

## **BILL ANALYSIS**

H.B. 5560  
By: Harris  
Natural Resources  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Under current statute, groundwater conservation districts can enforce their rules by setting reasonable civil penalties that may be assessed by a court against a violator. The cap for these civil penalties is currently set at \$10,000 per violation, with each day of a continuing violation constituting a separate violation. The bill author has informed the committee that as water supplies in Texas have become scarcer and more valuable, this maximum civil penalty cap, which has not been increased by the legislature in almost a quarter century, is inadequate to deter overpumping and other rule violations for large water projects for which the economic benefit of unauthorized pumping may greatly outweigh the maximum cost exposure in civil penalties to the violator. H.B. 5560 addresses this issue by increasing the cap on civil penalties from \$10,000 to \$25,000 and authorizing a court to assess a higher penalty if it finds that the economic benefit gained by the violator as a result of the violation is higher than that amount.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 5560 amends the Water Code to increase from \$10,000 to \$25,000 the daily cap on the amount of the civil penalty that the board of directors of a groundwater conservation district by rule may set against a person for breach of a district rule. The bill specifies that such penalty is a penalty that the district may recover from the person. The bill authorizes a court, in an enforcement action brought by a district against a person, to assess a penalty greater than this cap if the court determines that the person gained an economic benefit as a result of the violation that was greater than the cap. The bill requires this penalty to be in an amount determined by the court to be necessary and appropriate to outweigh the economic benefit gained by the person as a result of the violation and discourage future violations.

H.B. 5560 applies only to a suit involving a groundwater conservation district that is filed on or after the bill's effective date. A suit filed before such date is subject to the law in effect on the date the suit is filed, and that law is continued in effect for that purpose.

### **EFFECTIVE DATE**

September 1, 2025.