

BILL ANALYSIS

H.B. 3298
By: Larson
Natural Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties contend that the state needs greater efficiency and flexibility to transfer water entitlements from one water user to another through market mechanisms and to convey water from areas of relative abundance to areas of relative shortage. H.B. 3298 seeks to address this issue.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 3298 requires the Texas Water Development Board (TWDB) to conduct a study to evaluate improvements to the transfer of water entitlements in Texas and the establishment of a water grid, including an integrated network of pipelines, pumping stations, reservoirs, and other works for the conveyance of water between river basins, water sources, and areas of water use in Texas. The bill requires the TWDB, in conducting the study, to review studies previously conducted as part of the state water planning process or otherwise; identify the necessary and useful features of an efficient market for water; examine case studies of water markets in other jurisdictions both within and outside the United States; identify and evaluate potential sources of water for the market and the water grid; identify and evaluate potential areas of use for water delivered by the water grid; evaluate alternative facilities with varying capacities, source and delivery points, and alignments and whether the water grid should convey treated or untreated water in each conveyance reach; develop a strategy for the water grid that will achieve optimal results for water use efficiency, water supply reliability, economic efficiency, the functioning of a market for water transfers, and the protection and enhancement of water rights, investments, and the natural environment; connect the establishment, construction, operation, and management of the water grid to the state water planning process; evaluate alternative methods for ownership, construction, operation, maintenance, control, and financing of the water grid; identify and evaluate methods to fund the establishment of a water grid; evaluate methods of incorporating existing water conveyance infrastructure into a water grid; consult with the Texas Commission on Environmental Quality, the Public Utility Commission of Texas, the Railroad Commission of Texas, and the General Land Office; and offer the public an opportunity to submit written comments on the study for consideration by the TWDB, with a comment period lasting at least 30 days following publication of a draft report.

H.B. 3298 requires the TWDB, not later than September 1, 2016, to submit to the legislature a

final written report containing the study's findings and TWDB recommendations for any legislation or other action necessary to implement the program. The bill's provisions expire September 1, 2017.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.