

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 17, 2023

TO: Honorable Tracy O. King, Chair, House Committee on Natural Resources

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3165 by Holland (relating to the establishment, administration, and use of the Texas land and water conservation fund.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 31 of the Natural Resources Code to add subchapter F (Land and Water Conservation Fund (LWCF)). The LWCF would be a fund outside the state treasury. The LWCF would consist of: (1) money appropriated to the fund by law; (2) the proceeds of fees or other sources of revenue dedicated by law to the fund; (3) interest and investment earnings; (4) gifts, grants, or donations to the fund; and (5) money from other sources designated by the Texas Land and Water Conservation Board (board) for deposit to the LWCF as authorized by law.

The board could use the LWCF only to award grants to eligible entities for a conservation, restoration, or public access project as provided by the bill and to cover costs to administer the associated grant program. The bill would: (1) provide direction for the grant program and an application process; (2) define eligible projects; (3) grant rule making authority to the board; and (4) establish an advisory committee, and reporting and monitoring requirements.

The board would submit to the Legislature the initial report required by Section 31.210, Natural Resources Code not later than September 1, 2027.

The bill would take effect September 1, 2023, but only if the constitutional amendment providing for the creation of the LCWF is approved by the voters. If that amendment is not approved by the voters, the bill would have no effect.

This legislation would create or recreate a dedicated account in the General Revenue Fund, create or recreate a fund either in, with, or outside of the Treasury, or dedicate or rededicate a revenue source. The Legislature consolidated funds into the General Revenue Fund as of August 31, 1993, and eliminated all applicable statutory revenue dedications as of August 31, 1995. Each subsequent Legislature has enacted a funds consolidation bill. The dedication included in this bill, unless created by a constitutional amendment, would be subject to funds consolidation review by the current Legislature.

Although this bill would not make an appropriation, it would establish the basis for an appropriation.

This legislation would create a fund or account in the Treasury and states that money in the fund or account may be spent without further appropriation. Article VIII, Section VI of the Texas Constitution provides that money drawn from the state treasury requires an appropriation. A constitutional amendment providing authority to spend without further appropriation would be required to spend money in the fund created by this legislation.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 305 General Land Office and Veterans' Land Board, 580 Water Development Board, 582 Commission on Environmental Quality, 592 Soil and Water Conservation Board, 802 Parks and Wildlife Department

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