

# Legislative Recap

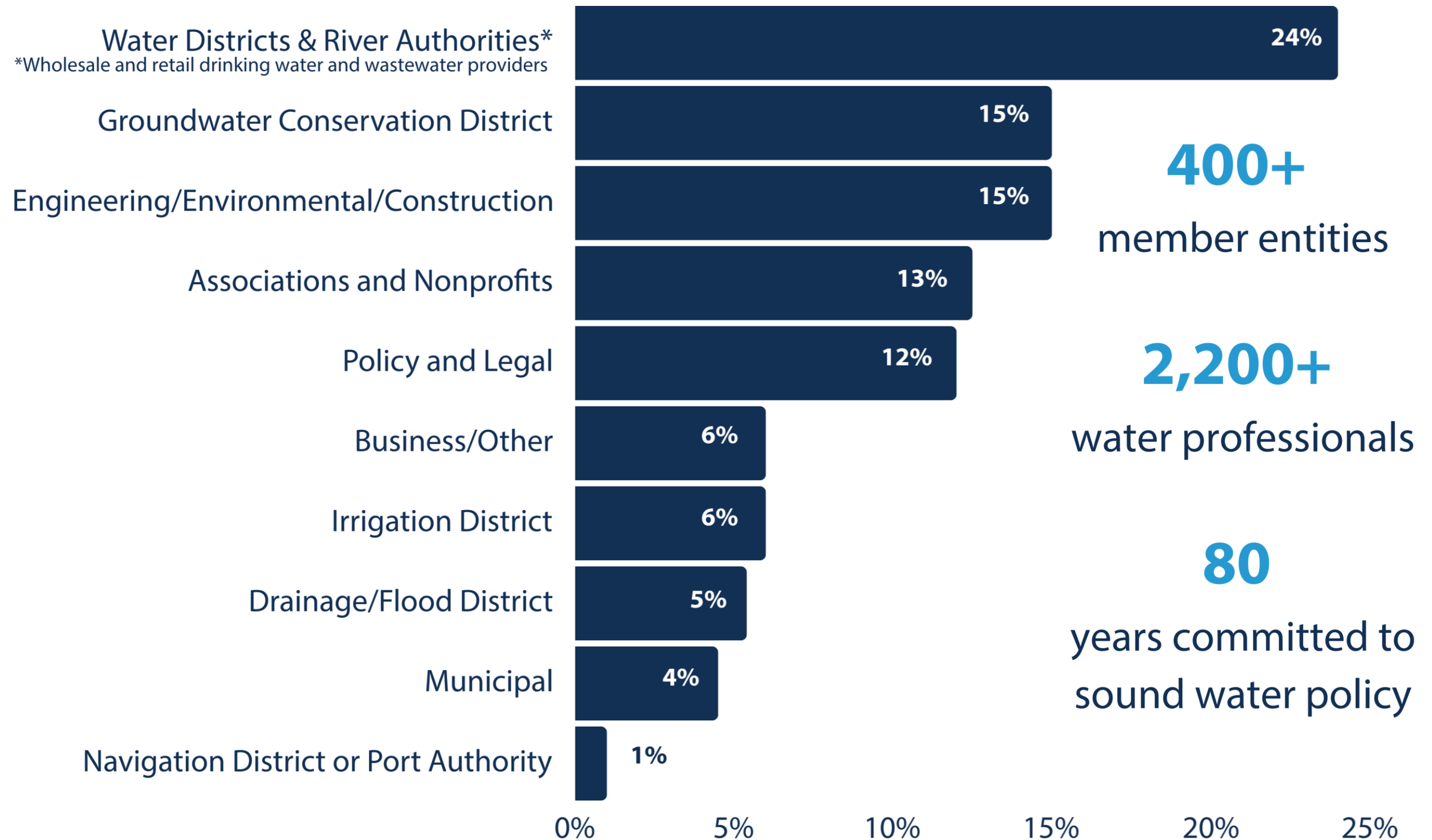
**November 2025**

**Sarah Kirkle, TWA Director of Policy and Legislative Affairs**

# Who is the Texas Water Association?

TWA is a nonprofit policy association of the Texas water industry focusing on water supply and management.

