

AN ACT

relating to the establishment of a grant program to plug leaking water wells in certain counties.

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

SECTION 1. Chapter 28, Water Code, is amended by adding Subchapter E to read as follows:

SUBCHAPTER E. LEAKING WATER WELLS GRANT PROGRAM

Sec. 28.101. DEFINITIONS. In this subchapter:

(1) "District" means a district or authority created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, that has the authority to regulate the spacing of water wells, the production of water wells, or both.

(2) "Fund" means the leaking water wells fund created under Section 28.103.

(3) "Program" means the leaking water wells program established under Section 28.104.

Sec. 28.102. APPLICABILITY OF SUBCHAPTER. This subchapter applies only to a district in a county that:

(1) has a population of 16,000 or less; and

(2) is adjacent to at least seven counties with populations of less than 15,000.

Sec. 28.103. LEAKING WATER WELLS FUND. (a) The leaking water wells fund is created as a fund in the state treasury outside the general revenue fund.

1       (b) The fund consists of:

2           (1) money appropriated, credited, or transferred to  
3 the fund by the legislature;

4           (2) gifts or grants contributed to the fund; and

5           (3) interest earned on deposits and investments of the  
6 fund.

7       (c) Interest earned on money deposited to the credit of the  
8 fund is exempt from Section 404.071, Government Code. Interest  
9 earned on money in the fund shall be retained in the fund.

10       (d) The fund may be used only to implement the program  
11 established under Section 28.104, including the costs of program  
12 administration and operation.

13       Sec. 28.104. LEAKING WATER WELLS PROGRAM. The commission  
14 shall establish and administer the leaking water wells program to  
15 plug leaking water wells. Under the program, the commission shall  
16 provide grants to districts for eligible projects to offset the  
17 cost of plugging leaking water wells.

18       Sec. 28.105. APPLICATION FOR GRANT. (a) A district may  
19 apply for and receive a grant for an eligible project under the  
20 program.

21       (b) An application for a grant under this subchapter must be  
22 made on a form provided by the commission and must contain the  
23 information required by the commission.

24       Sec. 28.106. ELIGIBILITY OF PROJECTS FOR GRANTS;  
25 PRIORITIZATION. (a) To be eligible for a grant for a project, a  
26 district must:

27           (1) demonstrate that the project includes a leaking

1 water well:

2 (A) that:

3 (i) is located within 2,000 feet of a  
4 drinking water well, a water well for livestock or irrigation, or a  
5 sensitive wildlife area; or

6 (ii) has seasonal or annual flow to the  
7 surface, or a hydrological connection to surface water, including a  
8 waterway, intermittent stream, or springs system; and

9 (B) of which:

10 (i) the plug, casing, completion interval,  
11 or general integrity is known by the district to be deficient; or

12 (ii) the completion interval is  
13 sufficiently proximate to other known intervals or pressurized  
14 zones with high concentrations of salinity, chlorides, sulfides, or  
15 other hazardous or toxic components;

16 (2) obtain any necessary approval from a surface owner  
17 for access to the property where the leaking water well is located;  
18 and

19 (3) as necessary and subject to Subsection (b), engage  
20 in a bid process to select and hire a contractor or subcontractor to  
21 perform the work.

22 (b) Notwithstanding any other law, a contract for work on a  
23 project for which a grant is provided under the program:

24 (1) must be awarded to a contractor or subcontractor  
25 selected from a list of approved well pluggers maintained by the  
26 Railroad Commission of Texas; and

27 (2) may be awarded to the contractor or subcontractor

1 whose bid or proposal the recipient of the grant determines  
2 provides the best value for the recipient based on the selection  
3 criteria published by the recipient.

4 (c) The commission by rule shall establish criteria for  
5 prioritizing projects eligible to receive a grant under the  
6 program.

7 Sec. 28.107. RESTRICTION ON USE OF GRANT. (a) A recipient  
8 of a grant provided under the program may use the grant only to pay  
9 the cost of the project for which the grant is provided. A recipient  
10 may not use the grant to pay administrative costs associated with  
11 the project.

12 (b) A leaking water well plugged under the program must be  
13 permanently plugged. The commission, in consultation with the  
14 Railroad Commission of Texas, shall establish criteria for ensuring  
15 that a well is permanently plugged.

16 (c) The amount of a grant provided under the program that is  
17 not spent for the completion of a project must be returned to the  
18 commission for deposit to the credit of the fund.

19 SECTION 2. This Act takes effect immediately if it receives  
20 a vote of two-thirds of all the members elected to each house, as  
21 provided by Section 39, Article III, Texas Constitution. If this  
22 Act does not receive the vote necessary for immediate effect, this  
23 Act takes effect September 1, 2023.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 4256 was passed by the House on April 27, 2023, by the following vote: Yeas 131, Nays 17, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 4256 on May 25, 2023, by the following vote: Yeas 123, Nays 17, 2 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 4256 was passed by the Senate, with amendments, on May 23, 2023, by the following vote: Yeas 30, Nays 1.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor