

By: Holland, Rose, González of El Paso,  
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H.B. No. 3165

Substitute the following for H.B. No. 3165:

By: King of Uvalde

C.S.H.B. No. 3165

A BILL TO BE ENTITLED

AN ACT

relating to the establishment, administration, and use of the Texas  
land and water conservation fund.

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

SECTION 1. Chapter 31, Natural Resources Code, is amended  
by adding Subchapter F to read as follows:

SUBCHAPTER F. TEXAS LAND AND WATER CONSERVATION FUND

Sec. 31.201. DEFINITIONS. In this subchapter:

(1) "Advisory committee" means the Texas land and  
water technical advisory committee.

(2) "Agricultural conservation easement" has the  
meaning assigned by Section 84.002, Parks and Wildlife Code.

(3) "Conservation board" means the Texas land and  
water conservation board.

(4) "Conservation easement" has the meaning assigned  
by Section 183.001, Natural Resources Code.

(5) "Fund" means the Texas land and water conservation  
fund.

(6) "Nature-based project" means a project or practice  
that uses protected, restored, or constructed natural features or  
an engineered project or practice that mimics natural processes.

(7) "Private park" means an open space area that is  
privately owned and open to the general public for recreation. The  
term does not include an amusement park or similar facility the

primary uses of which are rides, games of chance, or the sale of food, beverages, toys, or souvenirs.

(8) "Public access" means a land or water area for human use and enjoyment that is relatively free of man-made structures and includes land and water parks owned or operated by the state or a political subdivision.

Sec. 31.202. TEXAS LAND AND WATER CONSERVATION BOARD. (a) The Texas land and water conservation board is composed of five voting members as follows:

(1) the commissioner or the commissioner's designee;

(2) the executive director of the Texas Commission on Environmental Quality or the executive director's designee;

(3) the executive director of the Parks and Wildlife Department or the executive director's designee;

(4) the executive administrator of the Texas Water Development Board or the executive administrator's designee; and

(5) the executive director of the State Soil and Water Conservation Board.

(b) The commissioner or the commissioner's designee is the chair of the conservation board.

(c) The chair of the advisory committee established by Section 31.209 or the chair's designee shall serve as a nonvoting ex officio member. The conservation board may appoint to the conservation board not more than two nonvoting members with professional or academic experience in a field related to the conservation board's duties. A member appointed under this section may serve for a term of not more than two years.

1       Sec. 31.203. TEXAS LAND AND WATER CONSERVATION FUND. (a)  
2 The Texas land and water conservation fund is created as a fund  
3 outside the state treasury.

4       (b) The fund may be used:

5           (1) without further legislative appropriation; and

6           (2) only as provided by this subchapter.

7       (c) The fund consists of:

8           (1) money appropriated to the fund by law;

9           (2) the proceeds of fees or other sources of revenue  
10 dedicated by law for deposit to the fund;

11           (3) interest and other earnings on the investment of  
12 money in the fund;

13           (4) gifts, grants, or donations to the fund; and

14           (5) money from other sources designated by the  
15 conservation board for deposit to the fund as authorized by law.

16       (d) The conservation board may use the fund only to:

17           (1) award a grant to an entity for a public parks or  
18 natural areas project or a natural resource conservation project as  
19 provided by Section 31.204;

20           (2) award a grant to provide matching funds to an  
21 entity to participate in a federal program for a public parks or  
22 natural areas project or a natural resource conservation project as  
23 provided by Section 31.204; and

24           (3) pay the necessary and reasonable expenses to  
25 administer the fund, not to exceed three percent of money disbursed  
26 from the fund in any given year.

27       (e) The conservation board shall allocate from money in the

fund described by Subsection (c)(3) amounts necessary to pay the expenses of administering the fund.

(f) The fund may not be used:

(1) to facilitate the use of eminent domain for the acquisition of real property; or

(2) for the acquisition or transfer of real property to be managed by the federal government.

Sec. 31.204. ELIGIBLE PROJECTS AND PERSONS ELIGIBLE FOR GRANT; PRIORITY. (a) Projects eligible for a grant awarded from the fund include:

(1) a public parks or natural areas project that benefits, protects, or enhances:

(A) public access in general;

(B) the local park grant program administered by the Parks and Wildlife Department;

(C) a public or private local park; or

(D) a recreation trail or trail easement; and

(2) a natural resource conservation project that benefits, protects, or enhances:

(A) farm, ranch, or forest land through a project related to the Texas Farm and Ranch Lands Conservation Program under Chapter 84, Parks and Wildlife Code, or by other means, including by:

(i) creating a conservation easement or an agricultural conservation easement; and

(ii) conserving forest lands;

(B) wildlife or a wildlife habitat, including

acquisition of a land or conservation easement for protection of a wetland or wildlife habitat;

(C) a nature-based project that uses water resources for water quality and quantity, including:

(i) aquifer recharge area protection;

(ii) acquisition of land or conservation easements for protection and enhancement of a water resource; and

(iii) dedication for 10 years or more of a water right or permit allocation to maintain or improve instream flows, spring flows, and bay and estuary inflows; and

(D) a restoration project that:

(i) prevents soil erosion, reduces loss of wildlife habitat, or restores native grassland on agricultural land;

(ii) restores critical wildlife habitat, maintains or enhances fish or wildlife habitat, or restores a wetland; or

(iii) enhances spring flow, restores a stream, river, or riparian area, or improves water quality.

