

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

By: Paul, Thompson of Brazoria

H.B. No. 2416

A BILL TO BE ENTITLED

AN ACT

relating to creation of the gulf coast protection trust fund to be administered by the General Land Office.

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

SECTION 1. Subchapter C, Chapter 31, Natural Resources Code, is amended by adding Section 31.070 to read as follows:

Sec. 31.070. GULF COAST PROTECTION TRUST FUND. (a) The gulf coast protection trust fund is created as a trust fund outside the treasury with the comptroller and shall be administered by the land office under this section and rules adopted by the land office.

(b) The gulf coast protection trust fund consists of money from:

(1) gifts, grants, or donations to the land office for the protection of the gulf coast; or

(2) any other source designated by the legislature.

(c) Money in the gulf coast protection trust fund may be used only to pay expenditures for the development of infrastructure necessary or useful for protecting the gulf coast within the territory of the Gulf Coast Protection District established under Chapter 9502, Special District Local Laws Code.

(d) The land office may invest, reinvest, and direct the investment of any available money in the gulf coast protection trust fund. Money in the fund may be invested in the manner that state funds may be invested under Section 404.024, Government Code.

1 SECTION 2. This Act takes effect September 1, 2023.

**ADOPTED**

**MAY 18 2023**

By: Carl Allen

*Lacey Law*  
Secretary of the Senate     .B. No. 2416

Substitute the following for     .B. No. 2416:

By: Carl Allen

C.S.     .B. No. 2416

A BILL TO BE ENTITLED

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relating to creation of the gulf coast protection trust fund to be administered by the General Land Office.

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

SECTION 1. Subchapter C, Chapter 31, Natural Resources Code, is amended by adding Section 31.070 to read as follows:

Sec. 31.070. GULF COAST PROTECTION TRUST FUND. (a) The gulf coast protection trust fund is created as a trust fund outside the treasury and shall be administered by the land office under this section and rules adopted by the land office.

(b) The gulf coast protection trust fund consists of money from:

(1) gifts, grants, or donations to the land office for the protection of the gulf coast; or

(2) any other source designated by the legislature.

(c) Money in the gulf coast protection trust fund may be used only to pay expenditures for the development of infrastructure necessary or useful for protecting the gulf coast within the territory of the Gulf Coast Protection District established under Chapter 9502, Special District Local Laws Code.

(d) The land office may invest, reinvest, and direct the investment of any available money in the gulf coast protection trust fund. Money in the fund may be invested in the manner that state funds may be invested under Section 404.024, Government Code.

1           SECTION 2.   This Act takes effect September 1, 2023.

ADOPTED

MAY 18 2023

*Lately Law*  
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY: Carl Allen

1 Amend C.S.H.B. No. 2416 (senate committee report) by striking  
2 all below the enacting clause and substituting the following:

3 SECTION 1. Subchapter C, Chapter 31, Natural Resources Code,  
4 is amended by adding Section 31.070 to read as follows:

5 Sec. 31.070. GULF COAST PROTECTION ACCOUNT. (a) The gulf coast  
6 protection account is a dedicated account in the general revenue  
7 fund administered by the land office under this section and rules  
8 adopted by the land office.

9 (b) The gulf coast protection account consists of money from:

10 (1) gifts, donations, and grants, including federal  
11 grants; and

12 (2) money appropriated, credited, or transferred to the  
13 account by the legislature.

14 (c) The land office shall deposit to the credit of the gulf  
15 coast protection account any federal money received by the state  
16 for the protection of the gulf coast, to the extent permitted by  
17 federal law.

18 (d) Money in the gulf coast protection account may be used  
19 only to pay for expenditures that:

20 (1) are eligible for credit towards the non-federal  
21 match of the Coastal Texas Protection and Restoration Feasibility  
22 Study Final Integrated Feasibility Report and Environmental Impact  
23 Statement issued by the Galveston District, Southwestern Division,  
24 of the United States Army Corps of Engineers;

25 (2) comply with the terms of a local cooperation

1 agreement executed by the land office and the Gulf Coast Protection  
2 District established under Chapter 9502, Special District Local  
3 Laws Code; and

4 (3) are for projects that are necessary or useful for  
5 the protection of the portion of the gulf coast located within the  
6 territory of the district.

