

1-1 By: Perry S.B. No. 1392  
 1-2 (In the Senate - Filed March 7, 2017; March 16, 2017, read  
 1-3 first time and referred to Committee on Agriculture, Water & Rural  
 1-4 Affairs; May 10, 2017, reported adversely, with favorable  
 1-5 Committee Substitute by the following vote: Yeas 5, Nays 2;  
 1-6 May 10, 2017, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8	X			
1-9				
1-10		X		
1-11	X			
1-12	X			
1-13	X			
1-14		X		
1-15	X			

1-16 COMMITTEE SUBSTITUTE FOR S.B. No. 1392 By: Hinojosa

1-17 A BILL TO BE ENTITLED  
 1-18 AN ACT

1-19 relating to groundwater conservation districts.

1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-21 SECTION 1. Sections 36.001(2) and (7), Water Code, are  
 1-22 amended to read as follows:

1-23 (2) "Commission" means the Texas ~~Natural Resource~~  
 1-24 ~~Conservation~~ Commission on Environmental Quality or its  
 1-25 successor.

1-26 (7) "Subdivision of a groundwater reservoir" means a  
 1-27 definable part of a groundwater reservoir in which the groundwater  
 1-28 supply will not be appreciably affected by withdrawing water from  
 1-29 any other part of the reservoir, as indicated by known geological  
 1-30 and hydrological conditions and relationships ~~[and on foreseeable~~  
 1-31 ~~economic development]~~ at the time the subdivision is designated or  
 1-32 altered.

1-33 SECTION 2. Section 36.0015(b), Water Code, is amended to  
 1-34 read as follows:

1-35 (b) In order to provide for the conservation, preservation,  
 1-36 protection, recharging, and prevention of waste of groundwater, and  
 1-37 of groundwater reservoirs or their subdivisions, and to control  
 1-38 subsidence caused by withdrawal of water from those groundwater  
 1-39 reservoirs or their subdivisions, consistent with the objectives of  
 1-40 Section 59, Article XVI, Texas Constitution, groundwater  
 1-41 conservation districts may be created as provided by this chapter.  
 1-42 Groundwater conservation districts created as provided by this  
 1-43 chapter are the state's preferred method of groundwater management  
 1-44 in order to:

- 1-45 (1) protect property rights;
- 1-46 (2) ~~[,]~~ balance the conservation and development of  
 1-47 groundwater to meet the needs of this state;
- 1-48 (3) ~~[, and]~~ use the best available science; and
- 1-49 (4) treat each groundwater owner fairly ~~[in the~~  
 1-50 ~~conservation and development of groundwater through rules~~  
 1-51 ~~developed, adopted, and promulgated by a district in accordance~~  
 1-52 ~~with the provisions of this chapter].~~

1-53 SECTION 3. Sections 36.002(a) and (b), Water Code, are  
 1-54 amended to read as follows:

1-55 (a) A ~~[The legislature recognizes that a]~~ landowner owns the  
 1-56 groundwater below the surface of the landowner's land as real  
 1-57 property.

1-58 (b) The groundwater ownership and rights described by this  
 1-59 section entitle the landowner, including a landowner's lessees,  
 1-60 heirs, or assigns, to:

2-1 (1) drill for and produce the groundwater below the  
2-2 surface of real property, subject to Subsection (d), without  
2-3 causing waste or malicious drainage of other property or  
2-4 negligently causing subsidence; ~~and~~

2-5 (2) the right to use groundwater for a beneficial use  
2-6 without causing waste; and

2-7 (3) ~~have~~ any other right recognized under common  
2-8 law.

2-9 SECTION 4. Section 36.020(a), Water Code, is amended to  
2-10 read as follows:

2-11 (a) At an election to create a district, the temporary  
2-12 directors may include a proposition for the issuance of bonds or  
2-13 notes, the levy of taxes to retire all or part of the bonds or notes,  
2-14 and the levy of a maintenance tax. The maintenance tax rate may not  
2-15 exceed 37.5 ~~50~~ cents on each \$100 of assessed valuation.

