

By: Landgraf

H.J.R. No. 111

A JOINT RESOLUTION

1 proposing a constitutional amendment providing for the creation of
2 the Texas severance tax revenue and oil and natural gas (Texas
3 STRONG) defense fund, dedicating the money in that fund to benefit
4 areas of the state significantly affected by oil and gas
5 production, and providing for the transfer of certain general
6 revenues to that fund, the economic stabilization fund, the state
7 highway fund, the oil and gas regulation and cleanup account, the
8 Texas emissions reduction plan fund, and the property tax relief
9 fund.

10 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

11 SECTION 1. Section 49-g, Article III, Texas Constitution,
12 is amended by amending Subsections (c), (c-1), and (c-2) and adding
13 Subsection (c-3) to read as follows:

14 (c) Not later than the 90th day of each fiscal year, the
15 comptroller of public accounts shall transfer from the general
16 revenue fund to the economic stabilization fund, ~~and~~ the state
17 highway fund, and the Texas severance tax revenue and oil and
18 natural gas (Texas STRONG) defense fund the sum of the amounts
19 described by Subsections (d) and (e) of this section, to be
20 allocated as provided by Subsections (c-1) and (c-2) of this
21 section. However, if necessary and notwithstanding the allocations
22 prescribed by Subsections (c-1) and (c-2) of this section, the
23 comptroller shall reduce proportionately the amounts described by
24 Subsections (d) and (e) of this section to be transferred and

1 allocated to the economic stabilization fund to prevent the amount
2 in that fund from exceeding the limit in effect for that biennium
3 under Subsection (g) of this section. Revenue transferred to the
4 state highway fund under this subsection may be used only for
5 constructing, maintaining, and acquiring rights-of-way for public
6 roadways other than toll roads.

7 (c-1) Except as provided by Subsection (c-2) of this
8 section, the comptroller shall allocate ~~[Of]~~ the sum of the amounts
9 described by Subsections (d) and (e) of this section and required to
10 be transferred from the general revenue fund under Subsection (c)
11 of this section as follows:

12 (1) 38 percent ~~[, the comptroller shall allocate~~
13 ~~one-half]~~ to the economic stabilization fund;

14 (2) 10 percent to the Texas severance tax revenue and
15 oil and natural gas (Texas STRONG) defense fund, subject to
16 Subsection (c-3) of this section;

17 (3) 1 percent to the oil and gas regulation and cleanup
18 account;

19 (4) 1 percent to the Texas emissions reduction plan
20 fund; and

21 (5) the remainder to the state highway fund ~~[, except~~
22 ~~as provided by Subsection (c-2) of this section].~~

23 (c-2) The legislature by general law shall provide for a
24 procedure by which the allocation prescribed by Subsection (c-1)
25 ~~[of the sum of the amounts described by Subsections (d) and (e)]~~ of
26 this section may be adjusted to provide for a transfer to the
27 economic stabilization fund of an amount greater than the

1 allocation provided for under that subsection [~~Subsection (c-1) of~~
2 ~~this section~~] with the remainder of that sum, if any, allocated for
3 transfer to the state highway fund, the oil and gas regulation and
4 cleanup account, the Texas emissions reduction plan fund, the
5 property tax relief fund, and the Texas severance tax revenue and
6 oil and natural gas (Texas STRONG) defense fund as provided by
7 general law. The allocation made as provided by that general law is
8 binding on the comptroller for the purposes of the transfers
9 required by Subsection (c) of this section.

10 (c-3) If the amount allocated to be transferred to the Texas
11 severance tax revenue and oil and natural gas (Texas STRONG)
12 defense fund for a state fiscal year under Subsection (c-1) or (c-2)
13 of this section would cause the total amount allocated for transfer
14 to the fund under those subsections for a state fiscal year to
15 exceed \$500 million, the comptroller shall:

16 (1) reduce the amount allocated to be transferred to
17 the fund under the applicable subsection by the amount that would
18 exceed \$500 million for the year; and

19 (2) transfer to the property tax relief fund the
20 amount by which the allocation is reduced under Subdivision (1) of
21 this subsection.

22 SECTION 2. Article III, Texas Constitution, is amended by
23 adding Section 49-g-1 to read as follows:

24 Sec. 49-g-1. (a) The Texas severance tax revenue and oil and
25 natural gas (Texas STRONG) defense fund is established as a fund in
26 the state treasury.

27 (b) The Texas severance tax revenue and oil and natural gas

1 (Texas STRONG) defense fund may consist of:

2 (1) money transferred to the fund under Section 49-g
3 of this article;

4 (2) money appropriated to the fund by the legislature;

5 (3) money that the legislature by statute dedicates
6 for deposit to the credit of the fund;

7 (4) gifts or grants contributed to the fund; and

8 (5) investment earnings and interest earned on amounts
9 credited to the fund.

10 (c) The legislature may appropriate money from the Texas
11 severance tax revenue and oil and natural gas (Texas STRONG)
12 defense fund only for use in areas of the state that are
13 significantly affected by oil and gas production as determined by
14 the legislature and for the purpose of funding grants to state
15 agencies, political subdivisions of the state, public institutions
16 of higher education, and nonprofit organizations to address public
17 health and safety concerns and supplement educational
18 opportunities and workforce preparedness needs.

19 (d) On the last day of each state fiscal biennium, the
20 comptroller of public accounts shall transfer any unobligated and
21 unappropriated money that remains in the fund on that date to the
22 general revenue fund.

23 SECTION 3. The following temporary provision is added to
24 the Texas Constitution:

25 TEMPORARY PROVISION. (a) This temporary provision applies
26 to the constitutional amendment proposed by the 88th Legislature,
27 Regular Session, 2023, providing for the creation of the Texas

1 severance tax revenue and oil and natural gas (Texas STRONG)
2 defense fund, dedicating the money in that fund to benefit areas of
3 the state significantly affected by oil and gas production, and
4 providing for the transfer of certain general revenues to that
5 fund, the economic stabilization fund, the state highway fund, the
6 oil and gas regulation and cleanup account, the Texas emissions
7 reduction plan fund, and the property tax relief fund.

8 (b) Section 49-g-1, Article III, of this constitution, as
9 added by the amendment, and the amendment to Section 49-g, Article
10 III, of this constitution, take effect January 1, 2024.

11 (c) This temporary provision expires January 1, 2025.

12 SECTION 4. This proposed constitutional amendment shall be
13 submitted to the voters at an election to be held November 7, 2023.
14 The ballot shall be printed to permit voting for or against the
15 proposition: "The constitutional amendment providing for the
16 creation of the Texas severance tax revenue and oil and natural gas
17 (Texas STRONG) defense fund, dedicating the money in that fund to
18 benefit areas of the state significantly affected by oil and gas
19 production, and providing for the transfer of certain general
20 revenues to that fund, the economic stabilization fund, the state
21 highway fund, the oil and gas regulation and cleanup account, the
22 Texas emissions reduction plan fund, and the property tax relief
23 fund."