIONS OF DISTRICT. The

1 district may use subsidence compaction monitors, water-level
2 observation wells, and other materials and equipment to determine
3 the amount of groundwater that may be produced while at the same
4 time allowing the rebound and stabilization of groundwater to a
5 level that will halt subsidence.

6 Sec. 33. RESEARCH AND STUDIES. The district may conduct
7 any studies and research that the board considers necessary to
8 implement the provisions of this Act. The district may use the
9 services of geologists, hydrologists, registered professional
10 engineers, or other expert personnel to accomplish the purposes
11 of this section.

12 Sec. 34. COOPERATION WITH AND ASSISTANCE OF OTHER
13 GOVERNMENTAL ENTITIES. The board may cooperate with and request
14 the assistance of the Texas Water Development Board, the United
15 States Geological Survey, local governments, and other agencies
16 of the United States and the State of Texas in implementing the
17 provisions of this Act.

18 Sec. 35. CONTRACTS. The board may enter into contracts
19 with any person to carry out the provisions of this Act.

20 Sec. 36. APPEAL OF DISTRICT ACTIONS. (a) Any rule,
21 regulation, order, or other official action of the district under
22 this Act may be appealed to a district court in any county in the
23 district by a person who is adversely affected. For the purposes
24 of this section, "a person who is adversely affected" includes
25 those persons residing in or owning real property in the district
26 whose residence or real property is subsiding. An appeal under

1 this section must be filed within 45 days after the rule,
2 regulation, order, or other official action appealed from is
3 promulgated.

4 (b) Upon written request of a person residing in or owning
5 real property in the district the board shall make written findings
6 and conclusions with respect to a rule, regulation, order, or
7 other official action of the district and provide certified copies
8 of such findings and conclusions to the requesting person within
9 35 days after written request therefor.

10 (c) In appeals taken under this section, the substantial
11 evidence rule shall be used to determine the legal propriety of
12 a rule, regulation, order, or other action of the board.

13 Sec. 37. PERMIT FEE. (a) At the time of issuance or
14 renewal of a permit, the board shall collect from the permittee
15 a permit fee, established by schedule, based on the term of the
16 permit and the maximum annual amount of groundwater authorized
17 by the board to be withdrawn from the well.

18 (b) The rate of the fee collected by the board under this
19 section shall be determined by the board after a hearing under
20 Section 14 of this Act. In no case shall the rate of the fee
21 exceed 110 percent of the highest rate charged by the City of
22 Houston for surface water supplied to its customers within the
23 district.

24 (c) The funds obtained from permit fees collected under
25 this section shall be used to cover the costs of the board in
26 issuing permits and performing other regulatory functions under

1 this Act.

2 Sec. 38. SPECIAL ASSISTANCE. The board may accept on
3 behalf of the district any gifts, grants, loans, or other
4 distributions of money for use in carrying out the provisions of
5 this Act.

6 Sec. 39. GRANTS, PURCHASES, GIFTS, LEASES, ETC. (a) The
7 district may purchase, lease, own, convey, and dispose of property
8 both inside and outside of the district necessary or convenient
9 to the exercise of the powers, duties, and functions under this
10 Act.

11 (b) The district may accept grants, gifts, and devises of
12 property.

13 (c) The district may construct, purchase, lease, or acquire
14 in some other manner any material or property necessary to carry
15 out the provisions of this Act.

16 Sec. 40. OWNERSHIP OF UNDERGROUND WATER. The ownership
17 and rights of the owner of land and his lessees and assigns in
18 groundwater are recognized, and nothing in this Act shall be
19 construed as depriving or divesting the owner or his lessees and
20 assigns of the ownership or rights, subject to rules and
21 regulations and orders and other official actions of the district.

22 Sec. 41. SURFACE-WATER LAWS NOT APPLICABLE. The laws and
23 administrative rules relating to the use of surface water do not
24 apply to groundwater.

25 Sec. 42. SALE AND DISTRIBUTION OF WATER PROHIBITED. The
26 district may not sell or distribute surface water or groundwater

1 for any purpose.

2 Sec. 43. EXCLUSIONS. The provisions of this Act do not
3 apply to:

4 (1) wells regulated under the provisions of Chapter 22,
5 Water Code;

6 (2) shallow wells, commonly known as relief wells, producing
7 water solely to prevent hazardous sand boils, dewater surface
8 construction sites, or relieve hydrostatic uplift on permanent
9 structures and not used to provide a water supply for human
10 consumption, agricultural use, manufacturing or industrial use,
11 or water injection;

12 (3) those persons owning only one well within the district,
13 which well has a casing diameter of five inches or less; and

14 (4) such other wells with a casing diameter of five inches
15 or less which serve a single-family dwelling and which have a
16 negligible effect upon subsidence within the district, provided
17 that an exemption under this subdivision shall be allowed only
18 upon application therefor in the manner and according to the form
19 prescribed by the board for applications.