2-16 SECTION 5. Section 36.062, Water Code, is amended to read as  
2-17 follows:

2-18 Sec. 36.062. OFFICES AND MEETING PLACES. (a) The board  
2-19 shall designate from time to time and maintain one or more regular  
2-20 offices for conducting the business of the district and maintaining  
2-21 the records of the district. Such offices must be reasonably  
2-22 accessible to members of the public who reside in the district and  
2-23 may be located either inside or outside the district's boundaries  
2-24 as determined in the discretion of the board.

2-25 (b) The board shall designate one or more places reasonably  
2-26 accessible to members of the public who reside in the district  
2-27 inside or outside the district for conducting the meetings of the  
2-28 board.

2-29 SECTION 6. Section 36.101(c), Water Code, is amended to  
2-30 read as follows:

2-31 (c) The board shall compile its rules and make them  
2-32 available for use and inspection at each of the district's offices  
2-33 ~~[principal office].~~

2-34 SECTION 7. Sections 36.1071(e) and (f), Water Code, are  
2-35 amended to read as follows:

2-36 (e) In the management plan described under Subsection (a),  
2-37 the district shall:

2-38 (1) identify the performance standards and management  
2-39 objectives under which the district will operate to achieve the  
2-40 management goals identified under Subsection (a);

2-41 (2) specify, in as much detail as possible, the  
2-42 actions, procedures, performance, and avoidance that are or may be  
2-43 necessary to effect the plan, including specifications and proposed  
2-44 rules; and

2-45 (3) include estimates of the following:

2-46 (A) modeled available groundwater in the  
2-47 district based on the desired future condition established under  
2-48 Section 36.108;

2-49 (B) the amount of groundwater being used within  
2-50 the district on an annual basis;

2-51 (C) the annual amount of recharge from  
2-52 precipitation, if any, to the groundwater resources within the  
2-53 district;

2-54 (D) for each aquifer, the estimated annual volume  
2-55 of water that discharges:

2-56 (i) from the aquifer to springs and any  
2-57 surface water bodies, including lakes, streams, and rivers; and  
2-58 (ii) through evaporation or transpiration;

2-59 and  
2-60 (E) the annual volume of lateral and vertical  
2-61 flow into and out of the district within each aquifer and between  
2-62 aquifers in the district ~~[if a groundwater availability model is~~  
2-63 ~~available,~~

2-64 ~~[(F) the projected surface water supply in the~~  
2-65 ~~district according to the most recently adopted state water plan,~~  
2-66 ~~and~~

2-67 ~~[(G) the projected total demand for water in the~~  
2-68 ~~district according to the most recently adopted state water plan,~~  
2-69 ~~and~~

3-1 ~~[(4) consider the water supply needs and water~~  
 3-2 ~~management strategies included in the adopted state water plan].~~

3-3 (f) The district shall adopt rules necessary to implement  
 3-4 the management plan. Prior to the development of the management  
 3-5 plan and its approval under Section 36.1072, the district may not  
 3-6 adopt rules other than rules pertaining to the registration and  
 3-7 interim permitting of new and existing wells and rules governing  
 3-8 spacing and procedure before the district's board; however, the  
 3-9 district may not adopt any rules limiting the production of wells,  
 3-10 except rules requiring that groundwater produced from a well be put  
 3-11 to a nonwasteful, beneficial use. A newly created [The] district  
 3-12 may accept applications for permits under Section 36.113, provided  
 3-13 the district does not act on any such application until the  
 3-14 district's initial management plan is approved as provided in  
 3-15 Section 36.1072.

