

By: Clardy

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-15 to read as follows:

7 Sec. 49-d-15. (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 for purposes as required by general law by the
12 Texas Water Development Board or that board's successor in
13 function.

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

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

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

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

9 (e) The Texas Water Fund consists of:

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

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

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

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

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

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

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

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

27 (2) disbursing money to another fund or account

1 administered by the Texas Water Development Board or that board's
2 successor in function.

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

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

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

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

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

25 (j) Any dedication or appropriation of revenue to the credit
26 of the Texas Water Fund may not be modified so as to impair any
27 outstanding bonds secured by a pledge of that revenue unless

1 provisions have been made for a full discharge of those bonds.

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

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

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

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

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

1 directed to make that reduction only:

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

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

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