

BILL ANALYSIS

Senate Research Center
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H.B. 4530
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Water, Agriculture and Rural Affairs
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Water Trust (trust) was created to facilitate the voluntary dedication of water rights to support environmental and conservation efforts. Historically, the trust has primarily focused on surface water rights, which must undergo a review and approval process by the Texas Commission on Environmental Quality (TCEQ) in consultation with the Texas Water Development Board (TWDB) and the Texas Parks and Wildlife Department (TPWD). However, there has been no formal requirement for groundwater rights dedicated to the trust to undergo a similar review and approval process, creating a regulatory gap.

Texas is increasingly reliant on groundwater resources, which provide more than 55 percent of the state's water supply. Given the critical role of groundwater in sustaining municipal, agricultural, and environmental water needs, ensuring proper regulatory oversight of groundwater dedications is essential for water conservation and long-term resource management. Without legislative action, the lack of a formal review process for groundwater dedications could lead to uncoordinated withdrawals, conflicting water use priorities, and unintended impacts on local water supplies.

H.B. 4530 would address this regulatory gap by requiring that all groundwater rights placed in the trust be reviewed and approved by the TWDB. Additionally, the bill ensures that local groundwater conservation districts or authorities are involved in the review and acknowledgment process, preserving regional oversight and coordination.

H.B. 4530 amends current law relating to the dedication and management of water rights placed in the Texas Water Trust.

[Note: While the statutory reference in this bill is to the Texas Natural Resource Conservation Commission (TNRCC), the following amendments affect the Texas Commission on Environmental Quality (TCEQ), as the successor agency to TNRCC.]

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 Sections 12.028(b) and (c), Parks and Wildlife Code, as follows:

(b) Requires the Parks and Wildlife Department (TPWD), consistent with Section 11.0235(b) (relating to proving that the legislature encourages voluntary water and land stewardship to benefit water in this state), Water Code, and TPWD's duties and responsibilities, to encourage and facilitate the dedication of surface water rights in the Texas Water Trust (trust) through lease, donation, purchase, or other means of voluntary transfer for environmental needs, including for the purpose of maintaining or improving certain environmental factors.

(c) Makes a conforming change to this subsection.

SECTION 2. Amends Section 15.7031, Water Code, by amending Subsections (c) and (e) and adding Subsection (c-1), as follows:

(c) Requires that the dedication of any surface water rights placed in trust be reviewed and approved by Texas Natural Resource Conservation Commission, in consultation with the Texas Water Development Board (TWDP) and TPWD. Makes conforming and nonsubstantive changes.

(c-1) Requires that the dedication of any groundwater rights placed in trust be reviewed and approved by TWDP. Requires TWDP to provide notice of the dedication to any district or authority that was created under Section 52 (Restrictions on Lending Credit or Making Grants by Political Corporations or Political Subdivisions; Authorized Bonds; Investment of Funds), Article III (Legislative Department), or Section 59 (Conservation and Development of Natural Resources; Development of Parks and Recreational Facilities; Conservation and Reclamation Districts; Indebtedness and Taxation Authorized), Article XVI (General Provisions), Texas Constitution, and has the authority to regulate the spacing of or production from water wells located in the aquifer, subdivision of the aquifer, or geologic stratum in which the groundwater that is the subject of the groundwater rights is located.

(e) Makes a conforming change to this subsection.

SECTION 3. Effective date: September 1, 2025.