### **BILL ANALYSIS**

Senate Research Center

S.B. 1406 By: Lucio Natural Resources 4-7-97 As Filed

#### **DIGEST**

Currently, the watermasters and water divisions of the Texas Natural Resource Conservation Commission are responsible for administrating adjudicated water rights in Texas. The watermaster program is financed by local water right user fees. Under current law, the local water right user fees are transmitted to the state treasurer. On certain occasions, special legislation had to be approved so that these funds were not swept into the general fund at the end of a fiscal year. Additionally, local water rights holders who pay for the watermaster operation believe that there should be a formal mechanism which allows those individuals to express their concerns and ideas in the operation of the watermaster office. This bill will provide procedures regarding the duties and operations of a watermaster's office, reimbursement to the Texas Natural Resource Conservation Commission for the compensation and necessary expenses of a watermaster's office, and the creation and administration of the watermaster fund.

#### **PURPOSE**

As proposed, S.B. 1406 provides procedures regarding the duties and operations of a watermaster's office, reimbursement of the Texas Natural Resource Conservation Commission for the compensation and necessary expenses of a watermaster's office, and the creation and administration of the Watermaster Fund.

# **RULEMAKING AUTHORITY**

Rulemaking authority is granted to the Texas Natural Resource Conservation Commission in SECTION 5 (Section 11.3291(a), Water Code) of this bill.

## **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 11.326, Water Code, to require the executive director of the Texas Natural Resource Conservation Commission (executive director) to supervise and generally direct a watermaster in the performance of the watermaster's duties as defined in Section 11.327. Provides that a watermaster is responsible directly to the executive director for the proper performance of the watermaster's duties.

SECTION 2. Amends Chapter 11G, Water Code, by adding Section 11.3261, as follows:

Sec. 11.3261. WATERMASTER ADVISORY COMMITTEE. Establishes a Watermaster Advisory Committee (committee). Sets forth regulations governing the committee.

SECTION 3. Amends Section 11.327, Water Code, to prohibit a watermaster's duties from including duties not directly associated with the duties defined in Subsections (a)-(c), or duties which relate to other activities, programs, or purposes of the Texas Natural Resource Conservation Commission (TNRCC) except duties as may directly benefit the holders of water rights in respect to their water rights when approved by the watermaster advisory committee and executive director.

SECTION 4. Amends Section 11.329, Water Code, to require necessary expenses to be limited to, rather than to authorize, necessary expenses to include, costs associated with streamflow measurement and monitoring, water accounting, assessment billing and collection done by a watermaster, and other duties a watermaster may be required to perform under this subchapter.

Requires the executive director, after the adjudication decree becomes final, and each fiscal year thereafter, to notify by July 1 of each fiscal year each holder of water rights under the decree of the budget for the watermaster operations showing the amount of compensation and expenses that will be required annually for the administration of water rights so determined. Requires this budget to be furnished to the watermaster advisory committee for comment at least 30 days prior to notification to each holder of water rights. Requires TNRCC to hold a public hearing on the required annual amount as set out in the budget if requested in writing by 10 water right holders filed with TNRCC on or before August 1 of each fiscal year. Requires the executive director to collect the assessments and to account for assessments separately for each water division watermaster operation and to deposit assessments collected to a special fund known as the watermaster fund (fund) established and governed by Section 11.3291 of this subchapter. Deletes existing text requiring the executive director to transmit all collections to the state treasurer. Makes conforming and nonsubstantive changes.

SECTION 5. Amends Chapter 11G, Water Code, by adding Section 11.3291, as follows:

Sec. 11.3291. WATERMASTER FUND. Provides that the fund is created as a special fund in the state treasury and requires the fund to be administered by TNRCC under this chapter and rules adopted by TNRCC. Provides that the legislature hereby appropriates without further legislative action any funds deposited in the fund as provided by this subchapter, and the fund is created, and shall be maintained to pay for certain items. Requires the fund to be accounted for separately according to the appropriate water division from which the watermaster's assessment is collected. Requires the fund to consist of certain monies. Authorizes TNRCC to invest, reinvest, and direct the investment of any available money in the fund as provided by law for the investment of money under Section 404.024, Government Code.

SECTION 6. Effective date: September 1, 1997.

SECTION 7. Emergency clause.