

SUBJECT: Creating a gulf coast protection trust fund

COMMITTEE: Natural Resources — favorable, without amendment

VOTE: 8 ayes — T. King, E. Thompson, Gámez, Kacal, Lalani, Metcalf, Price,
Rogers

0 nays

3 absent — Kitzman, Ramos, Zwiener

WITNESSES: For — Sally Bakko, City of Galveston (*Registered, but did not testify*:
Scott Stewart, American Council of Engineering Companies of Texas;
Buddy Garcia, ARX Energy; Martha Landwehr, BASF Corporation;
Gerard Torres, CenterPoint Energy; Ryan Brannan, Galveston Park Board
of Trustees; Crystal Brown, Greater Houston Partnership; Don Carona,
GCPD; Mindy Ellmer, Lyondellbasell; Bill Kelly, Mayor's Office, City of
Houston; Jeremy Mazur, Texas 2036; Rebecca Grande, Texas Association
of Business; Kyle Bush, Texas Association of Manufacturers; Shea
Pearson, Texas Chemical Council; Perry Fowler, Texas Water
Infrastructure Network; Andrew Sansom)

Against — None

On — Bob Mitchell, Gulf Coast Protection District; Danielle Goshen,
National Wildlife Federation (*Registered, but did not testify*: Raymond
Russo, Nicole Sunstrum, Gulf Coast Protection District)

DIGEST: HB 2416 would create a gulf coast protection trust fund outside the
treasury with the comptroller to be administered by the General Land
Office (GLO).

The money for this fund would consist of gifts, grants, or donations to the
GLO for the protection of the gulf coast or any other sources designated
by the Legislature. Money in the fund could be used only to finance the
development of infrastructure necessary or useful for protecting the gulf

coast within the Gulf Coast Protection District. GLO could invest, reinvest, and direct the investment of any available money in the fund. Money in the fund could be invested in a manner as provided for under state law.

The bill would take effect September 1, 2023.

**SUPPORTERS
SAY:**

HB 2416 would establish the gulf coast protection trust fund and complement the policy and financial commitments the Legislature has already made to the protection of citizens, environment, and industries along the Texas gulf coast. The coastal infrastructure projects currently in progress will require large amounts of state and federal resources. By investing money into the fund now, GLO could substantially grow the money over time, creating a larger fund which could be used as needed. Given the large amount of trade through the gulf coast, the bill would help fund protections for Texas' supply chain. HB 2416 also would demonstrate Texas' commitment to storm surge protection, which could prompt more federal matching funds for the project.

**CRITICS
SAY:**

HB 2416 should ensure that all money in the fund was reserved specifically for the coastal Texas infrastructure project, and not for other purposes, such as Gulf of Mexico Energy Security Act funds.

NOTES:

According to the fiscal note, 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 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.