20 Sec. 44. DISBURSEMENT OF FUNDS. The district's money may
21 be disbursed only by check, draft, order, or other instruments,
22 signed by the person or persons authorized to do so in the board's
23 bylaws, or by resolution of the board.

24 Sec. 45. ACCOUNTS AND INDEPENDENT AUDIT. (a) The district
25 shall keep a complete system of accounts and shall have its affairs
26 audited each year by an independent certified public accountant,

1 or a firm of independent certified public accountants, of
2 recognized integrity and ability selected by the board. The cost
3 of the audit shall be paid by the district.

4 (b) The district shall file copies of the audit with the
5 commissioners court of each county in the district, and the board
6 shall keep at least one copy of the audit at the office of the
7 district open to inspection by any interested person during normal
8 office hours.

9 Sec. 46. DEPOSITORY BANKS. (a) The board shall designate
10 one or more banks within the district to serve as depository for
11 the funds of the district. All funds of the district shall be
12 deposited in the depository bank or banks except that bond proceeds
13 and funds pledged to pay bonds may, to the extent provided in a
14 trust indenture, be deposited with the trustee bank named in the
15 trust indenture and shall be remitted to the bank of payment for
16 the payment of principal of and interest on bonds. To the extent
17 that funds in the depository banks or a trustee bank are not
18 invested or insured by the F.D.I.C., they shall be secured in the
19 manner provided by law for the security of county funds.

20 (b) Before designating a depository bank or banks, the
21 board shall issue a notice stating the time and place when and
22 where the board will meet for such purpose and inviting the banks
23 in the district to submit applications to be designated
24 depositories. The term of service for depositories shall be
25 prescribed by the board. The notice shall be published one time
26 in a newspaper of general circulation in the district and specified

1 by the board, or, in lieu of the publication, a copy of the notice
2 may be mailed to each bank in the district.

3 (c) At the time mentioned in the notice, the board shall
4 consider the applications and the management and condition of the
5 banks filing them and shall designate as depositories the bank
6 or banks which offer the most favorable terms and conditions for
7 the handling of the funds of the district and which the board
8 finds have proper management and are in condition to warrant
9 handling of district funds. Membership on the board of an officer
10 or director of a bank shall not disqualify the bank from being
11 designated as depository.

12 (d) If no applications are received by the time stated in
13 the notice, the board shall designate some bank or banks within
14 or outside the district upon the terms and conditions as it may
15 find advantageous to the district.

16 Sec. 47. PENALTIES. (a) If it appears that a person has
17 violated or is violating or threatening to violate any provision
18 of this Act or any rule, regulation, permit, or other order of
19 the district, the district may have a civil suit instituted in
20 a district court within the district for injunctive relief to
21 restrain the person from continuing the violation or threat of
22 violation or for the assessment and recovery of a civil penalty
23 of not less than \$50 nor more than \$5,000 for each violation and
24 for each day of violation or for both injunctive relief and civil
25 penalties.

26 (b) Upon application for injunctive relief and a finding

1 that a person is violating or threatening to violate any provisions
2 of this Act or any rule, permit, or other order of the district,
3 the district court shall grant any injunctive relief as the facts
4 may warrant.

5 (c) At the request of the district, or the general manager
6 authorized by the board, the attorney general shall institute and
7 conduct a suit in the name of the district for injunctive relief
8 or to recover a civil penalty or for both injunctive relief and
9 penalty as authorized by Subsection (a) of this section.

10 (d) The board is not required to post bond or other security
11 with the court under this section.

12 Sec. 48. CONSTITUTIONAL FINDINGS. The legislature
13 specifically finds and declares that the requirements of Article
14 XVI, Section 59(d), and of Article XVI, Section 59(e), of the
15 Texas Constitution have been performed and accomplished in due
16 course in time and order and that the legislature has the power
17 and authority to enact this Act.

18 Sec. 49. EMERGENCY. The importance of this legislation
19 and the crowded condition of the calendars in both houses create
20 an emergency and an imperative public necessity that the
21 constitutional rule requiring bills to be read on three several
22 days in each house be suspended, and this rule is hereby suspended,
23 and that this Act take effect and be in force from and after its
24 passage, and it is so enacted.

-END-

H.B. No. 552

President of the Senate

Speaker of the House

I hereby certify that H.B. No. 552 was passed by the House on April 18, 1975, by the following vote: Yeas 105, Nays 0; and that the House concurred in Senate amendment to H.B. No. 552 on May 12, 1975, by the following vote: Yeas 131, Nays 2, and 4 present not voting.

Chief Clerk of the House

I hereby certify that H.B. No. 552 was passed by the Senate, with amendment, on May 9, 1975, by the following vote: Yeas 27, Nays 1.

