

By: Morales Shaw

H.B. No. 1682

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the disposition and use of the state's portion of civil
3 penalties recovered in suits brought by local governments for
4 violations of certain laws under the jurisdiction of, or rules
5 adopted or orders or permits issued by, the Texas Commission on
6 Environmental Quality.

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

8 SECTION 1. Section 7.107, Water Code, is amended to read as
9 follows:

10 Sec. 7.107. DIVISION OF CIVIL PENALTY; DISPOSITION OF
11 STATE'S PORTION OF CIVIL PENALTY. (a) Except in a suit brought for
12 a violation of Chapter 28 of this code or of Chapter 401, Health and
13 Safety Code, a civil penalty recovered in a suit brought under this
14 subchapter by a local government shall be divided as follows:

15 (1) the first \$4.3 million of the amount recovered
16 shall be divided equally between:

17 (A) the state; and

18 (B) the local government that brought the suit;

19 and

20 (2) any amount recovered in excess of \$4.3 million
21 shall be awarded to the state.

22 (b) One-half of the state's portion of a civil penalty under
23 Subsection (a) shall be deposited to the credit of the special
24 environmental remediation fund created under Section 7.1075.

1 SECTION 2. Subchapter D, Chapter 7, Water Code, is amended
2 by adding Section 7.1075 to read as follows:

3 Sec. 7.1075. SPECIAL ENVIRONMENTAL REMEDIATION FUND; GRANT
4 PROGRAM. (a) The environmental remediation fund is created as a
5 special fund in the state treasury outside the general revenue
6 fund. The fund consists of money deposited to the credit of the
7 fund under Section 7.107. Money in the fund may be appropriated
8 only to the commission for purposes of the grant program
9 established under Subsection (b).

10 (b) From money appropriated from the special environmental
11 remediation fund for that purpose, the commission shall establish
12 and administer a grant program to provide financial assistance to
13 counties and municipalities for environmental remediation
14 projects.

15 (c) The commission shall adopt rules to implement the
16 program established under Subsection (b), including rules
17 establishing:

18 (1) eligibility criteria for grant applicants and
19 environmental remediation projects;

20 (2) grant application procedures;

21 (3) criteria for evaluating grant applications and
22 awarding grants;

23 (4) guidelines related to grant amounts; and

24 (5) procedures for monitoring the use of a grant
25 awarded under Subsection (b) and ensuring compliance with any
26 conditions of the grant.

27 SECTION 3. The change in law made by this Act applies only

1 to a violation that occurs on or after the effective date of this
2 Act. A violation that occurs before the effective date of this Act
3 is governed by the law in effect on the date the violation occurred,
4 and the former law is continued in effect for that purpose.

5 SECTION 4. This Act takes effect September 1, 2025.