

## **BILL ANALYSIS**

Senate Research Center  
83R5659 MMC-F

H.B. 752  
By: Longoria (Hinojosa)  
Natural Resources  
4/26/2013  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Several years ago the Texas Legislature passed legislation regarding the effect of subdivision of nonagricultural land on water rights applicable to certain water districts in certain South Texas counties. Interested parties contend that the purpose of such law is to address the water supply needs of urbanizing areas along the Rio Grande. Currently a municipal water supplier that serves certain land may petition an applicable district to convert the proportionate irrigation water right to the Rio Grande from irrigation use to municipal use for the use and benefit of the municipal water supplier. A municipal water supplier may contract to purchase the proportionate water rights at a capped price or contract to use water associated with the proportionate water rights for at least 40 years at a capped price.

Interested parties note that when the legislation was enacted the La Joya Water Supply Corporation had the right as a municipal water supplier to take advantage of the water supply and water pricing provisions that the legislation offered. However, the parties contend that when the water supply corporation converted to the Agua Special Utility District a few years ago it no longer could make use of such provisions because it was not considered a municipal water supplier under such law even though the district's core business of supplying potable water to customers remained the same. H.B. 752 seeks to address this issue and benefit the customers of the Agua Special Utility District and developers within the area because it could give Agua Special Utility District the opportunity to buy or lease additional water at prices that are certain and in some cases may be less than the going market value of the water.

H.B. 752 amends current law relating to the types of entities that are considered municipal water suppliers for purposes of the law governing the effect of the subdivision of certain land on certain irrigation water rights.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 49.501, Water Code, to redefine "municipal water supplier" to mean a municipality, a water supply corporation, or a special utility district converted from a water supply corporation.

SECTION 2. Effective date: upon passage or September 1, 2013.