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Every Friday, this newsletter will keep you up to speed on some of the legislation important to Texas Farm Bureau members that Austin staff are following.

Please do not hesitate to contact the appropriate staff with any questions.

Legislative Update

Tort Reform

HB 365: Rep. Andrew Murr's bill expanding the Farm Animal Liability Act was passed out of the House Judiciary & Civil Jurisprudence Committee on Wednesday, March 17, with a unanimous 9-0 vote. The bill will now be sent to the House Calendars Committee where it will be considered for placement on the House Calendar.

This bill addresses a state legislative priority issue established by the Texas Farm Bureau board of directors. A more detailed summary can be accessed <u>here</u>.

TFB **supports** HB 365. (TFB 2021 Policy: Livestock Section 120, Page 15, Lines 43-44, Property Rights Section 150, Page 58, Lines 97-99.)

Water

HB 2851: Relating to the consideration of modeled sustainable groundwater pumping in the adoption of desired future conditions in groundwater conservation districts.

Rep. Lucio III, Eddie (D)

Summary

This bill proposes adding a new factor for Groundwater Conservation Districts (GCDs) to consider when adopting a Desired Future Condition (DFC) for a Groundwater Management Area. The DFC sets the goal that each district must achieve with their regulations. Currently, the GCDs must consider:

- 1. aquifer uses,
- 2. water supply needs and water management strategies,
- 3. hydrological conditions and the average annual recharge, inflows, and discharge,

- 4. other environmental impacts, including impacts on spring flow and other interactions between groundwater and surface water,
- 5. the impact on sinking and settling soil,
- 6. possible socioeconomic impacts,
- 7. the impacts on private property rights,
- 8. the feasibility of achieving the desired future condition; and
- 9. any other information relevant to the specific desired future conditions.

The bill would add *modeled sustainable groundwater pumping* as an additional consideration under criteria (3) above.

"Modeled sustainable groundwater pumping" is defined in the bill as the maximum amount of groundwater that may be produced IN PERPITUITY from an aquifer on an annual basis using the best available science.

The Ogallala aquifer is exempt from considering *modeled sustainable groundwater* pumping in establishing a DFC.

TFB's Opinion

Desired Future Conditions based on this standard would be very restrictive. It would limit the amount of groundwater that may be produced to the amount of aquifer recharge. This would prohibit production that would reduce the amount of aquifer storage. Therefore, making aquifer storage unavailable to landowners, agricultural irrigators, and other large groundwater users.

TFB **opposes** HB 2851. (TFB 2021 Policy: Rural Living Section 183, Pages 116-117, Lines 47-54.)

HB 3619 and **SB 946:** Relating to the consideration of modeled sustainable groundwater pumping in the adoption of desired future conditions in groundwater conservation districts.

Rep. Bowers, Rhetta (D)

Sen. Eckhardt, Sarah (D)

SB 946 was referred to Senate committee on Water, Agriculture and Rural Affairs.

Summary

These companion bills propose adding a new criterion to groundwater conservation districts' (GCDs) considerations of the effects on other users of water before granting or denying a new well permit. In addition to the existing considerations, this bill would require GCDs to consider whether the proposed use of the water would unreasonably affect wells exempt from permitting.

Permit exemptions are granted to only those wells used for domestic or mining purposes. Exempt wells are those "used solely for domestic use or for providing water for livestock or poultry if the well is located on a tract of land larger than 10 acres; and is incapable of producing more than 25,000 gallons of groundwater a day..." or "a water well used solely to supply water...for an oil or gas well permitted by the Railroad Commission of Texas" or "a

water well authorized under a permit issued by the Railroad Commission of Texas...for production from the well to the extent the withdrawals are required for mining activities." TX Water Code, Chapter 36. GCDs, Sec. 36.117. Exemptions.

Basing the denial of a permit on the affect on domestic and livestock wells creates a serious takings issue. Each landowner has a constitutional right to produce their fair share of groundwater from a common aquifer. Fair share is based upon the amount of groundwater that is in place beneath your land. Restricting a landowner's right to produce their fair share based upon the affect on shallow wells in the area is overly restrictive. It is also not a restriction for a legitimate conservation purpose. It is a restriction to benefit other private landowners, which is unconstitutional.

TFB **opposes** HB 3619 and SB 946. (TFB 2021 Policy: Groundwater 153, Page 68, Lines 53-56).

Rural Development

HB 570 and **SB 1710**: Relating to small business recovery funds and insurance tax credits for certain investments in those funds.

Rep. Paddie, Chris (R)
Sen. Springer, Drew (R)

HB 570 was referred to the House International Relations & Economic Development Committee. It was heard in that committee on Wednesday, March 17.

Summary

This bill proposes the creation of an economic development program which would provide tax credits to entities that fund small businesses and businesses that invest in rural areas.

The bill would incentivize the investment of capital in a market driven approach, primarily focused on creating jobs in rural Texas. The program would fall under the control of the Texas Economic Development and Tourism Office, which would set target job creation figures at the time of investment.

The bill safeguards investment in rural areas by having tax credits apply only after the third year of initial investment, so entities would be investing in small and rural businesses *this year* for a tax benefit *several years down the line*. Tax credits would be revoked if the target job creation goals are not met.

TFB **supports** HB 570 and SB 1710. (TFB 2021 Policy: Rural Living 183, Page 117, Line 56).

Texas Farm Bureau State Legislative Team

Billy Howe, Associate Director of Government Affairs

Issue Areas: Natural Resources, Environmental Regulations, Ethics & Elections, and

Appropriations

Email: bhowe@txfb.org

Austin Office Phone: <u>512-472-8288</u> Waco Office Phone: <u>254-751-2208</u>

Charlie Leal, State Legislative Director

Issue Areas: Tort, Utility Regulation, Rural Affairs, Transportation Infrastructure, and

Appropriations

Email: cleal@txfb.org

Austin Office Phone: 512-472-8288

Joy Davis, Associate Legislative Director

Issue Areas: Eminent Domain, Agriculture, Taxes, Trucking Regulations, Labor, and

Appropriations

Email: jdavis@txfb.org

Austin Office Phone: 512-472-8288

Harold Stone, Associate Legislative Director

Issue Areas: Wildlife, Land Use Regulation, Criminal Justice, Energy Regulation, and

Appropriations

Email: hstone@txfb.org

Austin Office Phone: 512-472-8288

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Billy Howe: @TFBGovAff Billy

Charlie Leal: @TFB Charlie

Joy Davis: <a>@TFB Joy

Harold Stone: @TFB Harold

Contact Us

State OfficeP.O. Box 2689

Austin Office
600 W. 12th St.

Waco, TX 76702 Austin, TX 78701 254-772-3030 512-472-8288