

By: Huberty, Paddie, Harless, King of Parker,
et al.

H.J.R. No. 2

A JOINT RESOLUTION

1 proposing a constitutional amendment creating the State Utilities
2 Reliability Fund and the State Utilities Reliability Revenue Fund
3 to provide financial support for projects that enhance the
4 reliability and resiliency of water, electric, and natural gas
5 utilities, broadband providers, and power generation resources in
6 this state.

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

8 SECTION 1. Article III, Texas Constitution, is amended by
9 adding Sections 49-d-15 and 49-d-16 to read as follows:

10 Sec. 49-d-15. (a) The State Utilities Reliability Fund is
11 created as a special fund in the state treasury outside the general
12 revenue fund. Money in the State Utilities Reliability Fund shall
13 be administered, without further appropriation, by the Texas Water
14 Development Board or that board's successor in function. In
15 accordance with general law, the State Utilities Reliability Fund
16 may be used only to support projects to enhance the reliability and
17 resiliency of water, electric, and natural gas utilities, broadband
18 providers, and power generation companies in this state, including
19 projects to weatherize facilities and reduce demand. Separate
20 accounts may be established in the State Utilities Reliability Fund
21 as necessary or convenient to administer the fund or the supported
22 projects. The financial assistance authorized by this section may
23 be provided directly to private entities or to utilities owned by
24 public or private entities as provided by general law.

1 (b) The legislature by general law may authorize the Texas
2 Water Development Board or that board's successor in function to
3 use the State Utilities Reliability Fund to provide financial
4 assistance, including by direct loan or grant, for projects that
5 enhance the reliability of water, electric, and natural gas
6 utilities, broadband service providers, and power generation
7 companies in this state, including utilities owned by public or
8 private entities, and projects that reduce demand.

9 (c) In accordance with general law, the Texas Water
10 Development Board or that board's successor in function may, at
11 that entity's discretion, transfer money from the State Utilities
12 Reliability Fund to other programs and funds of the board or that
13 board's successor in function, including the State Utilities
14 Reliability Revenue Fund.

15 (d) The State Utilities Reliability Fund consists of:

16 (1) money appropriated to the fund;

17 (2) money transferred or deposited to the credit of
18 the fund by general law, including money from any source
19 transferred or deposited to the credit of the fund at the discretion
20 of the Texas Water Development Board or that board's successor in
21 function as authorized by general law;

22 (3) revenue from any source, including the proceeds of
23 any fee or tax imposed by this state, that the legislature by
24 statute dedicates for deposit to the credit of the fund;

25 (4) investment earnings and interest earned on amounts
26 credited to the fund; and

27 (5) money transferred to the fund from another fund or

1 account to which money from the fund was transferred, as authorized
2 by general law.

3 (e) The legislature by general law shall provide for the
4 manner in which the assets of the State Utilities Reliability Fund
5 may be used, subject to the limitations provided by this section.
6 The legislature by general law may provide for costs of investment
7 and administration of the State Utilities Reliability Fund to be
8 paid from that fund.

9 (f) For the purposes of Section 22, Article VIII, of this
10 constitution, an appropriation of money from the economic
11 stabilization fund for the purpose of depositing that money to the
12 credit of the State Utilities Reliability Fund is considered to be
13 an appropriation of state tax revenues dedicated by this
14 constitution.

15 (g) This section is intended to establish a basic framework
16 of the State Utilities Reliability Fund, and the legislature by
17 general law may provide for the implementation and effectuate the
18 design and objects of this section and may delegate duties,
19 responsibilities, functions, and authority to the Texas Water
20 Development Board or that board's successor in function for those
21 purposes.

