

SENATE JOINT RESOLUTION

proposing a constitutional amendment providing for the creation of the State Water Implementation Fund for Texas and the State Water Implementation Revenue Fund for Texas to assist in the financing of priority projects in the state water plan.

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

SECTION 1. Article III, Texas Constitution, is amended by adding Sections 49-d-12 and 49-d-13 to read as follows:

Sec. 49-d-12. (a) The State Water Implementation Fund for Texas is created as a special fund in the state treasury outside the general revenue fund. Money in the State Water Implementation Fund for Texas shall be administered, without further appropriation, by the Texas Water Development Board or that board's successor in function and shall be used for the purpose of implementing the state water plan that is adopted as required by general law by the Texas Water Development Board or that board's successor in function. Separate accounts may be established in the State Water Implementation Fund for Texas as necessary to administer the fund or authorized projects.

(b) The legislature by general law may authorize the Texas Water Development Board or that board's successor in function to enter into bond enhancement agreements to provide additional security for general obligation bonds or revenue bonds of the Texas Water Development Board or that board's successor in function, the

1 proceeds of which are used to finance state water plan projects.
2 Bond enhancement agreements must be payable solely from the State
3 Water Implementation Fund for Texas; provided, however, the bond
4 enhancement agreements may not exceed an amount that can be fully
5 supported by the State Water Implementation Fund for Texas. Any
6 amount paid under a bond enhancement agreement may be repaid as
7 provided by general law; provided, however, any repayment may not
8 cause general obligation bonds that are issued under Sections
9 49-d-9 and 49-d-11 of this article and that are payable from the
10 fund or account receiving the bond enhancement payment to be no
11 longer self-supporting for purposes of Section 49-j(b) of this
12 article. Payments under a bond enhancement agreement entered into
13 pursuant to this section may not be a constitutional state debt
14 payable from general revenues of the state.

15 (c) The legislature by general law may authorize the Texas
16 Water Development Board or that board's successor in function to
17 use the State Water Implementation Fund for Texas to finance,
18 including by direct loan, water projects included in the state
19 water plan.

20 (d) The Texas Water Development Board or that board's
21 successor in function shall provide written notice to the
22 Legislative Budget Board or that board's successor in function
23 before each bond enhancement agreement or loan agreement entered
24 into pursuant to this section has been executed by the Texas Water
25 Development Board or that board's successor in function and shall
26 provide a copy of the proposed agreement to the Legislative Budget
27 Board or that board's successor in function for approval. The

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

5 (e) The State Water Implementation Fund for Texas consists
6 of:

7 (1) money transferred or deposited to the credit of
8 the fund by general law, including money from any source
9 transferred or deposited to the credit of the fund at the discretion
10 of the Texas Water Development Board or that board's successor in
11 function as authorized by general law;

12 (2) the proceeds of any fee or tax imposed by this
13 state that by statute is dedicated for deposit to the credit of the
14 fund;

15 (3) any other revenue that the legislature by statute
16 dedicates for deposit to the credit of the fund;

17 (4) investment earnings and interest earned on amounts
18 credited to the fund; and

19 (5) money transferred to the fund under a bond
20 enhancement agreement from another fund or account to which money
21 from the fund was transferred under a bond enhancement agreement,
22 as authorized by general law.

23 (f) The legislature by general law shall provide for the
24 manner in which the assets of the State Water Implementation Fund
25 for Texas may be used, subject to the limitations provided by this
26 section. The legislature by general law may provide for costs of
27 investment of the State Water Implementation Fund for Texas to be

1 paid from that fund.

2 (g) As provided by general law, each fiscal year the Texas
3 Water Development Board or that board's successor in function shall
4 set aside from amounts on deposit in the State Water Implementation
5 Fund for Texas an amount that is sufficient to make payments under
6 bond enhancement agreements that become due during that fiscal
7 year.

8 (h) Any dedication or appropriation of amounts on deposit in
9 the State Water Implementation Fund for Texas may not be modified so
10 as to impair any outstanding obligation under a bond enhancement
11 agreement secured by a pledge of those amounts unless provisions
12 have been made for a full discharge of the bond enhancement
13 agreement.

14 (i) Money in the State Water Implementation Fund for Texas
15 is dedicated by this constitution for purposes of Section 22,
16 Article VIII, of this constitution and an appropriation from the
17 economic stabilization fund to the credit of the State Water
18 Implementation Fund for Texas is an appropriation of state tax
19 revenues dedicated by this constitution for the purposes of Section
20 22, Article VIII, of this constitution.

21 (j) This section being intended only to establish a basic
22 framework and not to be a comprehensive treatment of the State Water
23 Implementation Fund for Texas, there is hereby reposed in the
24 legislature full power to implement and effectuate the design and
25 objects of this section, including the power to delegate such
26 duties, responsibilities, functions, and authority to the Texas
27 Water Development Board or that board's successor in function as

1 the legislature believes necessary.

