

By: Gerdes

H.B. No. 2034

A BILL TO BE ENTITLED

AN ACT

relating to the issuance of groundwater permits to certain aliens or foreign entities.

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

SECTION 1. Subchapter D, Chapter 36, Water Code, is amended by adding Section 36.1141 to read as follows:

Sec. 36.1141. PERMITS ISSUED TO CERTAIN FOREIGN INDIVIDUALS OR ENTITIES. (a) In this section:

(1) "Designated country" means a country identified by the United States Director of National Intelligence as a country that poses a risk to the national security of the United States in each of the three most recent Annual Threat Assessments of the U.S. Intelligence Community issued pursuant to Section 108B, National Security Act of 1947 (50 U.S.C. Section 3043b).

(2) "Governing authority," "governing person," and "organization" have the meanings assigned by Section 1.002, Business Organizations Code.

(3) "Risk to the health, safety, and welfare of the public" includes a likelihood that an individual, organization, or governmental entity will engage in an act that:

(A) constitutes:

(i) a violation of state or federal criminal law;

(ii) corporate espionage; or

1 (iii) a public nuisance; or

2 (B) causes or threatens to cause bodily injury to
3 a person, including the introduction of a dangerous disease or
4 dangerous substance into an area.

5 (b) For purposes of this section, an organization is under
6 the control of an individual or another organization if the
7 controlling individual or organization is authorized to:

8 (1) direct the activities of the controlled
9 organization;

10 (2) make or direct others to make legal commitments on
11 behalf of the controlled organization; or

12 (3) hire and fire a principal decision maker of the
13 controlled organization.

14 (c) The authority of the controlling individual or
15 organization under Subsection (b) may derive from:

16 (1) exercise of a voting ownership interest of the
17 controlled organization sufficient to elect a governing person or
18 governing authority of the controlled organization to exercise on
19 the controlling individual's or organization's behalf the authority
20 described by Subsection (b); or

21 (2) a financial, legal, practical, contractual, or
22 other arrangement that functionally enables the controlling
23 individual or organization to exercise the authority described by
24 Subsection (b).

25 (d) This section does not apply to a permit or permit
26 amendment issued to:

27 (1) an individual who is a citizen or lawful permanent

1 resident of the United States, including an individual who is a
2 citizen of a foreign country; or

3 (2) an organization that is owned by or under the
4 control of one or more individuals described by Subdivision (1).

5 (e) Except as provided by Subsection (d) and
6 notwithstanding any other law, a district may not issue a permit or
7 a permit amendment to or renew a permit for the following if the
8 issuance or renewal of the permit or amendment would create a risk
9 to the health, safety, and welfare of the public:

10 (1) a governmental entity of a designated country;

11 (2) an organization that is:

12 (A) headquartered in a designated country;

13 (B) directly or indirectly under the control of
14 the government of a designated country; or

15 (C) owned by or under the control of one or more
16 individuals who are domiciled in a designated country;

17 (3) an organization that is owned by or under the
18 control of an organization described by Subdivision (2); or

19 (4) an individual who is domiciled in a designated
20 country.

21 SECTION 2. Section 36.1141, Water Code, as added by this
22 Act, applies only to a permit issued, amended, or renewed by a
23 groundwater conservation district on or after the effective date of
24 this Act. A permit issued, amended, or renewed by a groundwater
25 conservation district before the effective date of this Act is
26 governed by the law in effect immediately before the effective date
27 of this Act, and that law is continued in effect for that purpose.

1 SECTION 3. This Act takes effect September 1, 2025.