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.

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

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

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

Sec. 2. DEFINITIONS. In this Act:

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

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

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

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

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

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

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

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

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

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

(b) Except as provided in this subsection, an adjoining county may be added to the district on application of the commissioners court of the adjoining county and by complying with
the procedures provided in Sections 55.730-55.744, Water Code, as far as those provisions are applicable. The proposition on the ballots for the elections shall be printed to provide for voting for or against: "Addition of County to the Harris-Galveston Coastal Subsidence District." Any county added to the district under the provisions of this subsection shall be subject to the jurisdiction of the board and the provisions of this Act, and two members shall be added to the board—one shall be chosen by the commissioners court of the county added to the district and one shall be chosen by the mayor of the largest city in the county that is added. The two new members shall draw lots to establish staggered terms of office.

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

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

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

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

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

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

(5) two members appointed by the Commissioners Court of Harris County, one of these members to be a representative of agriculture;
(6) one member appointed by the Commissioners Court of Galveston County;

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

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

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

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

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

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

(1) from the date of appointment until January 31, 1976—one
member chosen under Subdivision (2) of Subsection (b) of this
section and two members chosen under Subdivision (1), one member
chosen under Subdivision (3), two members chosen under Subdivision
(4), and one member chosen under Subdivision (8) of Subsection
(b) of this section; and

(2) from the date of appointment until January 31, 1977—one
member chosen under Subdivision (1) of Subsection (b) of this
section and one member chosen under Subdivision (3), one member
chosen under Subdivision (7), two members chosen under Subdivision
(5), and one member chosen under Subdivision (6) of Subsection
(b) of this section.

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

(h) The county judges of Harris and Galveston counties,
at the time they set the date, time, and place for the selection
of directors, shall set the date, time, and place for the initial
meeting of the board, and give notice of the date, time, and place
to each newly appointed member.
(1) At the initial meeting of the board and each year, at the first meeting after the new directors take office, the members shall select one of their number to serve as chairman and one to serve as vice-chairman.

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

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

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

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

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

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

Sec. 6. 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 assume responsibility for all records of the
district;
(3) to coordinate with state, federal, and local agencies;
(4) to oversee the development of plans and programs of
the district; and
(5) 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.

Sec. 7. 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
district.

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

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

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

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

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

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

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

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

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

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

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

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

(e) The board may hold hearings at any location within the district.
(e) The board may recess a hearing from day to day.

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

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

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

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

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

Sec. 17. PLANNING PROCEDURE. (a) In preparing the plan for the district, the board may consult and cooperate with and use the services of the Texas Water Development Board and the United States Geological Survey and other state and federal agencies.
(b) Included in the information to be gathered for formulation of the plan shall be:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) 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 this Act.

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

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

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

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

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

(b) The application shall state:

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

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

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

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

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

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

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

(b) Notice of the date, time, and location of the hearing
shall be given by the board to the applicant by certified mail,
return receipt requested, at least 10 days before the day of the
hearing.
(c) Except as provided in this section, the hearing shall be conducted in the manner provided in Section 14 of this Act.

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

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

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

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

(d) The permit shall include the following:

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

(2) the location of the well;

(3) the date the permit is to expire;

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

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

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

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

(1) the name of the owner of the well;
(2) the location of the well;
(3) the total amount of groundwater produced by the well
during the immediately preceding 12-month period;
(4) the total amount of groundwater produced by the well
during each separate month of the immediately preceding 12-month
period;
(5) the purpose for which the groundwater was used;
(6) the date on which the permit for the well will expire;
and
(7) any other information that the board considers
necessary.

Sec. 27. BOARD INVESTIGATIONS. At least once each year
and at any other time that the board considers necessary, the
board shall have its staff and the staff of the Texas Water
Development Board, if necessary, 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 groundwater which may
effect the subsidence of land within the district.

Sec. 28. ANNUAL GROUNDWATER WITHDRAWAL DETERMINATION. (a)
Before October 30 of each year, the board shall hold a hearing
in the manner provided in Section 14 of this Act to determine the
effects of groundwater withdrawal during the preceding groundwater
withdrawal year on the subsidence of land within the district.
(b) At the hearing, the board shall consider information
developed under Sections 26 and 27 of this Act in addition to
information represented by persons appearing before the board.

