

BILL ANALYSIS

C.S.H.B. 1318
By: Lucio III
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties note that there is a growing trend of groundwater conservation districts basing water production permits on the acreage owned by the permit applicant. The parties contend that this policy does not work for a retail public utility in a rural area that may only own a small well site that needs to serve a community of people. C.S.H.B. 1318 seeks to address this issue by revising the manner in which a district regulates the production of groundwater based on tract size or acreage.

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

C.S.H.B. 1318 amends the Water Code to remove an authorization for a groundwater conservation district to consider the service needs or service area of a retail public utility in regulating the production of groundwater based on tract size or acreage. The bill instead requires a groundwater conservation district regulating a retail public utility's production of groundwater in such manner to consider the aggregate contiguous acreage owned or leased by the utility in the district and to also consider the aggregate contiguous acreage owned or leased by the utility's customers inside the district if the customer dedicates its acreage for such a purpose in an amount of acreage per customer sufficient to provide service to that customer, but not to exceed five acres per customer. The bill specifies that contiguous acreage includes acreage connected through the utility's distribution system and prohibits the district from including the acreage associated with a customer's permitted wells and registered wells with the aggregated acreage dedicated to the utility. The bill requires the district's board of directors to record in its minutes the factors provided by the bill's provisions considered by the district.

EFFECTIVE DATE

September 1, 2017.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 1318 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Section 36.116(c), Water Code, is amended to read as follows:

(c) In regulating the production of groundwater based on tract size or acreage, a district shall ~~may~~ consider the aggregate acreage owned by the retail public utility and the retail public utility's customers inside the district and may subtract permitted wells from that acreage ~~[service needs or service area of a retail public utility]~~.

For the purposes of this subsection, "retail public utility" has ~~[shall have]~~ the meaning assigned ~~[provided]~~ by Section 13.002.

SECTION 2. This Act takes effect September 1, 2017.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 36.116(c), Water Code, is amended to read as follows:

(c) In regulating a retail public utility's ~~[the]~~ production of groundwater based on tract size or acreage, a district shall ~~may~~ consider the aggregate contiguous acreage owned or leased by the retail public utility in the district. A district shall also consider the aggregate contiguous acreage owned or leased by the retail public utility's customers inside the district if the customer dedicates its acreage for this purpose in an amount of acreage per customer sufficient to provide service to that customer, but not to exceed five acres per customer. The district may not include the acreage associated with a customer's permitted wells and registered wells with the aggregated acreage dedicated to the retail public utility ~~[service needs or service area of a retail public utility]~~. The board shall record in its minutes the factors provided by this subsection considered by the district. For the purposes of this subsection:

(1) "Retail~~[-"retail]~~ public utility" has ~~[shall have]~~ the meaning assigned ~~[provided]~~ by Section 13.002.

(2) "Contiguous acreage" includes acreage connected through a retail public utility's distribution system.

SECTION 2. Same as introduced version.