

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 1031
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Intergovernmental Relations
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Harris-Galveston Subsidence District (district) was created in 1975 to control and prevent subsidence within the district by reducing groundwater withdrawals. This goal is achieved through a regulatory plan that requires converting groundwater supplies to alternative water supplies. The legislature created several regional water authorities to aid in the water supply conversion process.

C.S.S.B. 1031 updates the district's statute to recognize large aggregate permits. In addition, several administrative changes are made to clarify certain permit exemptions, provide for appointment of an investment officer, and define certain terms.

C.S.S.B. 1031 amends current law relating to the Harris-Galveston Subsidence District, and provides authority to impose a fee.

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 8801.001, Special District Local Laws Code, by adding Subdivision (4-c) to define "regional water supplier."

SECTION 2. Amends Subchapter B, Chapter 8801, Special District Local Laws, by adding Section 8801.066, as follows:

Sec. 8801.066. INVESTMENT OFFICER. (a) Authorizes the board of the Harris-Galveston Subsidence District (board) (district), notwithstanding Section 2256.005(f) (relating to requiring each investing entity to designate one or more certain persons as an investment officer, and setting forth restrictions and provisions for the investment officer's duties), Government Code, to contract with a person to act as investment officer of the district.

(b) Requires the investment officer to:

(1) not later than the first anniversary of the date the officer takes office or assumes the officer's duties, attend a training session of at least six hours of instruction relating to investment responsibilities under Chapter 2256 (Public Funds Investment), Government Code; and

(2) attend at least four hours of additional investment training within each two-year period after the first year.

(c) Requires that training under this section be from an independent source approved by the board, or a designated investment committee advising the investment officer.

(d) Requires that training under this section include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with Chapter 2256, Government Code.

SECTION 3. Amends Sections 8801.110(c) and (e), Special District Local Laws Code, as follows:

(c) Requires that written notice of a hearing other than a hearing on a permit application be given to certain persons and entities, including to each county, regional water supplier, and municipal government in the district.

(e) Requires that a copy of the notice be provided to each county clerk to be posted in the place where notices are usually posted at the county courthouse of each county in the district.

SECTION 4. Amends Section 8801.115, Special District Local Laws Code, to make a nonsubstantive change.

SECTION 5. Amends Section 8801.117(a), Special District Local Laws Code, to require the board to hold an annual hearing, rather than requiring the board, not later than March 31 of each year, to hold a hearing, to determine the effects of groundwater withdrawal during the preceding calendar year on subsidence in the district.

SECTION 6. Amends Section 8801.151, Special District Local Laws Code, as follows:

Sec. 8801.151. GROUNDWATER WITHDRAWALS SUBJECT TO BOARD RULE.

(a) Creates this subsection from existing text and makes no further change to this subsection.

(b) Authorizes the board to issue permits to drill new wells and authorizes the board, by rule, to provide exemptions from the permit requirements. Requires the district to grant a permit to drill and operate a new well inside a platted subdivision if an applicant provides official documentation from the local retail public utility affirming that water service will not be available to the lot where the well is located. Requires the applicant, if more than one retail public utility is authorized to provide service to the lot where the well is to be located, to provide official documentation from each of the utilities.

(c) Defines "retail public utility" in this section.

(d) Prohibits the district from counting the volume of water withdrawn under a permit issued under Subsection (b) against a groundwater reduction plan of a retail public utility.

SECTION 7. Amends Section 8801.152, Special District Local Laws Code, as follows:

Sec. 8801.152. New heading: CERTAIN GROUNDWATER USES EXEMPT. Provides that the permit requirements, rather than the regulatory provisions, of this chapter (Harris-Galveston Subsidence District) do not apply to a well regulated under Chapter 27 (Injection Wells), Water Code, a well with a casing diameter of less than five inches that serves only a single-family dwelling, and any other well as provided by board rule.

SECTION 8. Amends Sections 8801.155(a) and (c), Special District Local Laws Code, as follows:

(a) Requires a well owner, rather than the owner or operator of a well located in the district, to obtain a permit from the board before taking certain actions.

(c) Changes references to an owner or operator to a well owner.

SECTION 9. Amends Section 8801.158(c), Special District Local Laws Code, to require the board to issue a permit to an applicant if, on presentation of adequate proof, the board finds that there is no other adequate and available substitute or supplemental source of alternative water supplies, rather than surface water, at prices competitive with the prices charged by suppliers of alternative water supplies, rather than surface water, in the district, and that compliance with any provision of this chapter or any district rule will result in an arbitrary taking of property or in the practical closing and elimination of a lawful business, occupation, or activity without sufficient corresponding benefit or advantage to the public.

SECTION 10. Amends Section 8801.161(b-1), Special District Local Laws Code, to prohibit the fee under Subsection (a) (relating to requiring the board to collect a permit fee from an applicant, any time the board issues or renews a permit) from exceeding 110 percent of the highest rate that the City of Houston charges for water, rather than surface water, supplied to its customers in the district.

SECTION 11. Amends Section 8801.162, Special District Local Laws Code, as follows:

Sec. 8801.162. ANNUAL REPORT. (a) Creates this subsection from existing text. Requires a well owner who is required to hold a permit, rather than a well owner who holds a permit, under this chapter, before January 31 of each year, to submit to the board a report stating certain information, including the total amount of groundwater withdrawn from the well during the preceding calendar year, rather than during the preceding 12-month period, and the total amount of groundwater withdrawn from the well during each month of the preceding calendar year, rather than during each month of the preceding 12-month period.

(b) Requires a well owner whose well is aggregated with other wells permitted and managed by a regional water supplier, for the purposes of this section, to file the report with the regional water supplier instead of the district. Requires water suppliers to annually submit to the board the report required in Subsection (a) for all wells owned, managed, or permitted by that supplier no later than March 31.

SECTION 12. Repealer: Sections 8801.163(a) (defining "alternative water supply" in this section), Special District Local Laws Code.

SECTION 13. Requires an investment officer for the district who holds that office on the effective date of this Act to attend the training required by Section 8801.066(b)(1), Special District Local Laws Code, as added by this Act, not later than the first anniversary of the effective date of this Act.

SECTION 14. Effective date: upon passage or September 1, 2013.