

BILL ANALYSIS

S.B. 1648
By: Parker
Culture, Recreation & Tourism
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, the Parks and Wildlife Department (TPWD) leases, or partially leases, land from private corporations to create certain state parks. As a result, there have been incidents where land leased by the state for a park was sold to a private entity, shutting down the park in the process. If the state had a dedicated fund to use for purchasing new land, TPWD would have the ability to make sustainable investments in new parks. S.B. 1648 sets out provisions relating to the centennial park conservation fund, which is created by a proposed constitutional amendment, as a permanent endowment with a one-time investment managed by the Texas Treasury Safekeeping Trust Company for the purpose of purchasing real property for the creation and improvement of state parks.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 1648 amends the Parks and Wildlife Code to establish that the centennial parks conservation trust fund, created by the constitutional amendment proposed by S.J.R. 74, 88th Legislature, Regular Session, 2023, is a trust fund held outside the treasury by the Texas Treasury Safekeeping Trust Company and administered by the Parks and Wildlife Department (TPWD) for the purpose of the creation and improvement of state parks. The bill requires the trust company to hold and invest the fund, taking into account the purposes for which the money in the fund may be used, and establishes that the overall objective for the investment of the fund is to maintain sufficient liquidity to meet the needs of the fund. The bill requires the expenses of managing the fund and its assets to be paid from the fund and, except as otherwise provided by the bill or the constitutional amendment proposed by S.J.R. 74, prohibits the use of money in the fund for any other purpose.

S.B. 1648 authorizes the trust company, in managing the assets of the fund and through procedures and subject to restrictions it considers appropriate, to acquire, exchange, sell, supervise, manage, or retain any kind of investment that a prudent investor, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, liquidity requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all the fund assets rather than a single investment. The bill authorizes the fund to be invested with the state treasury pool and to be pooled with other state assets for purposes of investment. The bill requires TPWD to provide

the trust company with a cash flow forecast at least annually, and more frequently as appropriate, to ensure the trust company is able to satisfy the objectives specified by the bill.

S.B. 1648 authorizes TPWD to request from the trust company a distribution from the fund for the purpose of acquiring real property in Texas for the creation and improvement of publicly accessible state parks. The bill requires TPWD to submit to the Legislative Budget Board (LBB) a request for approval of a proposed acquisition of real property under the bill's provisions before the property is acquired. The bill requires a request to the LBB to be considered approved on the 30th day after the date the request is submitted unless the request is approved or disapproved before that date.

S.B. 1648 prohibits money in the fund from being used in the following ways:

- to pay salaries, employee benefits, costs associated with employee benefits, or administration, operating, or program costs of TPWD; or
- for the maintenance or operation of state parks.

The bill subjects all expenditures by TPWD under the bill's provisions to audit by the state auditor and requires TPWD to include in each strategic plan for its operations required to be submitted under the Government Code a report on each acquisition funded using money in the fund during the two-year period preceding the date on which TPWD submits the plan.

EFFECTIVE DATE

January 1, 2024, if the constitutional amendment providing for the creation of the centennial parks conservation fund to be used for the creation and improvement of state parks is approved by the voters.