

**SUBJECT:** Establishing the centennial parks conservation fund

**COMMITTEE:** Culture, Recreation & Tourism — favorable, without amendment

**VOTE:** 6 ayes — Ashby, Bailes, Flores, Holland, Morrison, Troxclair  
0 nays  
3 absent — Martinez, Collier, Garcia

**SENATE VOTE:** On final passage (April 20) — 26 - 3

**WITNESSES:** None (*considered in a formal meeting on May 2*)

**BACKGROUND:** Some have suggested that a dedicated state fund for purchasing new land to create state parks would help the Texas Parks and Wildlife Department make sustainable investments in new parks.

**DIGEST:** SB 1648 would establish the Centennial Parks Conservation Fund as a trust fund held outside the treasury by the Texas Treasury Safekeeping Trust Company and administered by the Texas Parks and Wildlife Department (TPWD) for the purpose of the creation and improvement of state parks. The bill would require the trust company to hold and invest the fund, taking into account the purposes for which the money in the fund could be used. The overall objective for the investment of the fund would be to maintain sufficient liquidity to meet the needs of the fund.

The expenses of managing the fund and its assets would be paid from the fund. Except as otherwise provided by the bill or the Texas Constitution, money in the fund could not be used for any other purpose. In managing the assets of the fund, the trust company could acquire, exchange, sell, supervise, manage, or retain any kind of investment that a prudent investor, exercising reasonable care and skill would acquire in light of the purposes and circumstances of the fund and taking into consideration the investment of all the fund assets rather than a single investment. The fund could be invested with the state treasury pool and could be pooled with

other state assets for purposes of investment.

The bill would require TPWD to provide the trust company with a cash flow forecast at least annually, and more frequently as appropriate, to ensure the trust company could satisfy its objectives as specified by the bill. TPWD could request a distribution from the fund from the trust company for the purpose of acquiring real property in Texas for the creation and improvement of publicly accessible state parks.

TPWD would be required to submit a request for approval of a proposed acquisition of real property to the Legislative Budget Board before the property was acquired. The request would be considered approved on the 30<sup>th</sup> day after the date the request was submitted unless it was approved or disapproved before that date.

Money in the fund could not be used to pay salaries, employee benefits, costs associated with employee benefits, or administration, operating, or program costs for TPWD. The money also could not be used for the maintenance or operation of state parks.

All expenditures by TPWD under the bill would be subject to audit by the state auditor. The bill would require TPWD to include a report on each acquisition funded by money in the fund during the previous two-year period in each biennial strategic plan required from a state agency by law.

The bill would take effect January 1, 2024, but only if the constitutional amendment proposed by the 88<sup>th</sup> Legislature was approved by the voters.

**NOTES:**

SB 1648 is the enabling legislation for SJR 74 by Parker, which is also on the calendar for second reading consideration today.

According to the Legislative Budget Board, fiscal implications of the bill cannot be determined because the timing, availability, land value, and amount of acreage of suitable property that could be acquired are unknown. The total available balances of the fund and the timing and amount of funds that would be requested and approved for the creation

and improvement of state parks are also unknown.