2 Sec. 49-d-13. (a) The State Water Implementation Revenue
3 Fund for Texas is created as a special fund in the state treasury
4 outside the general revenue fund. Money in the State Water
5 Implementation Revenue Fund for Texas shall be administered,
6 without further appropriation, by the Texas Water Development Board
7 or that board's successor in function and shall be used for the
8 purpose of implementing the state water plan that is adopted as
9 required by general law by the Texas Water Development Board or that
10 board's successor in function. Separate accounts may be
11 established in the State Water Implementation Revenue Fund for
12 Texas as necessary to administer the fund or authorized projects.

13 (b) The legislature by general law may authorize the Texas
14 Water Development Board or that board's successor in function to
15 issue bonds and enter into related credit agreements that are
16 payable from all revenues available to the State Water
17 Implementation Revenue Fund for Texas.

18 (c) The Texas Water Development Board or that board's
19 successor in function shall provide written notice to the
20 Legislative Budget Board or that board's successor in function
21 before issuing a bond pursuant to this section or entering into a
22 related credit agreement that is payable from revenue deposited to
23 the credit of the State Water Implementation Revenue Fund for Texas
24 and shall provide a copy of the proposed bond or agreement to the
25 Legislative Budget Board or that board's successor in function for
26 approval. The proposed bond or agreement shall be considered to be
27 approved unless the Legislative Budget Board or that board's

1 successor in function issues a written disapproval not later than
2 the 21st day after the date on which the staff of that board
3 receives the submission.

4 (d) The State Water Implementation Revenue Fund for Texas
5 consists of:

6 (1) money transferred or deposited to the credit of
7 the fund by general law, including money from any source
8 transferred or deposited to the credit of the fund at the discretion
9 of the Texas Water Development Board or that board's successor in
10 function as authorized by general law;

11 (2) the proceeds of any fee or tax imposed by this
12 state that by statute is dedicated for deposit to the credit of the
13 fund;

14 (3) any other revenue that the legislature by statute
15 dedicates for deposit to the credit of the fund;

16 (4) investment earnings and interest earned on amounts
17 credited to the fund;

18 (5) the proceeds from the sale of bonds, including
19 revenue bonds issued under this section by the Texas Water
20 Development Board or that board's successor in function for the
21 purpose of providing money for the fund; and

22 (6) money disbursed to the fund from the State Water
23 Implementation Fund for Texas as authorized by general law.

24 (e) The legislature by general law shall provide for the
25 manner in which the assets of the State Water Implementation
26 Revenue Fund for Texas may be used, subject to the limitations
27 provided by this section. The legislature by general law may

1 provide for costs of investment of the State Water Implementation
2 Revenue Fund for Texas to be paid from that fund.

3 (f) In each fiscal year in which amounts become due under
4 the bonds or agreements authorized by this section, the Texas Water
5 Development Board or that board's successor in function shall
6 transfer from revenue deposited to the credit of the State Water
7 Implementation Revenue Fund for Texas in that fiscal year an amount
8 that is sufficient to pay:

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

11 (2) any cost related to the bonds, including payments
12 under related credit agreements that become due during that fiscal
13 year.

14 (g) Any obligations authorized by general law to be issued
15 by the Texas Water Development Board or that board's successor in
16 function pursuant to this section shall be special obligations
17 payable solely from amounts in the State Water Implementation
18 Revenue Fund for Texas. Obligations issued by the Texas Water
19 Development Board or that board's successor in function pursuant to
20 this section may not be a constitutional state debt payable from the
21 general revenue of the state.

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

27 (i) Money in the State Water Implementation Revenue Fund for

1 Texas is dedicated by this constitution for purposes of Section 22,
2 Article VIII, of this constitution.

3 (j) This section being intended only to establish a basic
4 framework and not to be a comprehensive treatment of the State Water
5 Implementation Revenue Fund for Texas, there is hereby reposed in
6 the legislature full power to implement and effectuate the design
7 and objects of this section, including the power to delegate such
8 duties, responsibilities, functions, and authority to the Texas
9 Water Development Board or that board's successor in function as
10 the legislature believes necessary.

11 SECTION 2. This proposed constitutional amendment shall be
12 submitted to the voters at an election to be held November 5, 2013.
13 The ballot shall be printed to permit voting for or against the
14 proposition: "The constitutional amendment providing for the
15 creation of the State Water Implementation Fund for Texas and the
16 State Water Implementation Revenue Fund for Texas to assist in the
17 financing of priority projects in the state water plan to ensure the
18 availability of adequate water resources."

S.J.R. No. 1

President of the Senate

Speaker of the House

I hereby certify that S.J.R. No. 1 was adopted by the Senate on April 23, 2013, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendments on May 26, 2013, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.J.R. No. 1 was adopted by the House, with amendments, on May 22, 2013, by the following vote: Yeas 130, Nays 16, one present not voting.

Chief Clerk of the House