(c) After the hearing, the board shall consider all
information presented to it and shall make determinations of
groundwater withdrawal in the district during the just preceding
groundwater withdrawal year and shall make findings of the effects
of groundwater withdrawal during the just preceding groundwater
withdrawal year on the subsidence of land within the district.

These findings and determinations shall be included in a report
adopted by the board and shall be made available for examination
by any interested persons.

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

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

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

Sec. 32. APPROVAL OF WATER METERING DEVICES. The board
may adopt orders after notice and hearing as provided in Section
14 of this Act approving water metering devices to be placed on
wells.

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

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

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

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

Sec. 35, MONITORING AND SUPERVISIONS OF DISTRICT. The
district may use subsidence compaction monitors, water level
observation wells, and other materials and equipment to determine
the amount of groundwater that may be produced while at the same
time allowing the rebound and stabilization of groundwater to a
level that will halt subsidence.

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

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

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

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

Sec. 40. APPEAL OF DISTRICT ACTIONS. Any rule, regulation,
order, or other official action of the district under this Act
may be appealed to a district in any county in the district by
a person who is adversely affected. For the purpose 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.

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

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

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

Sec. 42. 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. 43. 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. 44. 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. 45. APPLICATION TO SURFACE WATER LAW. The law and
rules and regulations of the district relating to the use of
surface water do not apply to groundwater under this Act.

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

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

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

Sec. 49. PENALTIES. (a) Any person who violates the
provisions of the district plan, this Act, the rules and
regulations of the district, or an order of the board shall be
subject to a civil penalty of not less than $100 nor more than
$500 for each Act of violation. Each day that a violation
(b) Any person who violates the provisions of a permit issued under the provisions of this Act shall be fined not less than $500 and not more than $5,000 for each act of violation. Each day that a violation continues constitutes a separate offense.

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

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

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

Sworn and subscribed to before me, this the 4th day of February, 1975 A.D.

J. G. HUETTEL
ASSISTANT MANAGER—ACCOUNTS RECEIVABLE

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.

#5005
COMMITTEE REPORT

THE HONORABLE BILL CLAYTON
SPAKER OF THE HOUSE OF REPRESENTATIVES

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:

a yes
6 nays
6 present, not voting
2 absent

Return with Original Measure

Chairman
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 land 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 could 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.
H.B. 552 (Continued)

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 water supplies; (3) the economic impact on the applicant via a via the effect on subsidence that would result. A permit shall be granted 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 devises 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 surface water do not apply to groundwater.

Section 42. Provides that the district may not sell or distribute surface water 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.
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

[Signature]

[Attachment]
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 1, March 25, 1975.

The measure was referred to subcommittee and reported back favorably (with) without amendments on 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 the Committee Substitute
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
Amend House Bill No. 552, by striking all below the enacting clause and substituting the following:

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

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

Sec. 2. DEFINITIONS. In this Act:

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

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

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

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

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

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DATE

READ AND ADOPTED

Dorothy Hallman
Chief Clerk
House of Representatives
(b) "Groundwater—withdrawal year" means the period beginning January 1 of one year and ending December 31 of that same year.

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

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

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

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

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

(b) Except as provided in this subsection, an adjoining county may be added to the district on application of the commissioners court of the adjoining county and by complying with the procedures provided in Sections 55.730–55.744, Water Code, as far as those provisions are applicable. The proposition on the ballots for the elections shall be printed to provide for voting for or against: "Addition of __________ County to the Harris–Galveston Coastal Subsidence District." Any county added to the district under the provisions of this subsection shall be
subject to the jurisdiction of the board and the provisions of
this Act, and two members shall be added to the board, one shall
be chosen by the commissioners court of the county added to the
district and one shall be chosen by the mayor of the city in the
county that is added which has the largest population, according
to the last preceding federal census. The two new members shall
draw lots to establish staggered terms of office.

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

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

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

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

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

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

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

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

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

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

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

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

(1) from the date of appointment until January 31, 1976—two
members chosen under Subdivision (1) of Subsection (b) of this
section, one member chosen under Subdivision (3), one member
chosen under Subdivision (5), one member chosen under Subdivision
(6), and one member chosen under Subdivision (b) of Subsection
(b) of this section; and

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

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

(g) The county judges of Harris and Galveston counties,
at the time they set the date, time, and place for the selection
of directors, shall set the date, time, and place for the initial
meeting of the board, and give notice of the date, time, and place
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.

