

By: Kolkhorst, Johnson

S.B. No. 718

A BILL TO BE ENTITLED

AN ACT

1
2 relating to creation of the groundwater science, research, and
3 innovation fund to be administered by the Texas Water Development
4 Board.

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

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

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

9 Sec. 15.421. DEFINITIONS. In this subchapter:

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

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

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

22 (b) The fund consists of:

23 (1) money appropriated for transfer or deposit to the
24 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

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

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

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

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

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

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

17 (b) The board by resolution may approve an application if,
18 after considering the factors listed in Subsection (a) and other
19 relevant factors, the board finds that the public interest is
20 served by state assistance for the program or project and the
21 district has met the matching funds requirement under Section
22 15.426.

23 (c) The board shall ensure that a district that receives
24 financial assistance for a program or project provides the board
25 with all data, science, and other research findings gathered
26 through the implementation of the program or project for which the
27 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. The board by rule may
8 require a district that is the recipient of a grant using money from
9 the fund to provide matching funds, which may include direct
10 expenditures or in-kind services related to the program or project,
11 in an amount equal to 25 percent of the amount of the grant.

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