

BILL ANALYSIS

Senate Research Center
81R10278 SLB-F

H.B. 2208
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Natural Resources
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Rio Grande Regional Water Authority (authority) sets the current market value of the water it sells to purchasers in the authority's certificate of convenience and necessity (CCN) every year. The authority calculates current market value per acre-foot of municipal use water after conversion from irrigation use water by using the average of the last three purchases involving a municipal water supplier, a party other than a municipal water supplier, and at least 100 acre-feet of municipal use water, with the municipal priority of allocation.

A complication in the current formula arises when purchasers from outside the authority's CCN want to purchase water from a supplier subject to purchasers subject to the CCN. These discounts skew the current market value formula when a purchaser not subject to the CCN wants to purchase water from the authority.

H.B. 2208 requires the Rio Grande Regional Water Authority to exclude sales between municipal water suppliers and purchasers from the current market value formula provided for in Section 49.509 (Duty of Rio Grande Regional Water Authority to Calculate Current Market Value), Water Code.

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 49.509, Water Code, by amending Subsection (a) and adding Subsection (d), as follows:

(a) Provides that the provisions of this subsection are subject to Subsection (d). Makes a nonsubstantive change.

(d) Defines "outer boundaries of a district." Requires the Rio Grande Regional Water Authority to exclude from the calculation of current market value under Subsection (a) any sale between a municipal water supplier (supplier) and a district if any part of the district's territory inside the outer boundaries of the district is subject to the supplier's certificate of convenience and necessity or is in the corporate limits of the municipality served by the supplier, if the supplier does not hold a certificate of convenience and necessity.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2009.