7 (e) The legislature finds that the expenditure of money in  
8 the gulf coast protection account in accordance with Subsection  
9 (d) serves a public purpose.

10 (f) The expenditure of money in the gulf coast protection  
11 account is subject to audit by the state auditor.

12 SECTION 2. This Act takes effect September 1, 2023.

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION**

**May 20, 2023**

**TO:** Honorable Dade Phelan, Speaker of the House, House of Representatives

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB2416** by Paul (Relating to creation of the gulf coast protection trust fund to be administered by the General Land Office.), **As Passed 2nd House**

The fiscal implications of the bill cannot be determined because the timing and amount of funds appropriated, credited, deposited, or transferred and gifts, donations, and grants revenues that would be dedicated to the Gulf Coast Protection Account as well as eligible expenditures that would be made from the Account are unknown.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The bill would amend the Natural Resources Code to create the Gulf Coast Protection Account ("Account"). The Account would be created as a dedicated account in the General Revenue Fund and would be administered by the General Land Office and Veterans' Land Board (GLO). It would consist of gifts, grants, donations, and money appropriated, credited, or transferred to the Account by the Legislature. The bill would require GLO to deposit to the Account any federal money received by the state for the protection of the gulf coast to the extent permitted by federal law. The bill would specify that the Account could be used only to pay expenditures that are eligible for credit towards non-federal match of the Coastal Texas Protection and Restoration Feasibility Study Final Integrated Feasibility Report and Environmental Impact Statement; that comply with the terms of a local cooperation agreement executed by the GLO and the Gulf Coast Protection District ("District"); and that are for projects that are necessary or useful for protecting the gulf coast within the District. The expenditure of money in the Account would be subject to audit by the State Auditor.

Based on information provided by the Comptroller of Public Accounts (CPA), the fiscal impact to the state cannot be determined because the timing, number, and amounts of gifts, grants, donations, appropriations, money credited or transferred by the Legislature, and expenditures from the fund are unknown. The CPA further notes that it is not known how much money the state is currently receiving or will receive from the federal government explicitly for the protection of the gulf coast as well as into what funds or accounts such funds, if any, are being deposited. It is unknown how this provision of the bill might interact with other laws specifying how federal funds are to be deposited. If any of those funds are currently deposited into the General Revenue Fund, the CPA indicates that this bill would decrease an unknown amount of General Revenue that is included in the calculation of the constitutional limit of the balance in the Economic Stabilization Fund.

The GLO assumes the federal grants and funding currently received by the agency, including funding for the Gulf of Mexico Energy Security Act (GOMESA), Community Development Block Grant (CDBG), Coastal Management program, or other related federal funds, would not be subject to the bill's transfer requirement.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

**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

**LBB Staff:** JMc, CMA, MW, EJ, KDw, BRI, CSmi, MOc



**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION**

**May 15, 2023**

**TO:** Honorable Brian Birdwell, Chair, Senate Committee on Natural Resources & Economic Development

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB2416** by Paul (relating to creation of the gulf coast protection trust fund to be administered by the General Land Office.), **Committee Report 2nd House, Substituted**

The fiscal implications of the bill cannot be determined because the timing and amount of funds and revenues that would be dedicated to the Gulf Coast Protection Trust Fund and expenditures that would be made from the Trust Fund are unknown.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

This bill would amend the Natural Resources Code to create the Gulf Coast Protection Trust Fund ("Trust"). The Trust would be created outside of the treasury and administered by the General Land Office and Veterans' Land Board (GLO). It would consist of gifts, grants, donations, and any other source designated by the Legislature. The Trust would be used to pay expenditures for the development of infrastructure necessary or useful for protecting the gulf coast within the Gulf Coast Protection District. The bill would allow the GLO to invest, reinvest, and direct the investment of any available funds within the Trust.