From drought to flood, TWA works with its members and policy makers to develop sound water policy for Texas.



# TWA Interim Consensus Process

## TWA Consensus Process

Our stakeholder-driven Legislative Committee works during the interim to vet and recommend changes to water policy.



Legislative Committee includes 200+ participants from all types of water management and use



Proposals require a **90% consensus** among voting committee members to move forward

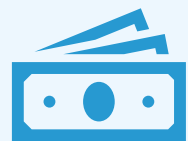


Committee will meet in 2026 to discuss issues and consider proposals ahead of the 90th Legislature

# State of Texas Water

The state's already aging water, wastewater, and flood infrastructure is under significant pressure from:

- Population Growth
- Extreme Weather
- Economic Development Needs



All the cheap, easy water projects have already been developed. Projects now are more costly and complex.

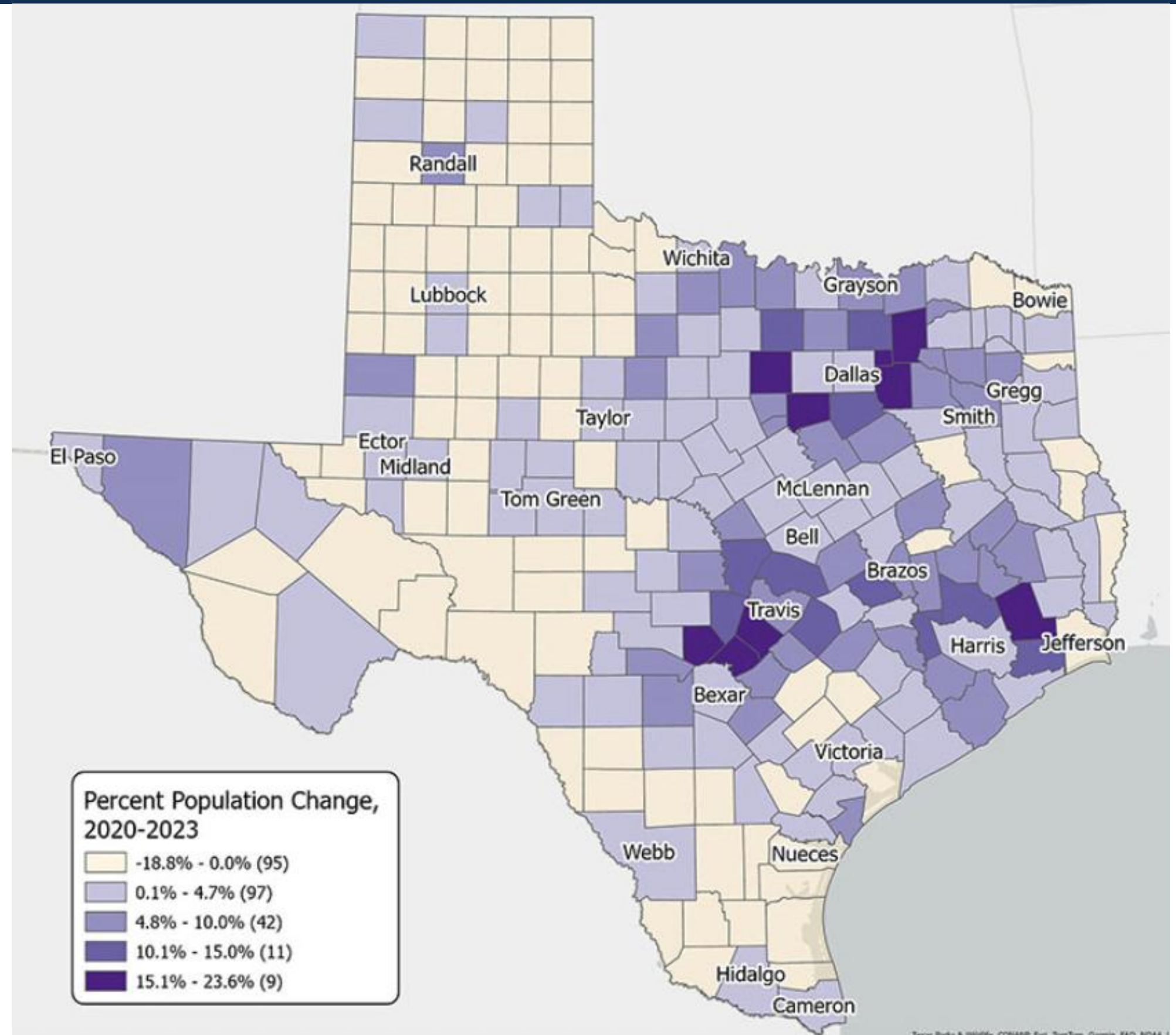


# State of Texas Water

**Population growth  
is focused in the  