3-16 SECTION 8. Section 36.108, Water Code, is amended by  
 3-17 amending Subsections (c), (d), (d-3), and (d-4) and adding  
 3-18 Subsections (c-1) and (c-2) to read as follows:

3-19 (c) The district representatives shall meet at least  
 3-20 annually to conduct joint planning with the other districts in the  
 3-21 management area and to review the management plans, the  
 3-22 accomplishments of the management area, and proposals to adopt new  
 3-23 or amend existing desired future conditions. In reviewing the  
 3-24 management plans, the districts shall consider:

3-25 (1) the goals of each management plan and its impact on  
 3-26 planning throughout the management area;

3-27 (2) the effectiveness of the measures established by  
 3-28 each district's management plan for conserving and protecting  
 3-29 groundwater and preventing waste, and the effectiveness of these  
 3-30 measures in the management area generally;

3-31 (3) any other matters that the boards consider  
 3-32 relevant to the protection and conservation of groundwater and the  
 3-33 prevention of waste in the management area; and

3-34 (4) the degree to which ~~[each management plan~~  
 3-35 ~~achieves]~~ the desired future conditions in the management area are  
 3-36 being achieved [established during the joint planning process].

3-37 (c-1) Districts in a management area jointly shall  
 3-38 delineate the boundaries of each subdivision of a groundwater  
 3-39 reservoir in the management area, using the best available science.  
 3-40 On request by a district, the development board shall provide  
 3-41 technical assistance with the development of the initial boundaries  
 3-42 and any subsequent updates to the boundaries of a subdivision. The  
 3-43 delineated boundaries of each subdivision must be updated as  
 3-44 necessary to accurately reflect the actual boundaries.

3-45 (c-2) Under Subsection (c-1), a district:

3-46 (1) may take into consideration conditions that differ  
 3-47 substantially from one geographic area to another in delineating  
 3-48 boundaries of a subdivision of a groundwater reservoir;

3-49 (2) shall report to the development board the surface  
 3-50 level boundaries of a subdivision of a groundwater reservoir using  
 3-51 metes and bounds; and

3-52 (3) shall maintain in each office of the districts in  
 3-53 the management area copies of the delineations of the subdivisions  
 3-54 of groundwater reservoirs and the report made under Subdivision  
 3-55 (2).

3-56 (d) Not later than September 1, 2010, and every five years  
 3-57 thereafter, the districts shall consider groundwater monitoring  
 3-58 data, groundwater availability models, and other data or  
 3-59 information for the management area and shall propose for adoption  
 3-60 desired future conditions for the relevant aquifers within the  
 3-61 management area. Before voting on the proposed desired future  
 3-62 conditions of the aquifers under Subsection (d-2), the districts  
 3-63 shall consider:

3-64 (1) aquifer uses or conditions within the management  
 3-65 area, including conditions that differ substantially from one  
 3-66 geographic area to another;

3-67 (2) the water supply needs and water management  
 3-68 strategies included in the state water plan;

3-69 (3) hydrological conditions, including for each

4-1 aquifer in the management area the total estimated recoverable  
4-2 storage as provided by the executive administrator, and the average  
4-3 annual recharge, inflows, and discharge;

4-4 (4) other environmental impacts, including impacts on  
4-5 spring flow and other interactions between groundwater and surface  
4-6 water;

4-7 (5) the impact on subsidence;

4-8 (6) socioeconomic impacts reasonably expected to  
4-9 occur;

4-10 (7) the impact on the interests and rights in private  
4-11 property, including ownership and the rights of management area  
4-12 landowners and their lessees and assigns in groundwater as  
4-13 recognized under Section 36.002;

4-14 (8) the feasibility of achieving the desired future  
4-15 condition and the degree to which any previously adopted desired  
4-16 future condition is being achieved; and

4-17 (9) any other information relevant to the specific  
4-18 desired future conditions.

