

House Bill 4256
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

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.

(b) The fund consists of:

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

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

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

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

SENATE VERSION (CS)

SECTION 1. Same as House version.

CONFERENCE

House Bill 4256
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (CS)

CONFERENCE

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

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

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

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

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

(1) demonstrate that the project includes a leaking water well:

(A) that:

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

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

(B) of which:

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

(ii) the completion interval is sufficiently proximate to other known intervals or pressurized zones with high

House Bill 4256
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (CS)

CONFERENCE

concentrations of salinity, chlorides, sulfides, or other hazardous or toxic components;

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

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

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

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

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

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

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

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

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

House Bill 4256
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SECTION 2. The amount of \$40 million is appropriated from the general revenue fund to the comptroller of public accounts for the purpose of transferring that amount immediately to the credit of the leaking water wells fund, as created by this Act.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2023.

SENATE VERSION (CS)

No equivalent provision.

SECTION 2. Same as House version.

CONFERENCE