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

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

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

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

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

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

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

Sec. 6. POWERS AND DUTIES IN GENERAL. The board shall administer the provisions of this Act as provided in Section 1 of this Act. Withdrawals of groundwater covered by the provisions of this Act are subject to reasonable rules, regulations, and 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.
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
district.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 16. DISTRICT PLAN. (a) Under Section 14 of this
Act, the board shall formulate a plan to control and prevent
subsidence within the district. The plan shall accomplish this
purpose by the reduction of groundwater withdrawals to amounts
which will restore and maintain sufficient artesian pressure to
control and prevent subsidence.
(b) The plan shall specify in as much detail as practicable the acts, procedures, performance, and avoidance that are necessary to carry out the purposes of this Act.

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

(1) a list of all wells in the district which will be subject to regulation under this Act;
(2) an accurate estimate of groundwater production from each well or proposed well in the district;
(3) an accurate estimate of the amount of groundwater which may be produced from each well and each area in the district without causing drawdown of the water table and reduction of artesian pressure that will lead to subsidence within the district;
(4) an accurate estimate of the current and future water needs of each well-owner in the district;
(5) an accurate estimate of the groundwater production capacity of each well in the district;
(6) a list of all available sources of water in the area of the district other than groundwater;
(7) the purpose for which the water is currently used and for which it is proposed to be used in the future;
(8) information relating to formulation of a permit system;
(9) other necessary information and material to carry out the management of groundwater in the district and to effectively and expeditiously accomplish the purposes of this Act.

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

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

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

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

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

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

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

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

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

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

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

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

(b) The application shall state:

(1) the name of the person requesting the permit;
(2) the address of the person requesting the permit;
(3) the location and wellhead elevation of the well or proposed well;
(4) the amount of water being produced or proposed to be produced; and
(5) any other information necessary for the board to control and prevent subsidence in the district.
(c) The application shall be accompanied by a reasonable application fee to be used for processing the application, the amount of which shall be set by the board.

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

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

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

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

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

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

(e) The permit shall include the following:

(1) the name and address of the person to whom the permit is issued;
(2) the location of the well;
(3) the date the permit is to expire;
(4) conditions and restrictions placed on the withdrawal of groundwater; and
(5) any other terms and conditions necessary to control and prevent subsidence.

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

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

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

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

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

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

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

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

Sec. 27. BOARD INVESTIGATIONS. At least once each year and at any other time that the board considers necessary, the board shall have its staff and the staff of the Texas Water Development Board, if necessary, 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 groundwater which may effect the subsidence of land within the district.

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

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

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

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

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

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

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

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

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

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

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

Sec. 33. RESEARCH AND STUDIES. The district may conduct any studies and research that the board considers necessary to implement the provisions of this Act. The district may use the services of geologists, hydrologists, registered professional engineers, or other expert personnel to accomplish the purposes.
Sec. 34. COOPERATION WITH AND ASSISTANCE OF OTHER
GOVERNMENTAL ENTITIES. The board may cooperate with and request
the assistance of the Texas Water Development Board, the United
States Geological Survey, local governments, and other agencies
of the United States and the State of Texas in implementing the
provisions of this Act.

Sec. 35. CONTRACTS. The board may enter into contracts
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.

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

(b) The rate of the fee collected by the board under this
section shall be determined by the board after a hearing under
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.

(c) The funds obtained from permit fees collected under
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.
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

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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.
(c) At the time mentioned in the notice, the board shall
consider the applications and the management and condition of the
banks filing them and shall designate as depositories the bank
or banks which offer the most favorable terms and conditions for
the handling of the funds of the district and which the board
finds have proper management and are in condition to warrant
handling of district funds. Membership on the board of an officer
or director of a bank shall not disqualify the bank from being
designated as depository.
(d) If no applications are received by the time stated in
the notice, the board shall designate some bank or banks within
or outside the district upon the terms and conditions as it may
find advantageous to the district.
Sec. 47. TAXES AND BONDS. (a) The district may levy and collect
taxes and issue bonds secured by ad valorem taxes in the manner

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provided in Subchapters F and G of Chapter 54 of the Water Code, in as far as those subchapters are applicable. The general manager may employ an assessor and collector of taxes approved by the board to assess and collect taxes in the district, or the board may direct the general manager to enter into a contract with each of the assessors and collectors of taxes in each of the counties in the district to assess and collect taxes on property in the 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¢ per $100 valuation.

