

**BILL ANALYSIS**

Senate Research Center

S.B. 1055  
By: Nichols  
Water, Agriculture and Rural Affairs  
6/5/2025  
Enrolled

**AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The Southeast Texas Groundwater Conservation District (district) was created, authorized, and enacted by the passage of S.B. 1888 during the 78th Legislature, Regular Session, 2003. The district consists of four counties—Jasper, Newton, Hardin, and Tyler—and covers approximately 3,685 square miles. It is estimated to be the 11th largest groundwater district in Texas.

Since the district began collecting production fees, which is the source of revenue, it has maintained a rate of \$0.07 per thousand gallons. Only recently has the district increased the production fee rate, which will begin in the fourth quarter 2022. The new rate will be 1 cent per 1,000 gallons the maximum it can charge. It cannot levy a tax. The district has only one full-time employee and no part-time employees.

S.B. 1055 would allow the Southeast Texas Groundwater Conservation District to raise the production fee rate from 1 cent per 1,000 gallons to 7 cents per 1,000 gallons.

Other groundwater conservation districts throughout the state have production fees as high as 22 cents per 1,000 gallons. Nearby groundwater conservation districts have higher production fees (actual current fees - not maximum allowed by legislation):

Southeast Texas GCD	currently 0.7 cents per 1,000 gallons	maximum	1 cent
Pinewoods GCD	currently 2.5 cents per 1,000 gallons	maximum	2.5 cents
Lower Trinity GCD	currently 4.0 cents per 1,000 gallons	maximum	5 cents
Lone Star GCD	currently 8.5 cents per 1,000 gallons	maximum	no max limit
Bluebonnet GCD	currently 4.5 cents per 1,000 gallons	maximum	17 cents
Brazoria County GCD	currently 3.0 cents per 1,000 gallons	maximum	17 cents
Prairielands GCD	currently 20 cents per 1,000 gallons	maximum	30 cents
Upper Trinity GCD	currently 22 cents per 1,000 gallons	maximum	30 cents

S.B. 1055 amends current law relating to permit fees for groundwater wells imposed by the Southeast Texas 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 8868.153(c), Special District Local Laws Code, to prohibit the fee on a well in the Southeast Texas Groundwater Conservation District from exceeding seven cents, rather than one cent, per thousand gallons of groundwater withdrawn for any purpose.

SECTION 2. Effective date: upon passage or September 1, 2025.