

BILL ANALYSIS

Senate Research Center
84R10066 SLB-D

H.B. 3858
By: Stephenson (Kolkhorst)
Administration
5/5/2015
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Interested parties note that current law generally prescribes certain groundwater conservation district export fees but further observe that the enabling legislation of certain districts provides for higher export fees, including certain groundwater conservation districts and subsidence districts in the Houston area that have fee caps based on the water rates charged by the City of Houston. The parties contend that other districts in the region that do not have these higher fee caps, such as the Coastal Bend Groundwater Conservation District, are at a competitive disadvantage to the districts that do have such caps. The parties assert that districts in the same region should have the same fee caps to ensure the districts are all on equal footing as the demand for new water supplies continues to grow. H.B. 3858 seeks to address this issue.

H.B. 3858 amends the Special District Local Laws Code to add as a purpose for the Coastal Bend Groundwater Conservation District's imposition of taxes, assessment of fees, and solicitation and acceptance of grants the accomplishment of the district's regulatory goals. The bill changes the production fees the district may assess from general production fees to production fees as authorized by certain Water Code provisions governing groundwater conservation districts. The bill caps the district's export fee at 150 percent of the maximum wholesale water rate charged by the City of Houston and authorizes the district to assess other fees authorized by Water Code provisions governing groundwater conservation districts.

H.B. 3858 amends current law relating to fees charged by the Coastal Bend Groundwater Conservation District.

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 8829.151, Special District Local Laws Code, as follows:

Sec. 8829.151. New heading: DISTRICT REVENUE AND FEES. Authorizes the Coastal Bend Groundwater Conservation District (district), to accomplish the regulatory goals of the district, and to pay the district's maintenance and operating costs, to:

- (1) impose an ad valorem tax at a rate not to exceed five cents for each \$100 of taxable value of property in the district;
- (2) assess production fees as authorized by Section 36.205 (Authority to Set Fees), Water Code, rather than assess general production fees;
- (3) solicit and accept grants from any public or private source;
- (4) assess an export fee on water exported from the district in an amount not to exceed 150 percent of the maximum wholesale water rate charged by the City of Houston, rather than assess a transfer fee on water exported from the district; and

(5) assess other fees authorized by Chapter 36 (Groundwater Conservation Districts), Water Code.

SECTION 2. Effective date: upon passage or September 1, 2015.