

AN ACT

relating to water rights placed in the Texas Water Trust and the Texas Water Bank.

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

SECTION 1. Sections 12.028(b) and (c), Parks and Wildlife Code, are amended to read as follows:

(b) Consistent with Section 11.0235(b), Water Code, and the department's duties and responsibilities, the department shall encourage and facilitate the dedication of surface water rights in the Texas Water Trust through lease, donation, purchase, or other means of voluntary transfer for environmental needs, including for the purpose of maintaining or improving:

- (1) instream flows;
- (2) water quality;
- (3) fish and wildlife habitat; and
- (4) bay and estuary inflows.

(c) The department may manage surface water rights in the Texas Water Trust in a manner that is consistent with:

(1) the manner in which a holder of the rights may manage the rights;

(2) the dedication of the rights, including the dedication's terms and conditions;

(3) Sections 11.0237, 11.027, and 11.122, Water Code;

and

(4) maximizing environmental benefits.

SECTION 2. Section 15.703(a), Water Code, is amended to read as follows:

(a) The board may take all actions necessary to operate the water bank and to facilitate the transfer of water rights from the water bank for future beneficial use including but not limited to:

(1) negotiating a sale price and terms acceptable to the depositor and purchaser;

(2) maintaining a registry of water bank deposits and those water users in need of additional supplies;

(3) informing water users in need of additional supply of water rights available in the bank;

(4) encouraging water right holders to implement water conservation practices and deposit the right to use the conserved water into the bank;

(5) establishing requirements for deposit of a water right into the water bank including minimum terms for deposit;

(6) purchasing, holding, and transferring water or water rights in its own name;

(7) establishing regional water banks;

(8) acting as a clearinghouse for water marketing information including water availability, pricing of water transactions, environmental considerations, and potential buyers and sellers of water rights;

(9) preparing and publishing a manual on structuring water transactions;

(10) accepting and holding donations of water rights

1 to meet conservation needs or environmental needs, including
2 instream flow, water quality, fish and wildlife habitat, or bay and
3 estuary inflow needs;

4 (11) entering into contracts with persons to pay for
5 feasibility studies or the preparation of plans and specifications
6 relating to water conservation efforts or to estimate the amount of
7 water that would be saved through conservation efforts; and

8 (12) other actions to facilitate water transactions.

9 SECTION 3. Section 15.7031(a), Water Code, is amended to
10 read as follows:

11 (a) The Texas Water Trust is established within the water
12 bank to hold water rights dedicated to conservation needs or
13 environmental needs, including instream flow [~~flows~~], water
14 quality, fish and wildlife habitat, or bay and estuary inflow needs
15 [~~inflows~~].

16 SECTION 4. Section 15.7031, Water Code, is amended by
17 amending Subsections (c) and (e) and adding Subsection (c-1) to
18 read as follows:

19 (c) The dedication of any surface water rights placed in
20 trust must be reviewed and approved by the commission, in
21 consultation with the board and the Parks and Wildlife Department.
22 In addition, the Department of Agriculture may provide input to the
23 commission, as appropriate, during the review and approval process
24 for the dedication of surface water rights.

25 (c-1) The dedication of any groundwater rights placed in
26 trust must be reviewed and approved by the board. The board must
27 provide notice of the dedication to any district or authority that:

1 (1) was created under Section 52, Article III, or
2 Section 59, Article XVI, Texas Constitution; and

3 (2) has the authority to regulate the spacing of or
4 production from water wells located in the aquifer, subdivision of
5 the aquifer, or geologic stratum in which the groundwater that is
6 the subject of the groundwater rights is located.

7 (e) The Parks and Wildlife Department may manage surface
8 water rights in the trust:

9 (1) under a voluntary agreement with a rights holder;
10 and

11 (2) in the manner described by Section 12.028(c),
12 Parks and Wildlife Code.

13 SECTION 5. This Act takes effect September 1, 2025.

H.B. No. 4530

President of the Senate

Speaker of the House

I certify that H.B. No. 4530 was passed by the House on May 7, 2025, by the following vote: Yeas 109, Nays 27, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 4530 on May 28, 2025, by the following vote: Yeas 90, Nays 42, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 4530 was passed by the Senate, with amendments, on May 26, 2025, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor