

By: Craddick

H.B. No. 265

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the allocation of certain constitutional transfers of
3 money to the economic stabilization fund, the state highway fund,
4 and the Grow Texas fund and to the permissible uses of money
5 deposited to the Grow Texas fund.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 SECTION 1. The heading to Subchapter H, Chapter 316,
8 Government Code, is amended to read as follows:

9 SUBCHAPTER H. ALLOCATION OF CONSTITUTIONAL TRANSFERS TO CERTAIN
10 FUNDS [~~ECONOMIC STABILIZATION FUND AND STATE HIGHWAY FUND~~]

11 SECTION 2. The heading to Section 316.092, Government Code,
12 is amended to read as follows:

13 Sec. 316.092. DETERMINATION OF THRESHOLD FOR
14 CONSTITUTIONAL TRANSFER TO CERTAIN FUNDS [~~STATE HIGHWAY FUND~~].

15 SECTION 3. The heading to Section 316.093, Government Code,
16 is amended to read as follows:

17 Sec. 316.093. ADJUSTMENT OF CONSTITUTIONAL ALLOCATIONS TO
18 CERTAIN FUNDS [~~FUND AND STATE HIGHWAY FUND~~].

19 SECTION 4. Section 316.093, Government Code, is amended by
20 amending Subsections (a), (b), and (d) and adding Subsection (e) to
21 read as follows:

22 (a) Before the comptroller makes transfers for a state
23 fiscal year in accordance with Section 49-g(c), Article III, Texas
24 Constitution, the comptroller shall determine whether the sum of

1 the balance of the fund on the preceding August 31, any projected
2 transfer to the fund under Section 49-g(b) of that article, ~~and~~
3 any projected transfer to the fund under Section 49-g(c) of that
4 article in accordance with the allocations for the transfer as
5 provided by Section 49-g(c-1) of that article, and any increase in
6 the projected amount of the allocation to the fund under Section
7 49-g(c-2) of that article as provided by Subsection (c) of this
8 section is less than the amount determined under Section 316.092
9 for that state fiscal biennium.

10 (b) If the sum described by Subsection (a) is less than the
11 amount determined under Section 316.092 for that state fiscal
12 biennium, the comptroller shall reduce proportionately the amount
13 allocated ~~[allocation]~~ to the state highway fund provided by
14 Section 49-g(c-1) ~~[49-g(c)]~~, Article III, Texas Constitution, and
15 the amount by which the transfer to the economic stabilization fund
16 under that subsection is reduced and a corresponding amount is
17 transferred to the Grow Texas fund as provided by Section 49-g(c-3)
18 of that article, and increase the allocation to the economic
19 stabilization fund~~]~~ in an ~~[equal]~~ amount equal to the reduction
20 of those amounts~~]~~ until the amount determined under Section
21 316.092 for that state fiscal biennium would be achieved by the
22 transfer to the fund or the total amount of the sum described by
23 Section 49-g(c), Article III, Texas Constitution, is allocated to
24 the fund, whichever occurs first. This subsection expires December
25 31, 2042.

26 (d) The adjustment required of the comptroller under
27 Subsection (c) does not increase the amount by which the allocation

1 to the economic stabilization fund is reduced and a corresponding
2 amount is transferred to the Grow Texas fund under Section
3 49-g(c-3), Article III, Texas Constitution. [~~Subsections (a) and~~
4 ~~(b) and this subsection expire December 31, 2042.~~]

5 (e) If the sum described by Subsection (a) is less than the
6 amount determined under Section 316.092 for a state fiscal biennium
7 beginning on or after September 1, 2043, the comptroller shall
8 reduce the amount by which the transfer to the economic
9 stabilization fund under Section 49-g(c), Article III, Texas
10 Constitution, is reduced and a corresponding amount is transferred
11 to the Grow Texas fund as provided by Section 49-g(c-3) of that
12 article and increase the allocation to the economic stabilization
13 fund in an amount equal to the reduction of those amounts until the
14 amount determined under Section 316.092 for that state fiscal
15 biennium would be achieved by the transfer to the fund or the total
16 amount of the sum described by Section 49-g(c), Article III, Texas
17 Constitution, is allocated to the fund, whichever occurs first.

18 SECTION 5. Subchapter G, Chapter 403, Government Code, is
19 amended by adding Section 403.108 to read as follows:

20 Sec. 403.108. GROW TEXAS GRANT PROGRAM. (a) In this
21 section:

22 (1) "Commission" means the Grow Texas fund commission
23 created under Section 49-g-1(e), Article III, Texas Constitution.

24 (2) "Fund" means the Grow Texas fund established under
25 Section 49-g-1(a), Article III, Texas Constitution.

26 (b) The legislature may appropriate money in the fund to the
27 comptroller for the purpose of funding grants to applicants

1 selected by the commission under the program established under
2 Subsection (c).

3 (c) The comptroller and the commission shall jointly
4 establish a program under which the commission may select
5 applicants to receive grants provided by the comptroller to
6 construct or maintain roads, schools, health care facilities, and
7 other infrastructure in the areas of this state the commission
8 determines to be significantly affected by oil and gas production.

9 (d) The commission shall establish:

- 10 (1) eligibility criteria for grant applicants;
11 (2) guidelines relating to grant amounts; and
12 (3) procedures for evaluating and approving or denying
13 grant applications.

14 (e) The comptroller shall:

- 15 (1) establish the procedure for applying for a grant;
16 (2) adopt a form that must be used by an applicant to
17 apply for a grant; and
18 (3) establish procedures for monitoring the use of a
19 grant provided under the program and ensuring compliance with any
20 conditions of a grant.

21 (f) The comptroller shall adopt rules to implement and
22 administer this section.

23 SECTION 6. Section [316.092\(b\)](#), Government Code, is
24 repealed.

25 SECTION 7. This Act takes effect September 1, 2027, but only
26 if the constitutional amendment proposed by the 89th Legislature,
27 Regular Session, 2025, providing for the creation of and use of

1 money in the Grow Texas fund and allocating certain general
2 revenues to that fund, the economic stabilization fund, and the
3 state highway fund is approved by the voters. If that amendment is
4 not approved by the voters, this Act has no effect.