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

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

(c) At the request of the district, or the general manager authorized by the board, the attorney general shall institute and
conduct a suit in the name of the district for injunctive relief
or to recover a civil penalty or for both injunctive relief and
penalty as authorized by Subsection (a) of this section.
(d) The board is not required to post bond or other security
with the court under this section.

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

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

64R3537 SHH-D
By: Caraway, Blythe, Allen, Watson, et al.  

H.B. No. 552

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.

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

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

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

Sec. 2. DEFINITIONS. In this Act:

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

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

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

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

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

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

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

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

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

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

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

(b) Except as provided in this subsection, an adjoining county may be added to the district on application of the commissioners court of the adjoining county and by complying with the procedures provided in Sections 55.730-55.744, Water Code, as far as those provisions are applicable. The proposition on
the ballots for the elections shall be printed to provide for voting for or against: "Addition of ______ County to the Harris-Galveston Coastal Subsidence District." Any county added to the district under the provisions of this subsection shall be subject to the jurisdiction of the board and the provisions of this Act, and two members shall be added to the board. One shall be chosen by the commissioners court of the county added to the district and one shall be chosen by the mayor of the city in the county that is added which has the largest population according to the last preceding federal census. The two new members shall draw lots to establish staggered terms of office.

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

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

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

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

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

(4) one member from the city of Baytown, appointed by the mayor of that city.
(5) two members appointed by the Commissioners Court of Harris County, one of these members to be a representative of agriculture and one to be a representative of industry;

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

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

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

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

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

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

(1) from the date of appointment until January 31, 1976—two
members chosen under Subdivision (1) of Subsection (b) of this
section, one member chosen under Subdivision (3), one member
chosen under Subdivision (5), one member chosen under Subdivision
(6), and one member chosen under Subdivision (8) of Subsection
(b) of this section; and

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

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

(g) The county judges of Harris and Galveston counties,
at the time they set the date, time, and place for the selection
of directors, shall set the date, time, and place for the initial
meeting of the board, and give notice of the date, time, and place
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.

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

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

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

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

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

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

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

Sec. 6. POWERS AND DUTIES IN GENERAL. The board shall administer the provisions of this Act as provided in Section 1 of this Act. Withdrawals of groundwater covered by the provisions of this Act are subject to reasonable rules, regulations, and 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.

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
district.

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

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

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

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

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

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

(b) The board shall compile its rules and regulations in a book and make them available for use and inspection at the district's principal office. The district shall provide copies of its rules and regulations on payment of the cost to reproduce.
Sec. 14. HEARINGS. (a) Hearings of the board shall be conducted in the manner provided in this section.

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

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

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

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

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

(g) The board may hold hearings at any location within the district.
(b) The board may recess a hearing from day to day.

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

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

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

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

Sec. 17. PLANNING PROCEEDURES. (a) Included in the information to be gathered for formulation of the plan shall be a list of all wells in the district which will be subject to regulation under this Act.
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(2) an accurate estimate of groundwater production from each well or proposed well in the district;

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

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

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

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

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

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

and

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

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

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

d) Before the plan is adopted, the board shall hold a hearing to consider the proposed plan in the manner provided in Section 14 of this Act.
After the hearing, the board shall make any changes it considers necessary based on evidence and material presented at the hearing and shall adopt the plan.

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

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

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

(c) 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 this Act.

Sec. 19. PERMIT REQUIREMENT. (a) Before a well located within the boundaries of the district which is used or to be used for the purpose of withdrawing groundwater may be operated or drilled for that purpose, the owner of the well must obtain a permit from the board in the manner provided in this Act.
(b) Owners of wells operating or being drilled on the
effective date of this Act must apply for a permit before September
30, 1975, and may continue to operate the well without a permit
until the application for a permit for the well is acted on by
the board.

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

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

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

(b) The application shall state:
(1) the name of the person requesting the permit;
(2) the address of the person requesting the permit;
(3) the location and wellhead elevation of the well or
proposed well;
(4) the amount of water being produced or proposed to be
produced; and
(5) any other information necessary for the board to control
and prevent subsidence in the district.

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

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

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

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

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

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

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

(e) The permit shall include the following:

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

(2) the location of the well;

(3) the date the permit is to expire;

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

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

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

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

(2) the location of the well;

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

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

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

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

and

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

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

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

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

Sec. 27. BOARD INVESTIGATIONS. At least once each year
and at any other time that the board considers necessary, the
board shall have its staff and the staff of the Texas Water
Development Board, if necessary, 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 groundwater which may
effect the subsidence of land within the district.

Sec. 28. ANNUAL GROUNDWATER—WITHDRAWAL DETERMINATION. (a)
Before March 31 of each year, the board shall hold a hearing in
the manner provided in Section 14 of this Act to determine the
effects of groundwater withdrawal during the preceding
groundwater-withdrawal year on the subsidence of land within the
district. ______

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

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

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

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

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

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

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

(c) The board, and its agents and employees who enter
private property, shall observe the establishment's rules and
regulations concerning safety, internal security, and fire
Sec. 32. MONITORING AND SUPERVISIONS OF DISTRICT. The district may use subsidence compaction monitors, water-level observation wells, and other materials and equipment to determine the amount of groundwater that may be produced while at the same time allowing the rebound and stabilization of groundwater to a level that will halt subsidence.

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

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

Sec. 35. CONTRACTS. The board may enter into contracts 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.

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

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

(c) The funds obtained from permit fees collected under
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.

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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.

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

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

Sec. 47. TAXES AND BONDS. (a) The district may levy and
collect taxes and issue bonds secured by ad valorem taxes in the
manner provided in Subchapters F and G of Chapter 54 of the Water
Code, in as far as those subchapters are applicable. The general
manager may employ an assessor and collector of taxes approved
by the board to assess and collect taxes in the district, or the
board may direct the general manager to enter into a contract
with each of the assessors and collectors of taxes in each of the
counties in the district to assess and collect taxes on property
in the 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.

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

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

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

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

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

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

-End-
COMMITTEE SUBSTITUTE FORM

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.
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.

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

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

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

Sec. 2. DEFINITIONS. In this Act:

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

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

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

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

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

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

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

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

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

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

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

(b) Except as provided in this subsection, an adjoining
county may be added to the district on application of the
commissioners court of the adjoining county and by complying with
the procedures provided in Sections 55.730-55.744, Water Code,
as far as those provisions are applicable. The proposition on
the ballots for the elections shall be printed to provide for
voting for or against: "Addition of __________ County to the
Harris-Galveston Coastal Subsidence District." Any county added
to the district under the provisions of this subsection shall be
subject to the jurisdiction of the board and the provisions of
this Act, and two members shall be added to the board. One shall
be chosen by the commissioners court of the county added to the
district and one shall be chosen by the mayor of the city in the
county that is added which has the largest population according
to the last preceding federal census. The two new members shall
draw lots to establish staggered terms of office.

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

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

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

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

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

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

(5) two members appointed by the Commissioners Court of

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

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

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

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

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

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

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

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

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

(g) The county judges of Harris and Galveston counties,
at the time the set the date, time, and place for the selection
of directors, shall set the date, time, and place for the initial
meeting of the board, and give notice of the date, time, and place
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.

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

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

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

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

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

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

(n) The board shall meet for a regular meeting once each
month at a time set by the board and may hold special meetings
at the call of the chairman or on the written request of at least
three members of the board.
Sec. 6. POWERS AND DUTIES IN GENERAL. The board shall administer the provisions of this Act as provided in Section 1 of this Act. Withdrawals of groundwater covered by the provisions of this Act are subject to reasonable rules, regulations, and 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.