4-19 (d-3) After the earlier of the date on which all the  
4-20 districts have submitted their district summaries or the expiration  
4-21 of the public comment period under Subsection (d-2), the district  
4-22 representatives shall reconvene to review the reports, consider any  
4-23 district's suggested revisions to the proposed desired future  
4-24 conditions, and finally adopt the desired future conditions for the  
4-25 management area. The desired future conditions must be approved by  
4-26 [adopted as] a resolution adopted by a two-thirds vote of all the  
4-27 district representatives not later than the 90th day after the date  
4-28 the public comment period expires. Not later than the 180th day  
4-29 after the expiration of the public comment period, the [The]  
4-30 district representatives shall produce a desired future conditions  
4-31 explanatory report for the management area and submit to the  
4-32 development board and each district in the management area proof  
4-33 that notice was posted for the joint planning meeting, a copy of the  
4-34 resolution, and a copy of the explanatory report. The report must:

4-35 (1) identify each desired future condition;

4-36 (2) provide the policy and technical justifications  
4-37 for each desired future condition;

4-38 (3) include documentation that the factors under  
4-39 Subsection (d) were considered by the districts and a discussion of  
4-40 how the adopted desired future conditions impact each factor;

4-41 (4) list other desired future condition options  
4-42 considered, if any, and the reasons why those options were not  
4-43 adopted; and

4-44 (5) discuss reasons why recommendations made by  
4-45 advisory committees and relevant public comments received by the  
4-46 districts were or were not incorporated into the desired future  
4-47 conditions.

4-48 (d-4) Not later than the 180th day after the date the public  
4-49 comment period expires, the district shall submit the explanatory  
4-50 report under Subsection (d-3) to the development board and [As soon  
4-51 as possible after a district receives the desired future conditions  
4-52 resolution and explanatory report under Subsection (d-3), the  
4-53 district shall] adopt the desired future conditions in the  
4-54 resolution required by Subsection (d-3) and the explanatory report  
4-55 that apply to the district.

4-56 SECTION 9. Section 36.1083(e), Water Code, is amended to  
4-57 read as follows:

4-58 (e) Not later than the 10th day after receiving a petition  
4-59 described by Subsection (b), the district shall submit a copy of the  
4-60 petition to the development board and to each district in the  
4-61 management area. On receipt of the petition, the development board  
4-62 shall conduct:

4-63 (1) an administrative review to determine whether the  
4-64 desired future condition established by the district meets the  
4-65 criteria in Section 36.108(d); and

4-66 (2) a study containing scientific and technical  
4-67 analysis of the desired future condition, including consideration  
4-68 of:

4-69 (A) the hydrogeology of the aquifer;

- 5-1 (B) the explanatory report provided to the
- 5-2 development board under Section 36.108(d-3);
- 5-3 (C) the factors described under Section
- 5-4 36.108(d); and
- 5-5 (D) any relevant:
- 5-6 (i) groundwater availability models;
- 5-7 (ii) published studies;
- 5-8 (iii) estimates of total recoverable
- 5-9 storage capacity;
- 5-10 (iv) average annual amounts of recharge,
- 5-11 inflows, and discharge of groundwater; or
- 5-12 (v) information provided in the petition or
- 5-13 available to the development board.

5-14 SECTION 10. Section 36.113(d), Water Code, is amended to  
5-15 read as follows:

5-16 (d) This subsection does not apply to the renewal of an  
5-17 operating permit issued under Section 36.1145. Before granting or  
5-18 denying a permit, or a permit amendment issued in accordance with  
5-19 Section 36.1146, the district shall consider whether:

5-20 (1) the application conforms to the requirements  
5-21 prescribed by this chapter and is accompanied by the prescribed  
5-22 fees;

5-23 (2) for each water well, the proposed spacing of the  
5-24 wells conforms to the district's rules regulating the spacing of  
5-25 wells under Section 36.116;

5-26 (3) the proposed use of water unreasonably affects  
5-27 existing groundwater and surface water resources or existing permit  
5-28 holders;

5-29 (4) the proposed annual production conforms to the  
5-30 district's rules regulating the groundwater production of wells  
5-31 under Section 36.116;

5-32 (5) ~~[(3)]~~ the proposed use of water is dedicated to  
5-33 any beneficial use;

5-34 (6) ~~[(4)] the proposed use of water is consistent with~~  
5-35 ~~the district's approved management plan;~~

5-36 ~~[(5)]~~ if the well will be located in the Hill Country  
5-37 Priority Groundwater Management Area, the proposed use of water  
5-38 from the well is wholly or partly to provide water to a pond, lake,  
5-39 or reservoir to enhance the appearance of the landscape;

5-40 (7) ~~[(6)]~~ the applicant has agreed to avoid waste and  
5-41 achieve water conservation; and

5-42 (8) ~~[(7)]~~ the applicant has agreed that reasonable  
5-43 diligence will be used to protect groundwater quality and that the  
5-44 applicant will follow well plugging guidelines at the time of well  
5-45 closure.

