

BILL ANALYSIS

Senate Research Center
89R2800 LRM-D

H.B. 1689
By: Gerdes (Kolkhorst)
Water, Agriculture and Rural Affairs
5/1/2025
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The 88th Legislature passed H.B. 3059, which allowed groundwater conservation districts (GCDs) to use funds obtained from certain fees to maintain the operability of wells significantly affected by groundwater development. While the updated fee structure and usage have allowed GCDs more flexibility in mitigation within their own jurisdictions, the impacts of large-scale groundwater production and export projects can extend beyond the permitting district's boundaries. Questions have arisen about the ability of GCDs to use shared funds to manage the impacts of wells located on shared district borders.

H.B. 1689 makes clarifications in Chapter 36 stating that GCDs can enter into interlocal agreements for the express purpose of maintaining the operability of wells located outside of the district.

H.B. 1689 amends current law relating to the use of certain groundwater export fees collected by a groundwater conservation district.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 36.207, Water Code, by amending Subsection (b) and adding Subsection (c), as follows:

(b) Provides that a district with the authority to regulate certain aspects of water wells (district) is authorized to use funds obtained from the amount that an export fee is increased under Section 36.122(e-1) (relating to the rate of increase for the maximum allowable rate a district is authorized to impose for an export fee or surcharge) on or after January 1, 2024, only for costs related to assessing and addressing impacts associated with groundwater development, including:

(1) maintaining operability of wells significantly affected by groundwater development, including wells located outside the district; and

(2)-(3) makes no changes to these subdivisions.

(c) Provides that a district is authorized to use funds described by Subsection (b) to maintain the operability of wells described by Subsection (b)(1) that are located in another district only if the district enters into an interlocal contract under Chapter 791 (Interlocal Cooperation Contracts), Government Code, with the other district authorizing the funds to be used for that purpose.

SECTION 2. Effective date: September 1, 2025.