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H.J.R. No. 169

A JOINT RESOLUTION

1 proposing a constitutional amendment providing for the dedication
2 of certain sales and use tax revenue to a special fund established
3 in the state treasury to pay for water infrastructure in this state.

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

5 SECTION 1. Article III, Texas Constitution, is amended by
6 adding Section 49-d-16 to read as follows:

7 Sec. 49-d-16. (a) The Texas Water Fund is created as a
8 special fund in the state treasury outside the general revenue
9 fund. Money in the Texas Water Fund is administered by the Texas
10 Water Development Board or that board's successor in function and
11 may be used only as provided by general law by the Texas Water
12 Development Board or that board's successor in function.

13 (b) The administrator of the Texas Water Fund may establish
14 separate accounts in the fund as necessary to administer the fund or
15 authorized projects.

16 (c) The legislature by general law may authorize the
17 administrator of the Texas Water Fund to issue bonds and enter into
18 related credit agreements that are payable only from all revenues
19 available to the Texas Water Fund.

20 (d) The administrator of the Texas Water Fund shall provide
21 written notice to the Legislative Budget Board or that board's
22 successor in function before issuing a revenue bond pursuant to
23 this section or entering into a related credit agreement that is
24 payable from revenue deposited to the credit of the fund and shall

1 provide a copy of the proposed bond or agreement to the Legislative
2 Budget Board or that board's successor in function for
3 approval. The proposed bond or agreement shall be considered to be
4 approved unless the Legislative Budget Board or that board's
5 successor in function issues a written disapproval not later than
6 the 21st day after the date on which the staff of that board
7 receives the submission.

8 (e) The Texas Water Fund consists of:

9 (1) money transferred or deposited to the fund as
10 provided by Section 7-c, Article VIII, of this constitution;

11 (2) appropriations made to the fund by the
12 legislature;

13 (3) gifts and grants, including grants from the
14 federal government and other organizations, made to the fund;

15 (4) all interest, dividends, and other income of the
16 fund;

17 (5) the proceeds from the sale of bonds, including
18 revenue bonds issued under this section by the administrator of the
19 Texas Water Fund for the purpose of providing money for the fund;
20 and

21 (6) repayments of loans made from the fund.

22 (f) Money from the Texas Water Fund may be used as provided
23 by general law for the purpose of:

24 (1) making grants or loans for water infrastructure
25 projects; and

26 (2) disbursing money to another fund or account
27 administered by the Texas Water Development Board or that board's

1 successor in function.

2 (g) The legislature by general law shall provide for the
3 manner in which the assets of the Texas Water Fund may be used,
4 subject to the limitations provided by this section. The
5 legislature by general law may provide for costs of the Texas Water
6 Fund to be paid from that fund.

7 (h) In each fiscal year in which amounts become due under
8 the revenue bonds or agreements authorized by this section, the
9 administrator of the Texas Water Fund shall set aside from revenue
10 deposited to the credit of the Texas Water Fund in that fiscal year
11 an amount that is sufficient to pay:

12 (1) the principal of and interest on the bonds that
13 mature or become due during the fiscal year; and

14 (2) any cost related to the bonds, including payments
15 under related credit agreements that become due during that fiscal
16 year.

17 (i) Any obligations authorized by general law to be issued
18 by the administrator of the Texas Water Fund pursuant to this
19 section are special obligations payable solely from amounts in the
20 Texas Water Fund. Obligations issued by the Texas Water
21 Development Board or that board's successor in function pursuant to
22 this section may not be a constitutional state debt payable from the
23 general revenue of the state.

24 (j) Any dedication or appropriation of revenue to the credit
25 of the Texas Water Fund may not be modified so as to impair any
26 outstanding bonds secured by a pledge of that revenue unless
27 provisions have been made for a full discharge of those bonds.

1 (k) Money in the Texas Water Fund is dedicated by this
2 constitution for purposes of Section 22, Article VIII, of this
3 constitution.

4 (l) This section is intended only to establish a basic
5 framework for and not to be a comprehensive treatment of the Texas
6 Water Fund. The legislature by law may implement and effectuate the
7 design and objects of this section, and may delegate duties,
8 responsibilities, functions, and authority to the Texas Water
9 Development Board or that board's successor in function as the
10 legislature considers necessary.

11 SECTION 2. Section 7-c, Article VIII, Texas Constitution,
12 is amended by adding Subsections (b-1) and (d-1) to read as follows:

13 (b-1) Subject to Subsection (d-1) of this section,
14 beginning with the state fiscal year beginning September 1, 2023,
15 in each state fiscal year, the comptroller of public accounts shall
16 deposit to the credit of the Texas Water Fund \$250 million of the
17 net revenue derived from the imposition of the state sales and use
18 tax on the sale, storage, use, or other consumption in this state of
19 taxable items under Chapter 151, Tax Code, or its successor, that
20 exceeds the amount of \$30.5 billion of that revenue coming into the
21 treasury.

22 (d-1) The legislature by adoption of a resolution approved
23 by a record vote of two-thirds of the members of each house of the
24 legislature may direct the comptroller of public accounts to reduce
25 the amount of money deposited to the credit of the Texas Water Fund
26 under Subsection (b-1) of this section. The comptroller may be
27 directed to make that reduction only:

1 (1) in the state fiscal year in which the resolution is
2 adopted, or in either of the following two state fiscal years; and

3 (2) by an amount or percentage that does not result in
4 a reduction of more than 50 percent of the amount that would
5 otherwise be deposited to the fund in the affected state fiscal year
6 under Subsection (b-1) of this section.

7 SECTION 3. This proposed constitutional amendment shall be
8 submitted to the voters at an election to be held November 7, 2023.
9 The ballot shall be printed to permit voting for or against the
10 proposition: "The constitutional amendment providing for the
11 dedication of certain sales and use tax revenue to a special fund
12 established in the state treasury to pay for water infrastructure
13 in this state."