

CHAPTER 405

H.B. No. 1788

AN ACT

relating to the issuance of term permits for water rights.

*Be it enacted by the Legislature of the State of Texas:*

SECTION 1. Chapter 11, Water Code, is amended by adding Section 11.1381 to read as follows:

*Sec. 11.1381. TERM PERMITS. (a) Until a water right is perfected to the full extent provided by Section 11.026 of this code, the commission may issue permits for a term of years for use of state water to which a senior water right has not been perfected.*

*(b) The commission shall refuse to grant an application for a permit under this section if the commission finds that there is a substantial likelihood that the issuance of the permit will jeopardize financial commitments made for water projects that have been built or that are being built to optimally develop the water resources of the area.*

*(c) The commission shall refuse to grant an application for a term permit if the holder of the senior appropriative water right can demonstrate that the issuance of the term permit would prohibit the senior appropriative water right holder from beneficially using the senior rights during the term of the term permit. Such demonstration will be made using reasonable projections based on accepted methods.*

*(d) A permit issued under this section is subordinate to any senior appropriative water rights.*

SECTION 2. Subsection (e), Section 11.146, Water Code, is amended to read as follows:

*(e) Except as provided by Section 11.1381 of this code, if [IF] a permit has been issued for the use of water, the water is not subject to a new appropriation until the permit has been cancelled in whole or part as provided by this section.*

SECTION 3. Section 11.124, Water Code, is amended by adding Subsection (e) to read as follows:

*(e) If the application is for a term permit, the application form used must also state that on expiration of a term permit the applicant does not have an automatic right to renew the permit.*

SECTION 4. This Act takes effect September 1, 1987.

SECTION 5. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Passed by the House on April 30, 1987, by a non-record vote. Passed by the Senate on May 21, 1987, by a viva-voce vote.

Approved June 17, 1987.

Effective Sept. 1, 1987.