Secretary of the Senate

APPROVED:

4-23-75

Date

Signed

Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
4:45 p.m. O'CLOCK

MAY 23 1975

Secretary of State

H.B. No. 552

By Casaway, et al
(Damage)

A BILL TO BE ENTITLED
AN ACT

relating to the creation, establishment, administration, powers, duties, functions, and financing of the Harris-Galveston Coastal Subsidence District under Article XVI, Section 59, of the Texas Constitution; providing penalties; and declaring an emergency.

FEB 5 1975

1. Filed with the Chief Clerk of the House.

FEB 10 1975

2. Read first time and Referred to Committee on Natural Resources

3-5-75

3. Fiscal note requested from Legislative Budget Board by Ann Cadden

APR 4 1975

4. Reported favorably (~~unfavorably~~) (as amended) and sent to Printer _____ M.

APR 4 1975

5. Printed, distributed by Calendar Clerk and sent to Committee on Calendars 10:15 D M.

APR 17 1975

6. Read second time (amended) and ordered engrossed by (Non-record vote) (Record Vote of _____ yeas, _____ nays, _____ present and _____ not voting).

7. Motion to reconsider the vote by which H. B. _____ was ordered engrossed and to table the motion to reconsider prevailed (failed) by (Non-record vote) (Record Vote of _____ yeas, _____ nays, and _____ present and not voting).

APR 18 1975

8. Constitutional Rule requiring bills to be read on three several days suspended (failed to suspend) by a four-fifths vote of _____ yeas, _____ nays, and _____ present and not voting.

9. Read third time (~~amended~~) and finally passed by following vote: (Non-record vote) Record vote 105 yeas 0 nays present and not voting.

10. Caption ordered amended to conform to body of bill.

11. Motion to reconsider and table the vote by which H.B. _____ was finally passed prevailed (failed) by a (Non-record Vote) (Record Vote of _____ yeas, _____ nays, and _____ present and not voting).

Dorothy Hallman
Chief Clerk of the House

APR 17 1975

12. Sent to Engrossing Clerk _____

4/17/75

13. Engrossed.

Orea Giffin
Engrossing Clerk of the House

APR 18 1975

14. Returned to Calendar Clerk _____

APR 18 1975

15. Sent to Senate.

APR 21 1975 16. Received from the House _____

APR 21 1975 17. Read, referred to Committee on NATURAL RESOURCES

18. Reported favorably _____

MAY 8 1975 19. Reported adversely, with favorable Committee Substitute; Committee Substitute read first time.

20. Ordered not printed.

MAY 9 1975 21. Regular order of business suspended by unanimous consent
 (~~a viva voce vote.~~
 (_____ yeas, _____ nays.

22. To permit consideration, reading and passage, Senate and Constitutional Rules suspended by vote of _____ yeas, _____ nays.

MAY 9 1975 23. Read second time _____ passed to third reading by:
 (a viva voce vote.
 (_____ yeas, _____ nays.

24. Caption ordered amended to conform to body of bill.

MAY 9 1975 25. Senate and Constitutional 3-Day Rules suspended by vote of 27
 yeas, 1 nays to place bill on third reading and final passage.

MAY 9 1975 26. Read third time and passed by
 (~~a viva voce vote.~~
 (27 yeas, 1 nays.

OTHER ACTION:

OTHER ACTION:

Charles Schnabel
 Secretary of the Senate

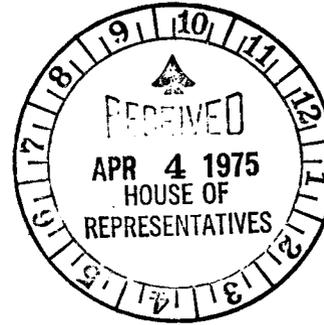
MAY 9 1975 27. Returned to the House.

MAY 9 1975 28. Received from the Senate (with amendments).

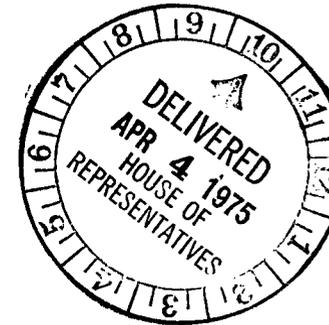
RETURNED FROM SENATE MAY 9 1975

SENT TO PRINTER

Jeremy Hallman
 Chief Clerk, House of Representatives



9:45 PM



10:00 PM

MAY 12 1975

The House has concurred in Senate amendments to House Bill No. 250 by vote of 131 yeas, 2 nays, 4 present not voting.

Jeremy Hallman
 Chief Clerk, House of Representatives

SENT TO ENROLLING CLERK

MAY 12 1975

SENT TO ENROLLING CLERK