

1-1 By: Murr (Senate Sponsor - Blanco) H.B. No. 4256
 1-2 (In the Senate - Received from the House May 1, 2023;
 1-3 May 2, 2023, read first time and referred to Committee on Finance;
 1-4 May 21, 2023, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 16, Nays 1; May 21, 2023,
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12		X		
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			
1-19	X			
1-20	X			
1-21	X			
1-22	X			
1-23	X			
1-24	X			
1-25	X			

1-26 COMMITTEE SUBSTITUTE FOR H.B. No. 4256 By: Hinojosa

1-27 A BILL TO BE ENTITLED
 1-28 AN ACT

1-29 relating to the establishment of a grant program to plug leaking
 1-30 water wells in certain counties.

1-31 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-32 SECTION 1. Chapter 28, Water Code, is amended by adding
 1-33 Subchapter E to read as follows:

1-34 SUBCHAPTER E. LEAKING WATER WELLS GRANT PROGRAM

1-35 Sec. 28.101. DEFINITIONS. In this subchapter:

1-36 (1) "District" means a district or authority created
 1-37 under Section 52, Article III, or Section 59, Article XVI, Texas
 1-38 Constitution, that has the authority to regulate the spacing of
 1-39 water wells, the production of water wells, or both.

1-40 (2) "Fund" means the leaking water wells fund created
 1-41 under Section 28.103.

1-42 (3) "Program" means the leaking water wells program
 1-43 established under Section 28.104.

1-44 Sec. 28.102. APPLICABILITY OF SUBCHAPTER. This subchapter
 1-45 applies only to a district in a county that:

1-46 (1) has a population of 16,000 or less; and

1-47 (2) is adjacent to at least seven counties with
 1-48 populations of less than 15,000.

1-49 Sec. 28.103. LEAKING WATER WELLS FUND. (a) The leaking
 1-50 water wells fund is created as a fund in the state treasury outside
 1-51 the general revenue fund.

1-52 (b) The fund consists of:

1-53 (1) money appropriated, credited, or transferred to
 1-54 the fund by the legislature;

1-55 (2) gifts or grants contributed to the fund; and

1-56 (3) interest earned on deposits and investments of the
 1-57 fund.

1-58 (c) Interest earned on money deposited to the credit of the
 1-59 fund is exempt from Section 404.071, Government Code. Interest
 1-60 earned on money in the fund shall be retained in the fund.

1-61 (d) The fund may be used only to implement the program
 1-62 established under Section 28.104, including the costs of program

2-1 administration and operation.

2-2 Sec. 28.104. LEAKING WATER WELLS PROGRAM. The commission
2-3 shall establish and administer the leaking water wells program to
2-4 plug leaking water wells. Under the program, the commission shall
2-5 provide grants to districts for eligible projects to offset the
2-6 cost of plugging leaking water wells.

2-7 Sec. 28.105. APPLICATION FOR GRANT. (a) A district may
2-8 apply for and receive a grant for an eligible project under the
2-9 program.

2-10 (b) An application for a grant under this subchapter must be
2-11 made on a form provided by the commission and must contain the
2-12 information required by the commission.

2-13 Sec. 28.106. ELIGIBILITY OF PROJECTS FOR GRANTS;
2-14 PRIORITIZATION. (a) To be eligible for a grant for a project, a
2-15 district must:

2-16 (1) demonstrate that the project includes a leaking
2-17 water well:

2-18 (A) that:

2-19 (i) is located within 2,000 feet of a
2-20 drinking water well, a water well for livestock or irrigation, or a
2-21 sensitive wildlife area; or

2-22 (ii) has seasonal or annual flow to the
2-23 surface, or a hydrological connection to surface water, including a
2-24 waterway, intermittent stream, or springs system; and

2-25 (B) of which:

2-26 (i) the plug, casing, completion interval,
2-27 or general integrity is known by the district to be deficient; or

2-28 (ii) the completion interval is
2-29 sufficiently proximate to other known intervals or pressurized
2-30 zones with high concentrations of salinity, chlorides, sulfides, or
2-31 other hazardous or toxic components;

2-32 (2) obtain any necessary approval from a surface owner
2-33 for access to the property where the leaking water well is located;
2-34 and

2-35 (3) as necessary and subject to Subsection (b), engage
2-36 in a bid process to select and hire a contractor or subcontractor to
2-37 perform the work.

2-38 (b) Notwithstanding any other law, a contract for work on a
2-39 project for which a grant is provided under the program:

2-40 (1) must be awarded to a contractor or subcontractor
2-41 selected from a list of approved well pluggers maintained by the
2-42 Railroad Commission of Texas; and

2-43 (2) may be awarded to the contractor or subcontractor
2-44 whose bid or proposal the recipient of the grant determines
2-45 provides the best value for the recipient based on the selection
2-46 criteria published by the recipient.

2-47 (c) The commission by rule shall establish criteria for
2-48 prioritizing projects eligible to receive a grant under the
2-49 program.

2-50 Sec. 28.107. RESTRICTION ON USE OF GRANT. (a) A recipient
2-51 of a grant provided under the program may use the grant only to pay
2-52 the cost of the project for which the grant is provided. A recipient
2-53 may not use the grant to pay administrative costs associated with
2-54 the project.

2-55 (b) A leaking water well plugged under the program must be
2-56 permanently plugged. The commission, in consultation with the
2-57 Railroad Commission of Texas, shall establish criteria for ensuring
2-58 that a well is permanently plugged.

2-59 (c) The amount of a grant provided under the program that is
2-60 not spent for the completion of a project must be returned to the
2-61 commission for deposit to the credit of the fund.

2-62 SECTION 2. This Act takes effect immediately if it receives
2-63 a vote of two-thirds of all the members elected to each house, as
2-64 provided by Section 39, Article III, Texas Constitution. If this
2-65 Act does not receive the vote necessary for immediate effect, this
2-66 Act takes effect September 1, 2023.

2-67 * * * * *