Texas triangle.  
Our water is not.**

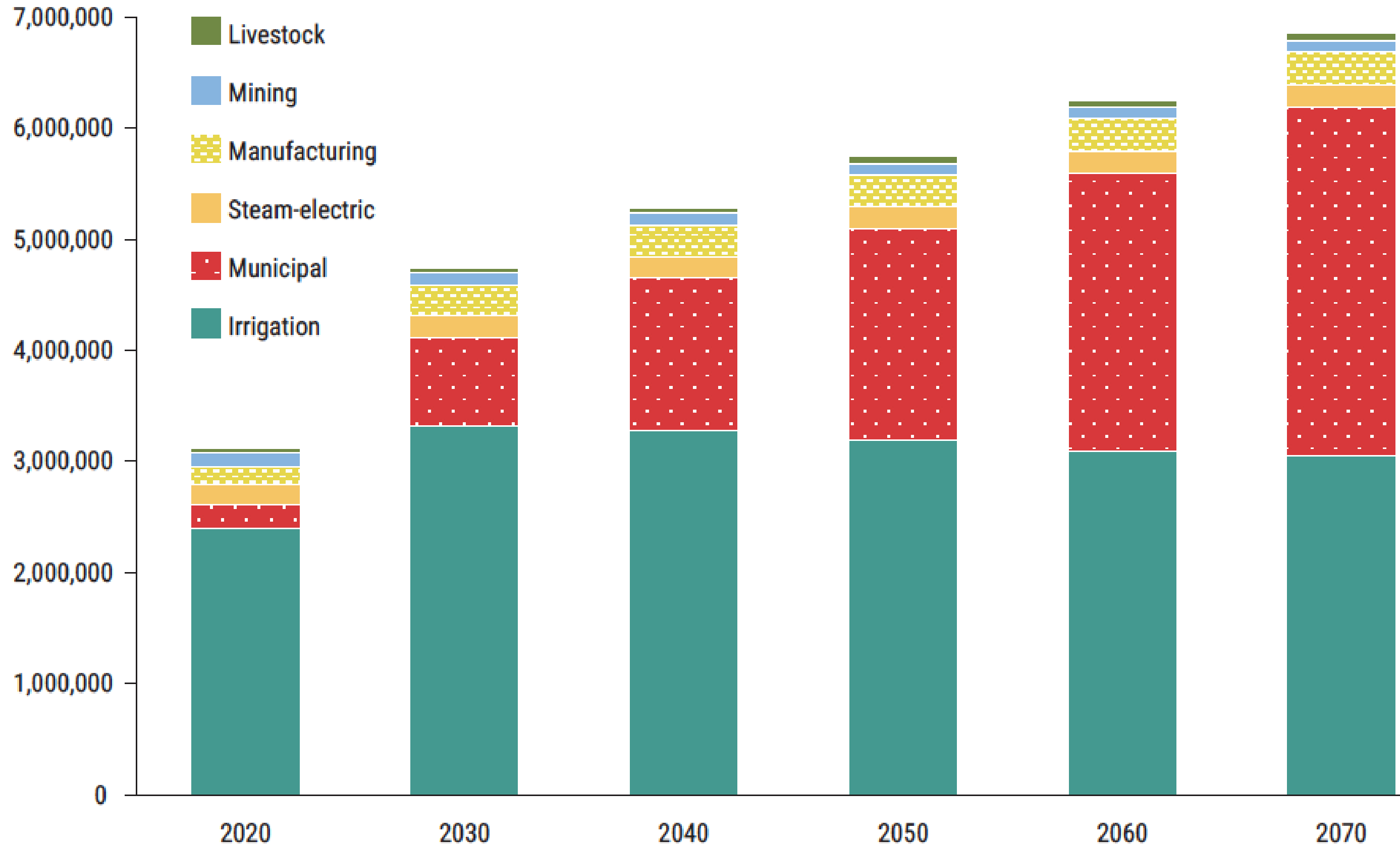
Percent Population Change, 2020–2023

Source: Texas Demographic Center



# Texas' Growing Water Needs by Use

Annual water needs by water use category (acre-feet)\*



# Texas Needs Additional Investment in Water Infrastructure

## Existing Funding Falls Far Short of What's Necessary

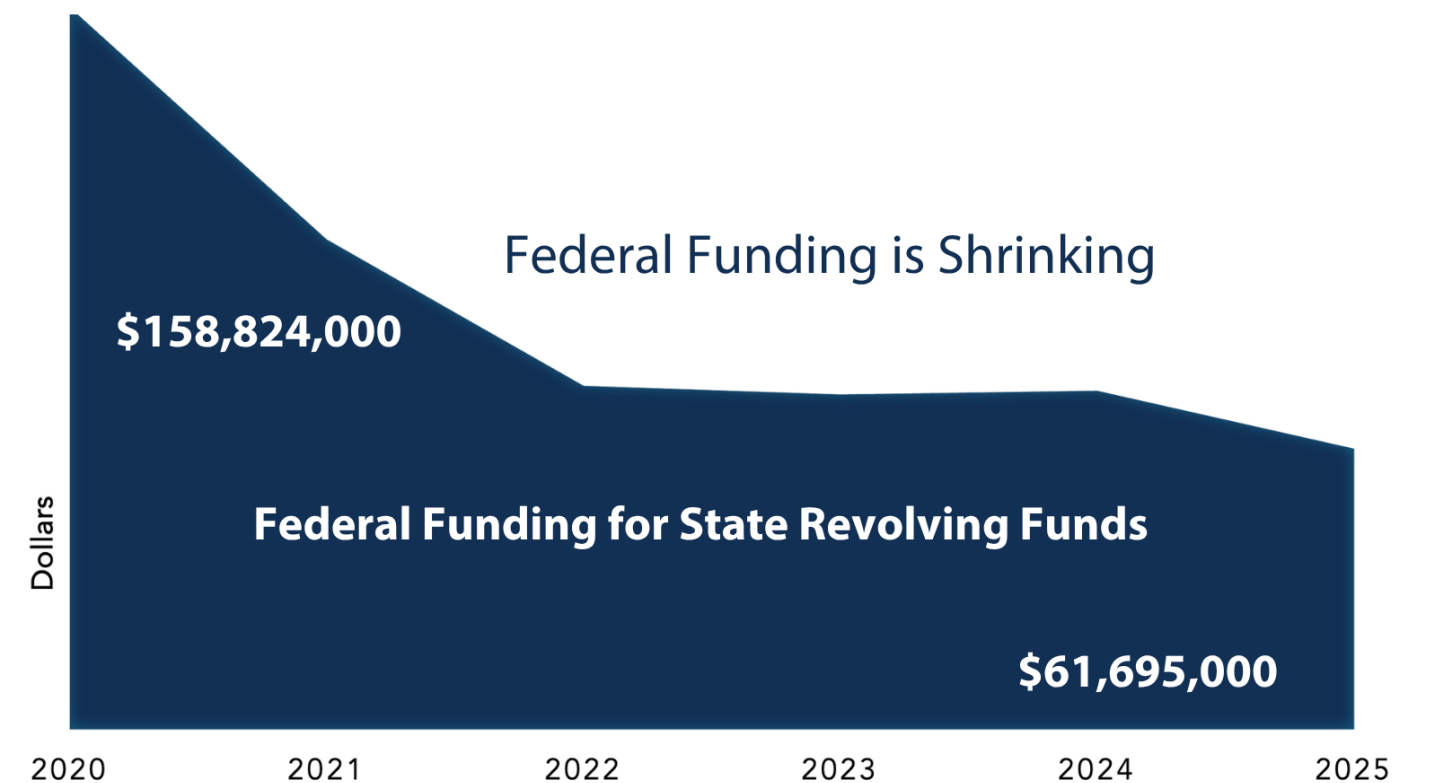
The price tag for Texas' water, wastewater, and flood infrastructure needs is in the hundreds of billions of dollars.



<sup>1</sup> \$47 billion of the \$80 billion in total 2022 State Water Plan project costs will need financial assistance from the State.

<sup>2</sup> Estimates are based on EPA's Drinking Water and Clean Water Infrastructure Needs Survey and Assessment and could contain a small amount of overlap with the State Water Plan.

## \$20B Gap in State Water Plan Needs and Projected Funding



The Texas Water Development Board's financial assistance programs are as much as **ten times** oversubscribed.

# Texas Legislature

## KEY DATES

**JUN 1** → Final Day of 89th Legislature

**JUN 21** → Veto Deadline

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**JUL 21** → First day of First Special Session

**AUG 19** → Last day of First Special Session

**AUG 19** → First day of Second Special Session

**SEP 3** → Last day of Second Special Session

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**NOV 4** → Election Day

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**JAN 12, 2027** → First Day of 90th Legislature



# 89th House Natural Resources Committee

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*Chair* Rep. Cody Harris

*Vice Chair* Rep. Armando Martinez

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*Members* Rep. Trent Ashby  
Rep. Jeff Barry  
Rep. Cecil Bell  
Rep. Brad Buckley  
Rep. Caroline Fairly  
Rep. Erin Gamez  
Rep. Josey Garcia  
Rep. Mary Gonzalez  
Rep. Ramon Romero  
Rep. Denise Villalobos  
Rep. Erin Zwiener

# 89th Senate Water, Agriculture & Rural Affairs Committee

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*Chair* Sen. Charles Perry

*Vice Chair* Sen. Kelly Hancock

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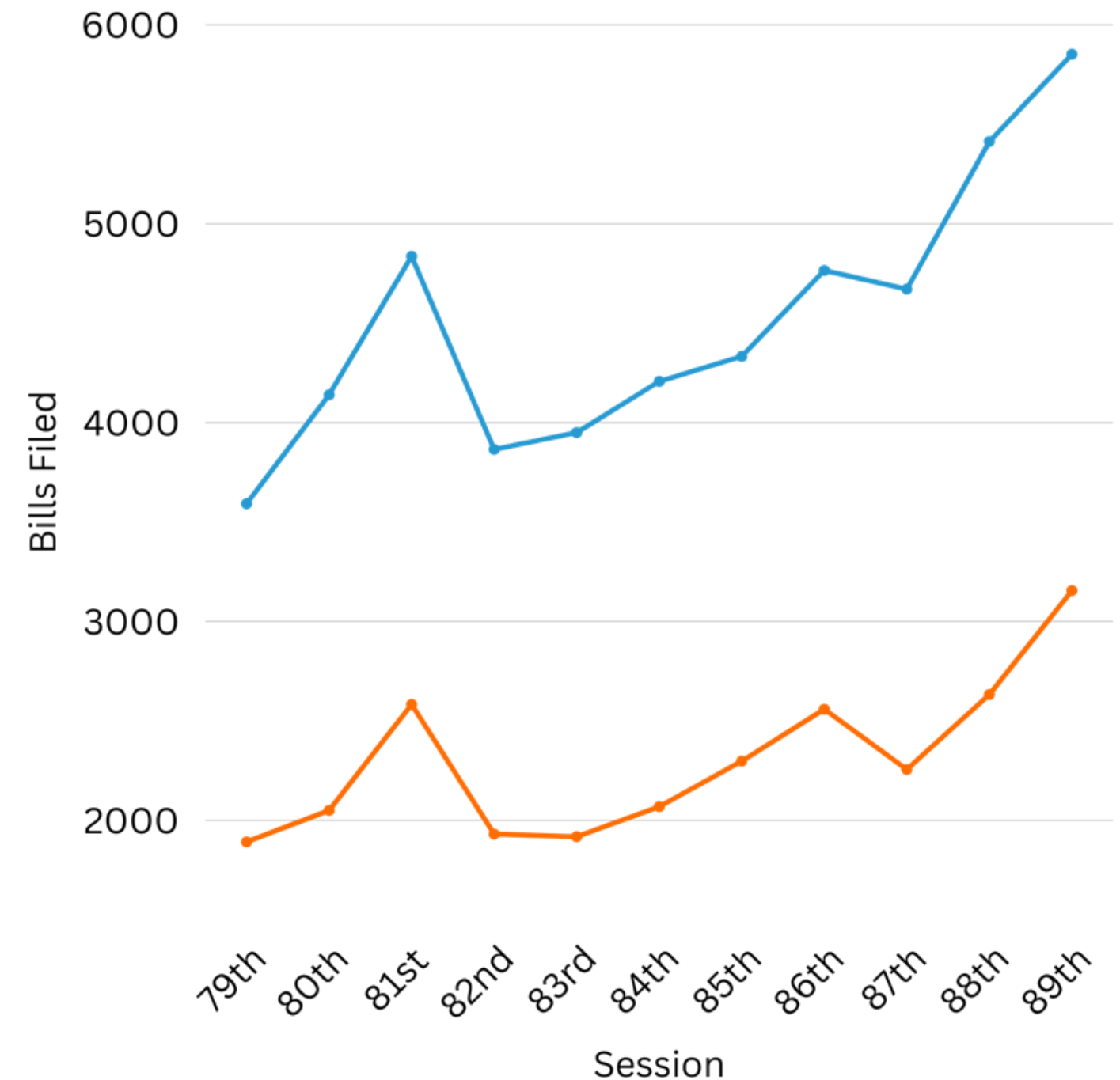
*Members* Sen. Brian Birdwell  
Sen. César Blanco  
Sen. Roland Gutierrez  
Sen. Adam Hinojosa  
Sen. Nathan Johnson  
Sen. Lois Kolkhorst  
Sen. Kevin Sparks

# 89th Session Statistics

- Most bills + JRs ever filed: 9,014
- 58% of bills died without a first hearing
- Lowest passage rate in recent memory:  
→ 13.5%, or 1221 bills + JRs


In comparison:

- 88th Passage Rate: 15%
- 25% passage rate in 2005 (highest)
- Regularly 19-23% passage rate



TWA tracked **1,042 bills** during the **89th Legislative Session**, an increase of 28% from the 88th Session

# Kicking Off the 89th Session



**EMERGENCY ITEM:  
TEXAS-SIZE  
INVESTMENT  
IN WATER**

As people and businesses continue to flock to our state, Texas must invest in new, innovative water projects to tap into new water supplies and repair existing pipelines to save billions of gallons of water each year. By investing in sustainable long-term water infrastructure, we can ensure the Texas economic miracle continues and improve the livelihood of Texans for generations.

Working with the Texas Legislature, Governor Greg Abbott made historic investments to improve the reliability of the state's water supply, including:

- Funded over \$13 billion in low or no-interest loans to cities and water supply corporations to invest in water infrastructure through the State Water Infrastructure for Texas (SWIFT)
- Dedicated an additional \$1 billion to maintain existing and build new water infrastructure
- Created the New Water Supply for Texas fund, which funds innovative strategies to increase the state's water supply in addition to managing and developing existing sources

Yet, some of our water supplies are drying up. Many communities have leaking and broken water lines, and agriculture producers in the Rio Grande Valley and West Texas do not have enough water to grow their crops.

To put Texas on a path to have plenty of water for the next 50 years, Governor Abbott will work with the Texas Legislature to:

- Make the one-time largest investment in water in Texas history, as well as dedicate \$1 billion a year for 10 years to tap into new water supplies and repair existing pipes to save billions of gallons of water each year
- Invest in new water supply strategies that develop resources like desalination and move water from areas of abundance to areas of need
- Invest in existing programs to ensure rural communities throughout Texas have the necessary resources to maintain existing water supply systems
- Create a long-term dedicated funding stream to invest in critical water infrastructure for future generations of Texans to have a reliable water supply

**BUILDING A STRONGER TEXAS**

## Texas-Size Investment in Water

- \$24 billion budget surplus
- Governor declares water infrastructure investment an emergency item, stating the need for a “Texas-Size Investment in Water”

# Legislative Agenda

## Priority Issue:

### INVESTMENT IN TEXAS WATER INFRASTRUCTURE

- Leverage dedicated funding and/or a one-time infusion of dollars
- Support water and wastewater needs through the Texas Water Fund\*
- Address flood needs through the Flood Infrastructure Fund

## Texas Water Association Also Supports:

- Extending loan repayment terms for certain water infrastructure projects to help communities finance larger, more expensive projects, especially in high-growth areas
- Funding to update water availability model data in certain river basins to inform decision making on new water right applications
- Establishing and funding a Groundwater Science & Research Fund at the TWDB to enhance groundwater data and planning capabilities
- Funding to replenish the Ag. Water Conservation Grant/Loan Program, as requested in TWDB's Legislative Appropriations Request

*\*The Texas Water Fund provides the most flexibility for the TWDB to address the State's significant water and wastewater needs.*



# 7 & 7

## Investment in Water Infrastructure

### **HJR 7 (Prop 4)**

Constitutionally dedicated funding  
for water infrastructure

### **SB 7**

Extensive program changes to financial  
assistance programs + oversight

# Prop 4: What It Is

# \$20B

**INVESTMENT IN WATER  
INFRASTRUCTURE**

**\$1 billion per year**

in dedicated state sales and  
use tax revenues to the Texas Water  
Fund administered by the TWDB  
beginning in 2027 and ending 2047

Funds should reach communities  
for project implementation by 2031

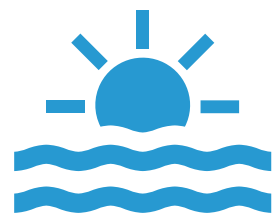


**PROP 4**   
**PASSED**  
**TEXAS' WATER FUTURE**

# Prop 4: Why It Matters

Our economy, communities, and future depend on water. **Texas' population is projected to grow 70% in the next 50 years**, but our water supply won't be enough to support that growth, creating over \$200 billion in infrastructure needs.

## Prop 4 will ...



Increase our state's water supply to ensure all communities have enough water, especially during drought



Help fund needed repairs and replacement of aging and leaking water pipes

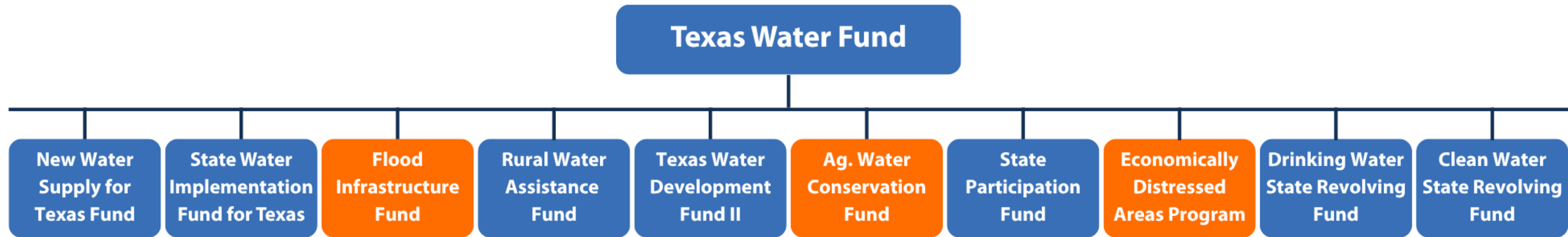


Ensure communities have clean water to drink by improving the safety and reliability of our water systems

# SB 7 (Perry/Harris): Major Provisions

- Requires TWDB to facilitate planning and best practices for water supply conveyance projects, including minimizing eminent domain and promoting use of easements
- Adds programs eligible under the Texas Water Fund (TWF) (see slide)
- Amends projects eligible for the New Water Supply for Texas Fund (see slide)
- Specifies how dedicated funding in H.J.R. 7 should be allocated (see slide)
- Adds wastewater to TWF prioritization for infrastructure projects for small/rural cities and promotes technical assistance
- Defines brackish groundwater for the purposes of New Water as 3,000 TDS
- Authorizes Texas Water Trust to hold water rights from out of state
- Creates TWF advisory committee and requires reporting and studies

# Texas Water Fund Financial Assistance Programs: 89th Legislature



## Funding Allocation Restrictions:

- 25% of initial (2023) \$1 billion appropriation to TWF must go to NWSFT
- Of the \$1 billion/year dedicated revenue = 50% to NWSFT + SWIFT and 50% flexible

