

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 1648
By: Parker
Water, Agriculture & Rural Affairs
4/13/2023
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, Texas Parks and Wildlife leases (or partially leases) land from private corporations to create some 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, the Texas Parks and Wildlife Department (TPWD) would have the ability to make sustainable investments in new parks.

C.S.S.B. 1648 seeks to establish the Centennial Park Conservation Fund. The trust fund is 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 expansion and creation of state parks. TPWD may request to expend funds from the trust fund for acquiring real property only.

C.S.S.B. 1648 amends current law relating to the centennial parks conservation fund.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Title 3, Parks and Wildlife Code, by adding Chapter 21A, as follows:

CHAPTER 21A. CENTENNIAL PARKS CONSERVATION FUND

Sec. 21A.001. DEFINITIONS. Defines "fund" and "trust company."

Sec. 21A.002. ADMINISTRATION AND MANAGEMENT OF FUND (a) Provides that the centennial parks conservation fund (fund) is held by the Texas Treasury Safekeeping Trust Company (trust company) and administered by the Comptroller of Public Accounts of the State of Texas (comptroller) as trustee on behalf of the people of this state to generate earnings on money in the fund for the purpose of the creation and improvement of state parks.

(b) Requires the trust company to:

(1) hold, manage, and invest the fund; and

(2) determine the amount available for distribution from the fund in accordance with a distribution policy adopted by the comptroller that is designed to:

(A) preserve the purchasing power of the fund's assets;

(B) provide a stable and predictable stream of annual distributions;
and

(C) meet any necessary liquidity needs of the fund.

(c) Requires that the expenses of managing the fund and its assets be paid from the fund. Prohibits money in the fund from being used for any other purpose, except as otherwise provided by this chapter and Section 49-e-1, Article III (Legislative Department), Texas Constitution.

(d) Authorizes the trust company, in managing the assets of the fund, through procedures and subject to restrictions the trust company 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.

(e) Requires the Texas Parks and Wildlife Department (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 distribution and liquidity requirements of the fund.

Sec. 21A.003. REQUEST FOR DISTRIBUTION. Authorizes TPWD to request from the trust company a distribution from the fund for the purpose of acquiring real property in this state for the creation and improvement of publicly accessible state parks.

Sec. 21A.004. REQUIRED APPROVAL OF ACQUISITION. (a) Requires TPWD to submit to the Legislative Budget Board (LBB) a request for approval of a proposed acquisition of real property under this chapter before the property is acquired.

(b) Provides that a request to the LBB under this section is required 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.

Sec. 21A.005. PROHIBITED EXPENDITURES. Prohibits money in the fund from being used:

(1) to pay salaries, employee benefits, costs associated with employee benefits, or administration, operating, or program costs of TPWD; or

(2) for the maintenance or operation of state parks.

Sec. 21A.006. EXPENDITURES SUBJECT TO AUDIT. Provides that all expenditures by TPWD under this chapter are subject to audit by the state auditor.

Sec. 21A.007. STRATEGIC PLAN. Requires TPWD to include in each strategic plan submitted under Section 2056.002 (Strategic Plans), 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.

SECTION 2. Effective date: January 1, 2024, contingent upon approval by the voters of the constitutional amendment proposed by the 88th Legislature, Regular Session, 2023, providing for the creation of the centennial parks conservation fund to be used for the creation and improvement of state parks.