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 district.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(4) an accurate estimate of the current and future water needs of each well-owner in the district;
(5) an accurate estimate of the groundwater production capacity of each well in the district;
(6) a list of all available sources of water in the area of the district other than groundwater;
(7) the purpose for which the water is currently used and for which it is proposed to be used in the future;
(8) information relating to formulation of a permit system; and
(9) other necessary information and material to carry out the management of groundwater in the district and to effectively and expeditiously accomplish the purposes of this Act.
(b) The plan shall be formulated within 12 months after the effective date of this Act.
(c) The plan formulated under this Act shall be reviewed by the board and adopted within 60 days after it is formulated.
(d) Before the plan is adopted, the board shall hold a hearing to consider the proposed plan in the manner provided in Section 14 of this Act.
(e) After the hearing, the board shall make any changes it considers necessary based on evidence and material presented at the hearing and shall adopt the plan.
(f) The plan adopted under this section may be amended or repealed and a new plan adopted in the manner provided in this section for the adoption of the original plan. A plan, once adopted, shall remain in effect until the adoption of a new plan.
Sec. 18. TEMPORARY REGULATION. (a) During the period in which the board is formulating and adopting the plan under Section
16 of this Act, the board shall adopt temporary rules and
regulations relating to the withdrawal of groundwater that are
necessary to control subsidence.

(b) 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 this Act.

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

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

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

(b) A permit does not become a vested right in the holder.
It may be revoked or suspended, or its terms may be modified or
amended after notice and public hearing in the manner provided
in Section 14 of this Act, whenever reasonably necessary to
accomplish the purposes of this Act.

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

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

(b) The application shall state:

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

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

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

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

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

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

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

(b) Notice of the date, time, and location of the hearing
shall be given by the board to the applicant by certified mail,
return receipt requested, at least 20 days before the day of the
hearing.
(c) Except as provided in this section, the hearing shall be conducted and notice of hearing given in the manner provided in Section 14 of this Act.

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

Sec. 24. DECISION AND ISSUANCE OF A PERMIT. (a) Within a reasonable period of time after the hearing, but not later than 35 days after the hearing, the board shall decide whether or not to issue a permit and, if so, shall formulate the terms of the 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 prices competitive with those charged by suppliers of surface water within the district;

(3) the economic impact on the applicant from 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.

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

(e) The permit shall include the following:

(1) the name and address of the person to whom the permit is issued;
(2) the location of the well;
(3) the date the permit is to expire;
(4) conditions and restrictions placed on the withdrawal of groundwater; and
(5) any other terms and conditions necessary to control and prevent subsidence.

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

Sec. 26. ANNUAL REPORTS. 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:

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

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

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

and

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

Sec. 27. BOARD INVESTIGATIONS. At least once each year
and at any other time that the board considers necessary, the
board shall have its staff and the staff of the Texas Water
Development Board, if necessary, 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 groundwater which may
effect the subsidence of land within the district.

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 35. CONTRACTS. The board may enter into contracts
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. An appeal under
this section must be filed within 45 days after the rule, regulation,
order, or other official action appealed from is promulgated.

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

(c) 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.

Sec. 37. PERMIT FEE. (a) At the time of issuance or
renewal of a permit, the board shall collect from the permittee
a permit fee, established by schedule, based on the term of the
permit and the maximum annual amount of groundwater authorized by
the board to be withdrawn from the well.
(b) The rate of the fee collected by the board under this section shall be determined by the board after a hearing under Section 14 of this Act. In no case shall the rate of the fee exceed 110 percent of the highest rate charged by the City of Houston for surface water supplied to its customers within the district.

(c) The funds obtained from permit fees collected under 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:

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

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

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

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

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

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

Sec. 47. PENALTIES. (a) If it appears that a person has violated or is violating or threatening to violate any provision of this Act, or any rule, regulation, permit, or other order of the district, the district may have a civil suit instituted in a district court within the district for injunctive relief to restrain the person from continuing the violation or threat of violation, or for the assessment and recovery of a civil penalty of not less than $50 nor more than $5,000 for each violation and for each day of violation, or for both injunctive relief and civil penalties.
(b) Upon application for injunctive relief and a finding that a person is violating or threatening to violate any provisions of this Act, or any rule, permit, or other order of the district, the district court shall grant any injunctive relief as the facts may warrant.

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

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

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

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

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

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

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

Sec. 2. DEFINITIONS. In this Act:

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

(2) "District" means the Harris-Galveston Coastal Subsidence District.
(3) "Board" means the board of directors of the district.

