86R11489 CJC-D

By:  Landgraf H.B. No. 2154

A BILL TO BE ENTITLED

AN ACT

relating to the allocation of certain constitutional transfers of money to the economic stabilization fund, the state highway fund, and the generate recurring oil wealth for Texas (GROW Texas) fund and to the permissible uses of money deposited to the generate recurring oil wealth for Texas (GROW Texas) fund.

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

SECTION 1.  Sections 316.092(a), (b), and (c), Government Code, are amended to read as follows:

(a)  Not later than September 1 of each even-numbered year [~~preceding the year in which this section expires as provided by Subsection (e)~~], the speaker of the house of representatives and the lieutenant governor shall appoint a select committee as follows:

(1)  the speaker of the house of representatives shall appoint five members of the house of representatives as members of the committee; and

(2)  the lieutenant governor shall appoint five members of the senate as members of the committee.

(b)  For the purposes of Section 49-g(c-2), Article III, Texas Constitution, not later than December 1 of each even-numbered year [~~preceding the year in which this section expires as provided by Subsection (e)~~], the select committee shall determine and adopt for the next state fiscal biennium a sufficient balance of the fund in an amount that the committee estimates will ensure an appropriate amount of revenue available in the fund. In determining the sufficient balance for that fiscal biennium, the committee shall consider:

(1)  the history of fund balances;

(2)  the history of transfers to the fund;

(3)  estimated fund balances during that fiscal biennium;

(4)  estimated transfers to the fund to occur during that fiscal biennium;

(5)  information available to the committee regarding state highway congestion and funding demands; and

(6)  any other information requested by the committee regarding the state's financial condition.

(c)  On or before October 1 of each even-numbered year [~~preceding the year in which this section expires as provided by Subsection (e)~~], the comptroller shall provide to the select committee the comptroller's projection of the amounts to be transferred to the fund during the next state fiscal biennium.

SECTION 2.  The heading to Section 316.093, Government Code, is amended to read as follows:

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

SECTION 3.  Sections 316.093(b), (c), and (e), Government Code, are amended to read as follows:

(b)  If the sum described by Subsection (a) is less than the sufficient balance adopted under Section 316.092, the comptroller shall reduce proportionately the allocations [~~allocation~~] to the state highway fund and the generate recurring oil wealth for Texas (GROW Texas) fund provided by Section 49-g(c-1) [~~49-g(c)~~], Article III, Texas Constitution, and increase the allocation to the economic stabilization fund[~~,~~] in an [~~equal~~] amount equal to the reduction of those allocations[~~,~~] until the sufficient balance adopted under Section 316.092 is achieved.

(c)  If under Section 316.092 a sufficient balance has not been adopted for the comptroller to consider under this section, the comptroller shall adjust the allocation of amounts to be transferred to the fund, [~~and to~~] the state highway fund, and the generate recurring oil wealth for Texas (GROW Texas) fund as provided by Section 49-g(c-1) [~~49-g(c)~~], Article III, Texas Constitution, so that the total of those amounts is transferred to the economic stabilization fund, except that the comptroller shall reduce a transfer made under this subsection as necessary to prevent the amount in the fund from exceeding the limit in effect for that biennium under Section 49-g(g) of that article.

(e)  For the purposes of Section 49-g(c-2), Article III, Texas Constitution, the comptroller shall adjust the allocation provided by Section 49-g(c-1) of that article so that the amount allocated for transfer [~~of amounts to be transferred to the fund and~~] to the state highway fund under Section 49-g(c-1) [~~49-g(c)~~] of that article in a state fiscal year beginning on or after September 1, 2025, [~~so that the total of those amounts~~] is instead transferred to the economic stabilization fund, except that the comptroller shall reduce a transfer made under this subsection as necessary to prevent the amount in the fund from exceeding the limit in effect for that biennium under Section 49-g(g) of that article. The adjustment required of the comptroller under this subsection does not increase the amount allocated for transfer to the generate recurring oil wealth for Texas (GROW Texas) fund under Section 49-g(c-1) of that article.

SECTION 4.  Subchapter G, Chapter 403, Government Code, is amended by adding Section 403.1081 to read as follows:

Sec. 403.1081.  GENERATE RECURRING OIL WEALTH FOR TEXAS (GROW TEXAS) FUND; GRANT PROGRAM. (a) In this section, "fund" means the generate recurring oil wealth for Texas (GROW Texas) fund under Section 49-g-3, Article III, Texas Constitution.

(b)  Money in the fund may be appropriated by the legislature only as provided under Subsections (c), (d), and (e).

(c)  The legislature may appropriate money in the fund to the Texas Department of Transportation for the purposes of constructing, reconstructing, or maintaining transportation infrastructure, including roads, bridges, and culverts, in areas of this state affected by increased oil and gas production to alleviate the degradation of that infrastructure.

(d)  The legislature may appropriate money in the fund to the Department of Public Safety for the purposes of:

(1)  paying the salaries, benefit costs, and other costs associated with additional full-time equivalent department employees stationed in areas of this state affected by increased oil and gas production;

(2)  paying salary increases to department employees stationed in areas of this state affected by increased oil and gas production; or

(3)  providing additional resources to prevent gang violence and human trafficking in areas of this state affected by increased oil and gas production.

(e)  The legislature may appropriate money in the fund to the comptroller for the purpose of implementing, administering, and funding the grant program established under Subsection (f).

(f)  The comptroller by rule shall establish a grant program to provide financial assistance to political subdivisions located in areas of this state affected by increased oil and gas production and shall develop an application process for grants made under the program. The comptroller shall adopt rules to prioritize grants for first responder, emergency services, educational, and workforce preparedness needs.

SECTION 5.  The following provisions of the Government Code are repealed:

(1)  Section 316.092(e);

(2)  Section 316.093(f); and

(3)  Section 404.0241(d).

SECTION 6.  This Act takes effect January 1, 2020, but only if the constitutional amendment proposed by the 86th Legislature, Regular Session, 2019, providing for the creation of the generate recurring oil wealth for Texas (GROW Texas) fund, dedicating the money in that fund to benefit areas of the state from which oil and gas are produced, and providing for the transfer of certain general revenues to that fund, the economic stabilization fund, and the state highway fund is approved by the voters. If that amendment is not approved by the voters, this Act has no effect.