

By: Harris, Jones of Dallas, et al.

H.B. No. 1400

A BILL TO BE ENTITLED

AN ACT

relating to creation of the groundwater science, research, and innovation fund to be administered by the Texas Water Development Board.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 15, Water Code, is amended by adding Subchapter F-1 to read as follows:

SUBCHAPTER F-1. GROUNDWATER SCIENCE, RESEARCH, AND INNOVATION FUND

Sec. 15.421. DEFINITIONS. In this subchapter:

(1) "District" means a groundwater conservation district created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, that has the authority to regulate the spacing of wells producing from groundwater reservoirs in the district and regulate the production from those wells.

(2) "Fund" means the groundwater science, research, and innovation fund.

Sec. 15.422. GROUNDWATER SCIENCE, RESEARCH, AND INNOVATION FUND. (a) The groundwater science, research, and innovation fund is a special fund in the state treasury to be administered by the board under this subchapter and rules adopted by the board under this subchapter.

(b) The fund consists of:

(1) money appropriated for transfer or deposit to the credit of the fund;

1 (2) money the board transfers to the fund from any
2 available source;

3 (3) depository interest allocable to the fund and
4 other investment returns on money in the fund;

5 (4) money from gifts, grants, or donations to the
6 fund; and

7 (5) any other fees or sources of revenue that the
8 legislature may dedicate for deposit to the fund.

9 Sec. 15.423. USE OF FUND. (a) The board may use the fund
10 only to provide financial assistance in the form of grants to
11 finance district programs and projects that will further
12 groundwater science, research, and innovation in this state,
13 including local research, data, modeling, and innovative programs
14 and projects designed to:

15 (1) improve understanding of local groundwater
16 conditions;

17 (2) develop or improve groundwater models relied on
18 for planning and decision-making;

19 (3) improve groundwater use efficiency and increase
20 water conservation efforts;

21 (4) increase groundwater recharge; or

22 (5) protect groundwater quality.

23 (b) The fund may be used for any purpose described by
24 Subsection (a) under criteria developed by the board.

25 Sec. 15.424. FINANCIAL ASSISTANCE. The board shall adopt
26 rules necessary to administer this subchapter, including rules
27 establishing procedures for the application for and award of

financial assistance, the distribution of financial assistance, and the administration of financial assistance and the fund.

Sec. 15.425. EVALUATION OF APPLICATION. (a) When evaluating an application for financial assistance from a district, the board shall consider:

(1) the expected benefit of the program or project in informing the management, planning, or decision-making of the district;

(2) whether the program or project meets any science, data, and modeling objectives of the board;

(3) the extent to which the program's or project's outcome may benefit the state and regional water planning processes under Sections [16.051](#) and [16.053](#); and

(4) the district's need for financial assistance based on the district's available revenue or other sources of financial assistance available to the district.

(b) The board by resolution may approve an application if, after considering the factors listed in Subsection (a) and other relevant factors, the board finds that the public interest is served by state assistance for the program or project and the district has met the matching funds requirement under Section [15.426](#).

(c) The board shall ensure that a district that receives financial assistance for a program or project provides the board with all data, science, and other research findings gathered through the implementation of the program or project for which the district received financial assistance.

1 (d) The board shall ensure that at least 35 percent of the
2 money transferred from the fund is used to fund programs or projects
3 by districts with:

4 (1) populations of not more than 100,000; and
5 (2) annual revenues of not more than \$250,000, as
6 determined at the close of the previous fiscal year.

7 Sec. 15.426. MATCHING FUNDS REQUIRED. (a) Subject to
8 Subsection (b), the board by rule may require a district that is the
9 recipient of a grant using money from the fund to provide matching
10 funds, which may include direct expenditures or in-kind services
11 related to the program or project, in an amount equal to 25 percent
12 of the amount of the grant.

13 (b) The board may not require a district that is the
14 recipient of a grant to provide matching funds under Subsection (a)
15 for money from the fund used to finance a program or project
16 conducted in partnership with an institution of higher education,
17 as defined by Section 61.003, Education Code.

18 SECTION 2. This Act takes effect September 1, 2025.