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

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

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

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

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

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

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

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

(b) Except as provided in this subsection, an adjoining county may be added to the district on application of the
commissioners court of the adjoining county and by complying with
the procedures provided in Sections 55.730-55.744, Water Code,
as far as those provisions are applicable. The proposition on
the ballots for the elections shall be printed to provide for
voting for or against: "Addition of ________ County to the
Harris-Galveston Coastal Subsidence District." Any county added
to the district under the provisions of this subsection shall be
subject to the jurisdiction of the board and the provisions of
this Act, and two members shall be added to the board. One shall
be chosen by the commissioners court of the county added to the
district and one shall be chosen by the mayor of the city in the
county that is added which has the largest population according
to the last preceding federal census. The two new members shall
draw lots to establish staggered terms of office.

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

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

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

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

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

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

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

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

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

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

(d) Within 30 days after the effective date of this Act,
the County Judge of Harris County and the County Judge of Galveston
County jointly shall set a date, time, and place for a meeting
of those persons designated in Subsection (b) of this section to
choose members for the board. The county judges shall decide who
shall preside at the meeting, and those chosen for the board at
the meeting shall assume their positions on the board within five
days after being chosen. The county judges shall give notice of
the meeting by mail to all persons designated to make the choices.
Selection of subsequent directors shall be made on the second
Monday in January at 11:00 a.m., in the district's main office,
and the general manager shall send by mail written notice to each
person who is designated in Subsection (b) of this section to
make choices in that particular year. All notice given under
this subsection shall be mailed not less than 20 days before the
meeting for which notice is given.

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

1. from the date of appointment until January 31, 1976—
   three members chosen under Subdivision (1) of Subsection (b) of
   this section, one member chosen under Subdivision (3), one member
   chosen under Subdivision (5), and one member chosen under
   Subdivision (6) of Subsection (b) of this section; and

2. from the date of appointment until January 31, 1977—
   three members chosen under Subdivision (1) of Subsection (b) of
   this section and one member chosen under Subdivision (2), one
   member chosen under Subdivision (3), one member chosen under
   Subdivision (4), one member chosen under Subdivision (5), one
   member chosen under Subdivision (6), and one member chosen under
   Subdivision (7) of Subsection (b) of this section.

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

(g) The county judges of Harris and Galveston counties,
at the time they set the date, time, and place for the selection
of directors, shall set the date, time, and place for the initial
meeting of the board and give notice of the date, time, and place
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.

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

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

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

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

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

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

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

Sec. 6. POWERS AND DUTIES IN GENERAL. The board shall
administer the provisions of this Act as provided in Section 1
of this Act. Withdrawals of groundwater covered by the provisions
of this Act are subject to reasonable rules, regulations, and
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.

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
district.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

and

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

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

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

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

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

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

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

(b) 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 this Act.

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

(b) Owners of wells operating or being drilled on the effective date of this Act must apply for a permit before September 30, 1975, and may continue to operate the well without a permit until the application for a permit for the well is acted on by the board.
Sec. 20. TERM OF PERMIT. (a) Permits issued under this Act shall be for a term of one year from the date of their issuance unless a longer term is specified by the board. The board may issue a permit for a term longer than one year, but not to exceed five years, whenever to do so would aid the district in the effective and expeditious performance of its duties and would not impair the ability of the district to control and prevent subsidence within the district.

(b) A permit does not become a vested right in the holder. It may be revoked or suspended, or its terms may be modified or amended after notice and public hearing in the manner provided in Section 14 of this Act, whenever reasonably necessary to accomplish the purposes of this Act.

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

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

(b) The application shall state:
(1) the name of the person requesting the permit;
(2) the address of the person requesting the permit;
(3) the location and wellhead elevation of the well or proposed well;
(4) the amount of water being produced or proposed to be produced; and
(5) any other information necessary for the board to control
and prevent subsidence in the district.

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

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

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

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

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

Sec. 24. DECISION AND ISSUANCE OF A PERMIT. (a) Within
a reasonable period of time after the hearing, but not later than
35 days after the hearing, the board shall decide whether or not
to issue a permit and, if so, shall formulate the terms of the
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 prices competitive with those charged by suppliers of
surface water within the district;

(3) the economic impact on the applicant from 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.