*Note: Orange boxes indicate funds added during 89th Legislative Session. The Fund also supports certain other accounts outside of direct financial assistance.*

# Project Eligibility – New Water Supply for Texas Fund

- Marine and brackish groundwater desalination\*
- Aquifer storage and recovery\*
- Use of produced water outside of oil/gas
- Transport of **new** water\*
  - Transport of any water — including surface water or out-of-state water — except groundwater not part of an eligible project (brackish, ASR, reuse)
- Reservoirs, but must have state/federal permits + acquired 100% of property
- Water and wastewater reuse\*
- Purchase of out of state water
- Prohibits purchase of water rights

*\*H.J.R. 7 language is more restrictive and prohibits construction of infrastructure to transport groundwater that is not brackish (defined as 3,000 TDS); excepts ASR wells if the injected water is surface water.*

*Note: Light blue text indicates changes made during the 89th legislative session.*



# Key Water Bills

**89TH LEGISLATIVE SESSION**

# Key Groundwater Bills

## HB 1689

**(Gerdes/Kolkhorst)**

Interlocal contracts  
for mitigation

## HB 1633

**(Gerdes/Kolkhorst)**

Consider registered  
wells in permitting

## HB 5560

**(Harris/Perry)**

Increases civil penalties  
recoverable by a GCD

## HB 2080

**(Gerdes/Perry)**

TCEQ's petition for  
inquiry process

## HB 2078

**(Gerdes/Perry)**

Milestones for DFC  
achievement

## SB 480

**(Perry/Canales)**

Interlocal contracts  
for water research  
and planning

# Key Water-Related Bills

## **SB 1145**

**(Birdwell/Landgraf)**

Land application of  
produced water

## **SB 1261**

**(Gerdes/Perry)**

Extends loan repayment  
terms for certain large  
water projects

## **SB 2662 (Perry/Harris)**

Drought contingency  
plans in IOU tariffs +  
model DCPs updates  
every 5 years

## **SB 1967**

**(Hinojosa, J./Martinez)**

Expands projects  
eligible for the Flood  
Infrastructure Fund

## **SB 2885**

**(Flores/Buckley)**

Authorizes use of  
reclaimed water for  
ASR projects

## **HB 29**

**(Gerdes/Perry)**

Detailed water loss  
validations for  
5 biggest cities

# Growth & Development Bills

## **H.B. 2559 (Patterson/Bettencourt)**

Adds requirements to impose a moratorium on new development

## **S.B. 1883 (Bettencourt/Buckley)**

Requires 2/3 approval to impose an impact fee; prohibits increases more often than every three years

## **H.B. 2512 (Geren/King)**

Expands exclusions from ability to petition for release from ETJ



# Special Sessions

**89TH LEGISLATIVE SESSION**

# House Natural Resources Committee: NTVGCD Permit Hearing

## **JULY 15 HEARING**

- 11 hours – invited testimony only
- Topic – Permit application to the Neches and Trinity Valleys GCD, discussions focused on groundwater export
- Governor added issue to call for 2nd Special Session



# Results from the 89th Special Sessions

Five of TWA's tracked bills made it to the finish line during the second special session



## **SB 1 (Perry/Darby)**

Campground and youth camp safety



## **SB 3 (Bettencourt/Wilson)**

Outdoor warning sirens  
in flash flood areas



## **SB 5 (Huffman/Bonnen)**

\$50M for sirens/gauges in  
Hill Country, etc.



## **SB 8 (Middleton/Orr)**

Bathroom bill for political  
subdivisions/state agencies



## **SB 14 (Perry/Bell, C.)**

Impact fee credits to developers  
for water conservation



## **HB 27 (Harris/Nichols)**

The Neches and Trinity Valleys GCD  
export study and moratorium bill,  
did not pass because Chairman  
Harris did not accept Senate  
changes to remove the moratorium



Created special investigating committees  
related to the Hill Country flood response

# Thinking Ahead...

Interim focused on groundwater export and management.

Notable bills that died but we expect to return:

- Groundwater export/management
- Banning PFAS in biosolids or biosolids application altogether
- Water Infrastructure Financing?
- Potential for further flood discussions



# Contact

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