5-46 SECTION 11. Section 36.1131(b), Water Code, is amended to  
5-47 read as follows:

5-48 (b) The permit may include:

5-49 (1) the name and address of the person to whom the  
5-50 permit is issued;

5-51 (2) the location of the well;

5-52 (3) the date the permit is to expire if no well is  
5-53 drilled;

5-54 (4) a statement of the purpose for which the well is to  
5-55 be used;

5-56 (5) a requirement that the water withdrawn under the  
5-57 permit be put to beneficial use at all times;

5-58 (6) the location of the use of the water from the well;

5-59 (7) a water well closure plan or a declaration that the  
5-60 applicant will comply with well plugging guidelines and report  
5-61 closure to the commission;

5-62 (8) the conditions and restrictions~~[, if any,]~~ placed  
5-63 by district rules adopted under Section 36.116 on the rate and  
5-64 amount of withdrawal;

5-65 (9) any conservation-oriented methods of drilling and  
5-66 operating prescribed by the district;

5-67 (10) a drought contingency plan prescribed by the  
5-68 district; and

5-69 (11) other terms and conditions as provided by Section

6-1 36.113.

6-2 SECTION 12. The heading to Section 36.1132, Water Code, is  
6-3 amended to read as follows:

6-4 Sec. 36.1132. DISTRICT MANAGEMENT TO ACHIEVE DESIRED FUTURE  
6-5 CONDITIONS [PERMITS BASED ON MODELED AVAILABLE GROUNDWATER].

6-6 SECTION 13. Section 36.1132, Water Code, is amended by  
6-7 amending Subsection (b) and adding Subsections (b-1) and (b-2) to  
6-8 read as follows:

6-9 (b) In issuing permits, the district shall manage total  
6-10 groundwater production on a long-term basis to achieve an  
6-11 applicable desired future condition and consider:

6-12 (1) the modeled available groundwater determined by  
6-13 the executive administrator;

6-14 (2) preparing a report on the degree to which the  
6-15 desired future conditions are being achieved in the one-year period  
6-16 after the collection of monitoring data from an aquifer and the  
6-17 relevant desired future conditions; and

6-18 (3) participating in a joint groundwater management  
6-19 hearing if the report prepared under Subdivision (2) indicates the  
6-20 desired future conditions are not being achieved.

6-21 (b-1) Not later than the second anniversary of the date of  
6-22 the final adoption of a desired future condition under Section  
6-23 36.108, and every five years thereafter, district representatives  
6-24 in a management area shall develop a report as described by this  
6-25 subsection. The districts shall maintain a copy of the report at  
6-26 each district office. The report must:

6-27 (1) identify and compare the rules adopted under  
6-28 Section 36.116 by each district in the management area; and

6-29 (2) identify differences in rules based on factors  
6-30 considered in the establishment of desired future conditions  
6-31 provided by Section 36.108 and the justification for those  
6-32 differences in the rules.

6-33 (b-2) The joint groundwater management hearing held under  
6-34 Subsection (b)(3) must include a public comment period on the  
6-35 desired future conditions. During the joint groundwater management  
6-36 hearing, the districts shall consider:

6-37 (1) ~~(2)~~ the executive administrator's estimate of  
6-38 the current and projected amount of groundwater produced under  
6-39 exemptions granted by district rules and Section 36.117;

6-40 (2) ~~(3)~~ the amount of groundwater authorized under  
6-41 permits previously issued by the district;

6-42 (3) ~~(4)~~ a reasonable estimate of the amount of  
6-43 groundwater that is actually produced under permits issued by the  
6-44 district; and

6-45 (4) ~~(5)~~ yearly precipitation and production  
6-46 patterns.