22 Sec. 49-d-16. (a) The State Utilities Reliability Revenue
23 Fund is created as a special fund in the state treasury outside the
24 general revenue fund. Money in the State Utilities Reliability
25 Revenue Fund shall be administered, without further appropriation,
26 by the Texas Water Development Board or that board's successor in
27 function. In accordance with general law, the State Utilities

1 Reliability Revenue Fund may be used only for the purpose of
2 providing financing for projects that enhance the reliability and
3 resiliency of water, electric, and natural gas utilities, broadband
4 providers, and power generation companies in this state, including
5 by supporting projects to weatherize facilities and reduce demand
6 in accordance with general law and requirements adopted by the
7 Texas Water Development Board or that board's successor in
8 function. Separate accounts may be established in the State
9 Utilities Reliability Revenue Fund as necessary to administer the
10 fund or authorized projects. The financial assistance authorized
11 by this section may be provided directly to private entities or
12 utilities owned by public or private entities as provided by
13 general law.

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

19 (c) In accordance with general law, the Texas Water
20 Development Board or that board's successor in function may, at
21 that entity's discretion, transfer money from the State Utilities
22 Reliability Revenue Fund to the State Utilities Reliability Fund.

23 (d) The State Utilities Reliability Revenue Fund consists
24 of:

- 25 (1) money appropriated to the fund;
26 (2) money transferred or deposited to the credit of
27 the fund by general law, including money from the State Utilities

1 Reliability Fund or any other source transferred or deposited to
2 the credit of the fund at the discretion of the Texas Water
3 Development Board or that board's successor in function as
4 authorized by general law;

5 (3) the proceeds of any fee or tax imposed by this
6 state that by statute is dedicated for deposit to the credit of the
7 fund;

8 (4) any other revenue that the legislature by statute
9 dedicates for deposit to the credit of the fund;

10 (5) investment earnings and interest earned on amounts
11 credited to the fund;

12 (6) the proceeds from the sale of revenue bonds issued
13 under this section by the Texas Water Development Board or that
14 board's successor in function for the purpose of providing money
15 for the fund;

16 (7) repayments of loans made from the fund; and

17 (8) money disbursed to the fund from the State
18 Utilities Reliability Fund as authorized by general law.

19 (e) The legislature by general law shall provide for the
20 manner in which the assets of the State Utilities Reliability
21 Revenue Fund may be used, subject to the limitations provided by
22 this section. The legislature by general law may provide for costs
23 of investment of the State Utilities Reliability Revenue Fund to be
24 paid from that fund.

25 (f) In each fiscal year in which amounts become due under
26 the bonds or agreements authorized by this section, the Texas Water
27 Development Board or that board's successor in function shall

1 transfer from revenue deposited to the credit of the State
2 Utilities Reliability Revenue Fund in that fiscal year an amount
3 that is sufficient to pay:

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

6 (2) any cost related to the bonds, including payments
7 under related credit agreements that become due during that fiscal
8 year.

9 (g) Any obligations authorized by general law to be issued
10 by the Texas Water Development Board or that board's successor in
11 function pursuant to this section shall be special obligations
12 payable solely from amounts in the State Utilities Reliability
13 Revenue Fund. Obligations issued by the Texas Water Development
14 Board or that board's successor in function pursuant to this
15 section may not be a constitutional state debt payable from the
16 general revenue of the state.

17 (h) Any dedication or appropriation of revenue to the credit
18 of the State Utilities Reliability Revenue Fund may not be modified
19 so as to impair any outstanding bonds secured by a pledge of that
20 revenue unless provisions have been made for a full discharge of
21 those bonds.

22 (i) Money in the State Utilities Reliability Revenue Fund is
23 dedicated by this constitution for purposes of Section 22, Article
24 VIII, of this constitution.

25 (j) This section is intended to establish a basic framework
26 of the State Utilities Reliability Revenue Fund, and the
27 legislature shall have the power to implement and effectuate the

1 design and objects of this section, including the power to delegate
2 such duties, responsibilities, functions, and authority to the
3 Texas Water Development Board or that board's successor in
4 function.

5 SECTION 2. This proposed constitutional amendment shall be
6 submitted to the voters at an election to be held November 2, 2021.
7 The ballot shall be printed to permit voting for or against the
8 proposition: "The constitutional amendment creating the State
9 Utilities Reliability Fund and the State Utilities Reliability
10 Revenue Fund to provide financial support for projects that enhance
11 the reliability and resiliency of water, electric, and natural gas
12 utilities, broadband providers, and power generation companies in
13 this state."