

NEWS | NATURAL RESOURCES

Texas lawmakers, voters approved historic water investments in 2025. What happens now?

The passage of Proposition 4 dedicated up to \$20 billion to the Texas Water Fund.



By **Lana Ferguson**
Energy and Natural Resources Reporter

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A cyclist rides across a levee in the Trinity River, Wednesday, March 26, 2025, in Fort Worth.

ELÍAS VALVERDE II / STAFF PHOTOGRAPHER



Texas is poised to make [historic investments in water supplies](#) and infrastructure in the next few decades, but some of the funding won't be immediate.

During the November election, more than 70% of Texas voters approved Proposition 4, creating a constitutional amendment to dedicate up to the first \$1 billion in sales tax revenue — exceeding \$46.5 billion annually — to the Texas Water Fund from 2027 to 2047.

This potential \$20 billion marks the largest investment in water supply in Texas history, and comes as the state's booming economy sees a massive influx in new businesses and residents.

The growth is putting new strains on Texas' natural resources, and challenges an already fragile power grid.

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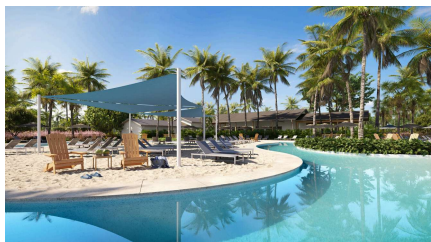


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"It's an exciting time for Texas," Bryan McMath, executive administrator said in a news release after the election.

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“We’ve now seen two sessions where the Texas Legislature recognized the growing need to address water issues facing the state and took action with historic investment for these critical initiatives so that Texas can continue to thrive for generations to come.”

So, what happens now?

The constitutional dedication of funds begins when the fiscal year starts on Sept. 1, 2027.

The Legislature has to appropriate the funds from the Texas Water Fund to the state’s Water Development Board in order for them to be used.

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Because of this timing, the 91st Texas Legislature, which convenes in January 2029, is the first scheduled session for the lawmakers to appropriate the funds dedicated to the Texas Water Fund because of the Proposition 4 passage.

After the legislative session concludes, the water board will receive the full project funds in accordance with statutory and legislative guidelines.

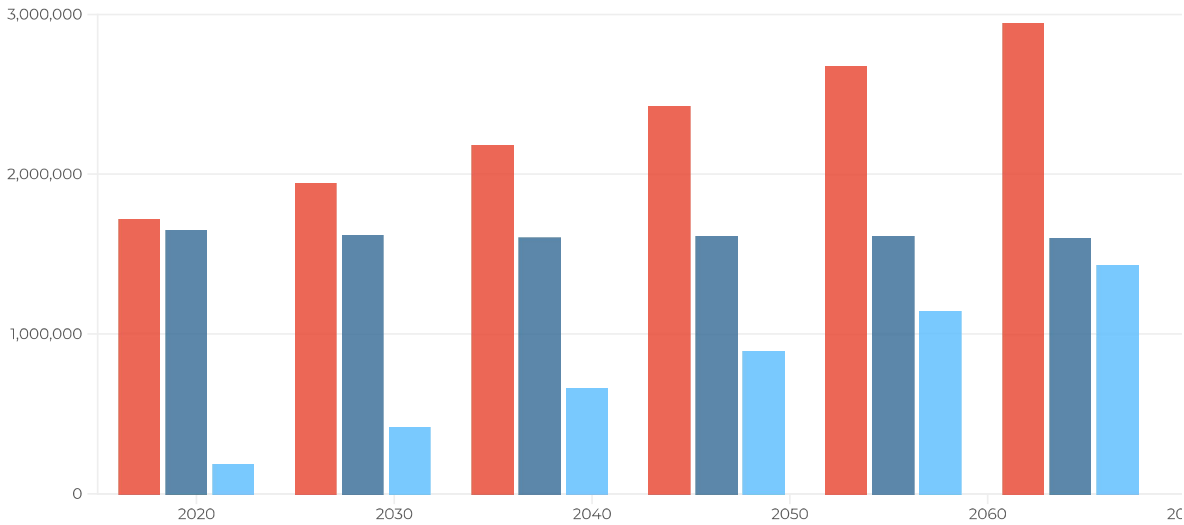
Money from the Texas Water Fund must be used on water, wastewater and strategies, and at least half of this newly dedicated funding is required by the Implementation Fund of Texas and New Water Supply for Texas Fund.

Projected DFW water demands and supply, 2020 to 2070

Water demands are outpacing supply, leading to a chronic water shortage as North Texas grows and existing supplies remain constant.

Region C covers the counties of Collin, Cooke, Dallas, Denton, Ellis, Freestone, Fannin, Grayson, Jack, Kaufman, Navarro, Parker, Rockwall, Tarrant, Wise and part of Henderson.

In acre-feet: Demands Existing supplies Strategy supplies



SOURCE: 2022 Texas State Water Plan, Region C Regional Water Planning Area · Strategy supplies for water management cover infrastructure upgrades, conservation efforts, water reuse, and the development of other water sources through desalination and new major reservoirs

GRAPHIC: Alison Saldanha

The Dallas Morning News

This cycle will repeat until the constitutional dedication of funds ends in August 2047.

While this funding won't be available for a little while longer, the Legislature also approved more than \$2.5 billion for water infrastructure funding.

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The interim endowment is the largest one-time appropriation for a water project in state history. ×

Alan Leonard, Texas Water Foundation's policy director, said 2029 may [milestones will need to be hit](#) in preparation.

In a news release, Leonard said the Legislature, state agencies, water utility nonprofits — and the public — will lay the groundwork for this 20-year d

Actions that need to be taken include updating the state’s long-term water supply and flood plans, adjusting rules and processes to implement laws passed this year related to water planning, financial assistance and permitting, and more.

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“The passage of the amendment signals a transformational investment in Texas’ water infrastructure and confirms its importance to Texans,” he said.

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By **[Lana Ferguson](#)**

Lana Ferguson covers energy and natural resources for the business team. She joined The Dallas Morning News in 2022 after a stint in South Carolina's Lowcountry. The Virginia native graduated from the University of Mississippi with a degree in journalism and Southern studies. Her work has taken her all over the U.S., southern Africa and Sri Lanka.

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