(b) The conservation board may award a grant under this chapter only to a district or authority created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, a municipality, a county, a state agency, or a nongovernmental entity.

(c) The conservation board by rule shall establish criteria for setting priorities for the projects eligible to receive grants under this subchapter. The criteria must include:

1           (1) the project's use of matching funds;

2           (2) the potential to maximize benefits in multiple  
3 eligible project areas;

4           (3) the long-term sustainability and benefits of the  
5 project;

6           (4) coordination and integration with other relevant  
7 projects necessary for the success of the project;

8           (5) regional and eco-regional diversity of the  
9 project; and

10          (6) the overall ecological benefit of the project.

11          Sec. 31.205. APPLICATION PREPARATION ASSISTANCE. (a) The  
12 conservation board shall establish a grant program to provide  
13 financial assistance to eligible entities for conservation  
14 planning, application preparation, and administrative costs  
15 associated with eligible projects described by Section 31.204.

16          (b) The conservation board shall provide guidance to  
17 applicants for projects that are eligible under more than one  
18 funding category.

19          Sec. 31.206. FUNDING DETERMINATIONS; APPLICATION PROCESS.  
20 (a) The conservation board shall implement an application process  
21 to select eligible projects in accordance with the priority  
22 criteria established under Section 31.204(c).

23          (b) If the conservation board receives a sufficient number  
24 of applications for eligible projects, the conservation board shall  
25 allocate:

26           (1) 50 percent of the funding in any cycle to public  
27 parks or natural areas projects as described by Section

1 31.204(a)(1); and

2 (2) 50 percent of the funding in any cycle to natural  
3 resource conservation projects as described by Section  
4 31.204(a)(2).

5 Sec. 31.207. APPROVAL OF APPLICATIONS. The conservation  
6 board may approve an application only if the conservation board  
7 finds that:

8 (1) the application and the assistance applied for  
9 meet the requirements of this subchapter and rules adopted under  
10 this subchapter; and

11 (2) the applicant demonstrates the ability to complete  
12 the project.

13 Sec. 31.208. RULES. (a) The conservation board shall adopt  
14 rules necessary to implement this subchapter, including rules that  
15 establish procedures for:

16 (1) the administration of the fund; and

17 (2) an application for a project grant from the fund.

18 (b) The conservation board may adopt rules to ensure that a  
19 policy or practice of the conservation board under this subchapter  
20 does not prevent qualification for or the use of federal matching  
21 funds.

22 Sec. 31.209. TEXAS LAND AND WATER CONSERVATION TECHNICAL  
23 ADVISORY COMMITTEE. (a) The Texas land and water conservation  
24 technical advisory committee is composed of the following nine  
25 members:

26 (1) one representative from each state agency  
27 specified by Sections 31.202(a)(1)-(4);

1           (2) three representatives appointed by the  
2 conservation board from nongovernmental entities who have relevant  
3 experience; and

4           (3) two representatives appointed by the conservation  
5 board from institutions of higher education who have relevant  
6 professional experience.

7           (b) The advisory committee shall assist in developing and  
8 evaluating:

9           (1) the application process and scoring criteria for  
10 project funding by the conservation board;

11           (2) recommendations to the conservation board; and

12           (3) other items as directed by the conservation board.

13           Sec. 31.210. MONITORING AND REPORTING. (a) Not later than  
14 September 1 of every second year, the conservation board shall  
15 prepare and submit to the legislature a report quantifying the  
16 benefits of projects that have received grants under this  
17 subchapter.

18           (b) The conservation board may use money from the fund to  
19 prepare the report required by this section.

20           SECTION 2. The Texas land and water conservation board  
21 shall submit to the legislature the initial report required by  
22 Section 31.210, Natural Resources Code, as added by this Act, not  
23 later than September 1, 2025.

24           SECTION 3. This Act takes effect September 1, 2023, but only  
25 if the constitutional amendment providing for the creation of the  
26 Texas land and water conservation fund to assist in the voluntary  
27 protection of Texas' water quality, wildlife habitat, natural



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1 areas, and parks, while not increasing the rate of any taxes, is  
2 approved by the voters. If that amendment is not approved by the  
3 voters, this Act has no effect.