6-47 SECTION 14. Section 36.116(a), Water Code, is amended to  
6-48 read as follows:

6-49 (a) In order to minimize as far as practicable the drawdown  
6-50 of the water table or the reduction of artesian pressure, to control  
6-51 subsidence, to prevent interference between wells, to prevent  
6-52 degradation of water quality, or to prevent waste, a district by  
6-53 rule may regulate:

6-54 (1) the spacing of water wells by:

6-55 (A) requiring all water wells to be spaced a  
6-56 certain distance from property lines or adjoining wells; or

6-57 (B) requiring wells with a certain production  
6-58 capacity, pump size, or other characteristic related to the  
6-59 construction or operation of and production from a well to be spaced  
6-60 a certain distance from property lines or adjoining wells; ~~or~~

6-61 ~~[(C) imposing spacing requirements adopted by~~  
6-62 ~~the board,] and~~

6-63 (2) the production of groundwater by:

6-64 (A) setting production limits on wells;

6-65 (B) limiting the amount of water produced based  
6-66 on acreage or tract size;

6-67 (C) limiting the amount of water that may be  
6-68 produced from a defined number of acres assigned to an authorized  
6-69 well site;

7-1 (D) limiting the maximum amount of water that may  
7-2 be produced on the basis of acre-feet per acre or gallons per minute  
7-3 per well site per acre;

7-4 (E) managed depletion; or

7-5 (F) any combination of the methods listed above  
7-6 in Paragraphs (A) through (E).

7-7 SECTION 15. Sections 36.122(h) and (q), Water Code, are  
7-8 amended to read as follows:

7-9 (h) In addition to conditions provided by Section 36.1131,  
7-10 the permit shall specify:

7-11 (1) the maximum amount of water that may be  
7-12 transferred out of the district; and

7-13 (2) the period for which the water may be transferred.

7-14 (q) In applying this section, a district must be fair,  
7-15 impartial, and nondiscriminatory between the transfer of  
7-16 groundwater outside of the district's boundaries and the use of  
7-17 groundwater in the district.

7-18 SECTION 16. Section 36.201(b), Water Code, is amended to  
7-19 read as follows:

7-20 (b) The board may annually levy taxes to pay the maintenance  
7-21 and operating expenses of the district at a rate not to exceed 37.5  
7-22 [50] cents on each \$100 of assessed valuation.

7-23 SECTION 17. Section 36.205(f), Water Code, is amended to  
7-24 read as follows:

7-25 (f) A district [~~, including a district described under~~  
7-26 ~~Subsection (d),~~] may assess a production fee under Subsection (c)  
7-27 and an export fee under Subsection (g), if applicable, for any water  
7-28 produced under an exemption under Section 36.117 if that water is  
7-29 subsequently sold to another person.

7-30 SECTION 18. Section 36.207, Water Code, is amended to read  
7-31 as follows:

7-32 Sec. 36.207. USE OF FEES. (a) A district may use funds  
7-33 obtained from administrative or [~~]~~ production [~~, or export~~] fees  
7-34 collected under a special law governing the district or this  
7-35 chapter for any purpose consistent with the district's approved  
7-36 management plan, including, without limitation, making grants,  
7-37 loans, or contractual payments to achieve, facilitate, or expedite  
7-38 reductions in groundwater pumping or the development or  
7-39 distribution of alternative water supplies.

7-40 (b) A district may use funds obtained from export fees  
7-41 collected under a special law governing the district or this  
7-42 chapter only to enhance:

7-43 (1) monitoring, modeling, and data collection  
7-44 regarding aquifers managed by the district; and

7-45 (2) research on the advancement of the scientific  
7-46 understanding of a district's groundwater resources.

7-47 SECTION 19. Sections 36.4051(a) and (d), Water Code, are  
7-48 amended to read as follows:

7-49 (a) The board may take action on any uncontested application  
7-50 at a properly noticed public meeting held at any time after the  
7-51 public hearing at which the application is scheduled to be heard.  
7-52 The board may issue a written order to:

7-53 (1) grant the application;

7-54 (2) grant the application with special conditions  
7-55 provided that the applicant agrees to the conditions before the  
7-56 issuance of the order; or

7-57 (3) deny the application.

7-58 (d) An applicant may, not later than the 20th day after the  
7-59 date the board issues an order granting or denying the application,  
7-60 demand a contested case hearing [~~if the order:~~

7-61 [~~(1) includes special conditions that were not part of~~  
7-62 ~~the application as finally submitted; or~~

7-63 [~~(2) grants a maximum amount of groundwater production~~  
7-64 ~~that is less than the amount requested in the application].~~

7-65 SECTION 20. Section 8824.101, Special District Local Laws  
7-66 Code, is amended to read as follows:

7-67 Sec. 8824.101. RESTRICTIONS ON GENERAL POWERS. Section  
7-68 [Sections] 36.103 [and 36.104], Water Code, does [de] not apply to  
7-69 the district.

8-1 SECTION 21. Section 8833.102, Special District Local Laws  
8-2 Code, is amended to read as follows:

8-3 Sec. 8833.102. LIMITATIONS ON DISTRICT POWERS. The  
8-4 district may not impose:

- 8-5 (1) a tax; [~~or~~]
- 8-6 (2) a fee on a well used exclusively for domestic or  
8-7 livestock watering purposes; or
- 8-8 (3) production fees for an annual period greater than  
8-9 \$1 per acre-foot for water used for agricultural use or 17 cents per  
8-10 thousand gallons for water used for any other purpose.

8-11 SECTION 22. Section 11, Chapter 1321, Acts of the 77th  
8-12 Legislature, Regular Session, 2001, is amended by adding Subsection  
8-13 (b-1) to read as follows:

8-14 (b-1) The district may not assess production fees for an  
8-15 annual period greater than \$1 per acre-foot for water used for  
8-16 agricultural use or 17 cents per thousand gallons for water used for  
8-17 any other purpose.

8-18 SECTION 23. The following provisions of the Water Code are  
8-19 repealed:

- 8-20 (1) Section 36.001(31), as added by Chapter 415 (H.B.  
8-21 2767), Acts of the 84th Legislature, Regular Session, 2015;
- 8-22 (2) Section 36.104;
- 8-23 (3) Section 36.1072(g);
- 8-24 (4) Section 36.108(d-5);
- 8-25 (5) Sections 36.122(m) and (n); and
- 8-26 (6) Section 36.205(d).

8-27 SECTION 24. Not later than September 1, 2019, a groundwater  
8-28 conservation district in a management area under Section 36.108,  
8-29 Water Code, as amended by this Act, shall meet and delineate the  
8-30 initial boundaries of each subdivision of a groundwater reservoir  
8-31 in the management area as required by Section 36.108(c-1), Water  
8-32 Code, as added by this Act.

8-33 SECTION 25. As soon as practicable after the effective date  
8-34 of this Act, each groundwater conservation district shall adopt  
8-35 rules as necessary to implement the changes in law made by this Act.

8-36 SECTION 26. The changes in law made by this Act apply only  
8-37 to an application for a permit or a permit amendment that is  
8-38 received by a groundwater conservation district on or after the  
8-39 effective date of this Act. An application for a permit or permit  
8-40 amendment that is received before the effective date of this Act is  
8-41 governed by the law in effect on the date the application is  
8-42 received, and that law is continued in effect for that purpose.

8-43 SECTION 27. The changes in law made by this Act apply only  
8-44 to a suit involving a groundwater conservation district that is  
8-45 filed on or after the effective date of this Act. A suit filed  
8-46 before the effective date of this Act is subject to the law in  
8-47 effect on the date the suit is filed, and that law is continued in  
8-48 effect for that purpose.

8-49 SECTION 28. This Act takes effect September 1, 2017.

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