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

(e) The permit shall include the following:
(1) the name and address of the person to whom the permit
is issued;
(2) the location of the well;
(3) the date the permit is to expire;
(4) conditions and restrictions placed on the withdrawal
of groundwater; and
H.B. No. 552

(5) any other terms and conditions necessary to control

and prevent subsidence.

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

Sec. 26. ANNUAL REPORTS. 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:

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

(2) the location of the well;

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

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

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

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

and

(7) any other information necessary for the board to control

and prevent subsidence within the district.

Sec. 27. BOARD INVESTIGATIONS. At least once each year
and at any other time that the board considers necessary, the
board shall have its staff and the staff of the Texas Water
Development Board, if necessary, 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 groundwater which may
effect the subsidence of land within the district.

Sec. 28. ANNUAL GROUNDWATER-WITHDRAWAL DETERMINATION. (a)
Before March 31 of each year, the board shall hold a hearing in
the manner provided in Section 14 of this Act to determine the
effects of groundwater withdrawal during the preceding
groundwater-withdrawal year on the subsidence of land within the
district.

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

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

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

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

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

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

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

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

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

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

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

Sec. 35. CONTRACTS. The board may enter into contracts
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. An appeal under
this section must be filed within 45 days after the rule,
regulation, order, or other official action appealed from is
promulgated.

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

(c) 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.

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

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

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

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

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

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

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

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
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.

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

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

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

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

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

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

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

Sec. 49. EMERGENCY. The importance of this legislation
and the crowded condition of the calendars in both houses create
an emergency and an imperative public necessity that the
constitutional rule requiring bills to be read on three several
days in each house be suspended, and this rule is hereby suspended,
and that this Act take effect and be in force from and after its
passage, and it is so enacted.
H.B. No. 552

President of the Senate

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.

Speaker of the House

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

Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
MAY 23, 1975

Secretary of State
A BILL TO BE ENTITLED

AN ACT

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

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>FEB 5 1975</td>
<td>Filed with the Chief Clerk of the House.</td>
</tr>
<tr>
<td>FEB 10 1975</td>
<td>Read first time and Referred to Committee on Natural Resources.</td>
</tr>
<tr>
<td>3-5-75</td>
<td>Fiscal note requested from Legislative Budget Board by</td>
</tr>
<tr>
<td>APR 4 1975</td>
<td>Reported favorably (amended) and sent to Printer</td>
</tr>
<tr>
<td>APR 17 1975</td>
<td>Printed, distributed by Calendar Clerk and sent to Committee on Calendar 1690 D. M.</td>
</tr>
<tr>
<td>APR 17 1975</td>
<td>Read second time (amended) and ordered engrossed by (Non-record vote) (Record Vote of _____ yeas, _____ nays, and _____ present and not voting).</td>
</tr>
<tr>
<td>APR 18 1975</td>
<td>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).</td>
</tr>
<tr>
<td>APR 18 1975</td>
<td>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.</td>
</tr>
<tr>
<td>APR 18 1975</td>
<td>Read third time (amended) and finally passed by following vote: Record Vote 105 aye 0 nay.</td>
</tr>
<tr>
<td>APR 17 1975</td>
<td>Caption ordered amended to conform to body of bill.</td>
</tr>
<tr>
<td>APR 17 1975</td>
<td>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).</td>
</tr>
</tbody>
</table>

Dorothy Hallman
Chief Clerk of the House

Ona Huffin
Engrossing Clerk of the House
16. Received from the House.

17. Read, referred to Committee on ____________.

18. Reported favorably.

19. Reported adversely, with favorable Committee Substitute; Committee Substitute read first time.

20. Ordered not printed.

21. Regular order of business suspended by ____________.

22. To permit consideration, reading and passage, Senate and Constitutional Rules suspended by vote of _______ yeas, _______ nays.

23. Read second time passed to third reading by: "viva voce" vote.

24. Caption ordered amended to conform to body of bill.

25. Senate and Constitutional 3-Day Rules suspended by vote of _______ yeas, _______ nays to place bill on third reading and final passage.

26. Read third time and passed by _______ yeas, _______ nays.

OTHER ACTION:

27. Returned to the House.

28. Received from the Senate (with amendments).

RETURNED FROM SENATE ____________.

"Voted to printer".

Chief Clerk, House of Representatives