

By: King of Uvalde

H.B. No. 2735

A BILL TO BE ENTITLED

AN ACT

relating to security required before filing suit against a groundwater conservation district.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter H, Chapter 36, Water Code, is amended by adding Section 36.2515 to read as follows:

Sec. 36.2515. SECURITY REQUIRED. (a) In this section, "security" means a bond or deposit posted by a plaintiff before filing suit against a district or, as provided by the Texas Rules of Appellate Procedure, by a judgment debtor to a district to suspend execution of the judgment during appeal of the judgment.

(b) Subject to Section 52.006, Civil Practice and Remedies Code, a district by rule shall establish the amount of security required to file suit under Section 36.251 challenging a rule or order made by the district, including an appeal of a decision on a permit application by a party other than the applicant. Except as provided by Subsection (c), the amount of security required under this section may not exceed \$100,000.

(c) The amount of security required to be posted by a party to a contested case hearing, other than by the applicant, for the appeal of a decision granting a permit application or permit amendment application under Section 36.251(b) shall be increased by an amount sufficient to cover the applicant's cost to defend the permit or amendment granted by the district against the suit and

1 appeal. The amount of an increase under this subsection may not
2 exceed \$100,000.

3 (d) Section 52.006, Civil Practice and Remedies Code,
4 applies to an appeal by a party other than the applicant from a
5 decision of the district court affirming a district's rule, order,
6 or decision on a permit application. The amount of security
7 required under this subsection must equal the sum of:

8 (1) the amount of any civil penalty awarded;

9 (2) interest for the estimated duration of the suit or
10 appeal; and

11 (3) attorney's fees and costs required for the
12 district to defend against the suit and appeal.

13 (e) A security required under this section must be filed
14 into the registry of the district court in which the suit is filed.

15 SECTION 2. The changes in law made by this Act apply only to
16 a suit against a groundwater conservation district that is filed on
17 or after the effective date of this Act. A suit against a
18 groundwater conservation district that is filed before the
19 effective date of this Act is governed by the law in effect on the
20 date the suit is filed, and that law is continued in effect for that
21 purpose.

22 SECTION 3. This Act takes effect September 1, 2023.