Based on information provided by GLO, this analysis anticipates that the fiscal impact to the state would be insignificant unless sufficient funds and/or revenues would be available and deposited within the Trust to invest or manage. If funding would be provided for the Trust, it is assumed that GLO would require funding and FTEs to manage and administer the funds in alignment with the provisions of the bill. Administrative costs for GLO cannot be determined because the timing and amount of funds and revenues that would be dedicated to the Trust are unknown.

Based on information provided by the Comptroller of Public Accounts and GLO, the fiscal impact to the state cannot be determined because the timing and amount of funds and revenues that would be dedicated to the Trust and expenditures that would be made from the Trust are unknown.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

**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

**LBB Staff:** JMc, MOc, EJ, KDw, MW, BRI, CSmi

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION**

**May 6, 2023**

**TO:** Honorable Brian Birdwell, Chair, Senate Committee on Natural Resources & Economic Development

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB2416** by Paul (Relating to creation of the gulf coast protection trust fund to be administered by the General Land Office.), **As Engrossed**

The fiscal implications of the bill cannot be determined because the timing and amount of funds and revenues that would be dedicated to the Gulf Coast Protection Trust Fund and expenditures that would be made from the Trust Fund are unknown.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

This bill would amend the Natural Resources Code to create the Gulf Coast Protection Trust Fund ("Trust"). The Trust would be created outside of the treasury, with the Comptroller, and administered by the General Land Office and Veterans' Land Board (GLO). It would consist of gifts, grants, donations, and any other source designated by the Legislature. The Trust would be used to pay expenditures for the development of infrastructure necessary or useful for protecting the gulf coast within the Gulf Coast Protection District. The bill would allow the GLO to invest, reinvest, and direct the investment of any available funds within the Trust.

Based on information provided by GLO, this analysis anticipates that the fiscal impact to the state would be insignificant unless sufficient funds and/or revenues would be available and deposited within the Trust to invest or manage. If funding would be provided for the Trust, it is assumed that GLO would require funding and FTEs to manage and administer the funds in alignment with the provisions of the bill. Administrative costs for GLO cannot be determined because the timing and amount of funds and revenues that would be dedicated to the Trust are unknown.

Based on information provided by the Comptroller of Public Accounts and GLO, the fiscal impact to the state cannot be determined because the timing and amount of funds and revenues that would be dedicated to the Trust and expenditures that would be made from the Trust are unknown.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

**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

**LBB Staff:** JMc, MOc, EJ, KDw, MW, BRI, CSmi

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION**

**March 27, 2023**

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

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB2416** by Paul (Relating to creation of the gulf coast protection trust fund to be administered by the General Land Office.), **As Introduced**

The fiscal implications of the bill cannot be determined because the timing and amount of funds and revenues that would be dedicated to the Gulf Coast Protection Trust Fund and expenditures that would be made from the Trust Fund are unknown.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

This bill would amend the Natural Resources Code to create the Gulf Coast Protection Trust Fund ("Trust"). The Trust would be created outside of the treasury, with the Comptroller, and administered by the General Land Office and Veterans' Land Board (GLO). It would consist of gifts, grants, donations, and any other source designated by the Legislature. The Trust would be used to pay expenditures for the development of infrastructure necessary or useful for protecting the gulf coast within the Gulf Coast Protection District. The bill would allow the GLO to invest, reinvest, and direct the investment of any available funds within the Trust.

Based on information provided by GLO, this analysis anticipates that the fiscal impact to the state would be insignificant unless sufficient funds and/or revenues would be available and deposited within the Trust to invest or manage. If funding would be provided for the Trust, it is assumed that GLO would require funding and FTEs to manage and administer the funds in alignment with the provisions of the bill. Administrative costs for GLO cannot be determined because the timing and amount of funds and revenues that would be dedicated to the Trust are unknown.

Based on information provided by the Comptroller of Public Accounts and GLO, the fiscal impact to the state cannot be determined because the timing and amount of funds and revenues that would be dedicated to the Trust and expenditures that would be made from the Trust are unknown.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

**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

**LBB Staff:** JMc, KDw, MW, EJ, BRI, CSMI