

By: Huberty

H.J.R. No. 2

A JOINT RESOLUTION

1 proposing a constitutional amendment providing for the creation of  
2 the State Utilities Reliability Fund and the State Utilities  
3 Reliability Revenue Fund to provide financial support for projects  
4 that enhance the reliability of water, electricity, natural gas,  
5 and broadband utilities in this state.

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

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

9 Sec. 49-d-15. (a) The State Utilities Reliability Fund is  
10 created as a special fund in the state treasury outside the general  
11 revenue fund. Money in the State Utilities Reliability Fund shall  
12 be administered, without further appropriation, by the Texas Water  
13 Development Board or that board's successor in function. The State  
14 Utilities Reliability Fund shall serve as a utility infrastructure  
15 bank in order to enhance the financing capabilities of the Texas  
16 Water Development Board or that board's successor in function under  
17 a revenue bond program designed to enhance the reliability of  
18 water, electricity, natural gas and broadband utilities in this  
19 state, including utilities owned by public and private entities, by  
20 supporting projects to weatherize facilities and to provide  
21 adequate capacity during periods of high demand, such program to be  
22 adopted and implemented in accordance with general law by the Texas  
23 Water Development Board or that board's successor in function.  
24 Separate accounts may be established in the State Utilities

1 Reliability Fund as necessary to administer the fund, program, or  
2 authorized projects. The financial assistance authorized by this  
3 section may be provided directly to utilities owned by public or  
4 private entities as provided by general law.

5 (b) The legislature by general law may authorize the Texas  
6 Water Development Board or that board's successor in function to  
7 enter into bond enhancement agreements to provide additional  
8 security for revenue bonds of the Texas Water Development Board or  
9 that board's successor in function, the proceeds of which are used  
10 to finance state utilities reliability projects. Bond enhancement  
11 agreements must be payable solely from the State Utilities  
12 Reliability Fund; provided, however, the bond enhancement  
13 agreements may not exceed an amount that can be fully supported by  
14 the State Utilities Reliability Fund. Any amount paid under a bond  
15 enhancement agreement may be repaid as provided by general law.  
16 Payments under a bond enhancement agreement entered into pursuant  
17 to this section may not be a constitutional state debt payable from  
18 general revenues of the state.

19 (c) The legislature by general law may authorize the Texas  
20 Water Development Board or that board's successor in function to  
21 use the State Utilities Reliability Fund to finance, including by  
22 direct loan, projects that enhance the reliability of water,  
23 electricity, natural gas and broadband utilities in this state,  
24 including utilities owned by public and private entities according  
25 to the provisions of the legislation.

26 (d) The Texas Water Development Board or that board's  
27 successor in function shall provide written notice to the

1 Legislative Budget Board or that board's successor in function  
2 before each bond enhancement agreement or loan agreement entered  
3 into pursuant to this section has been executed by the Texas Water  
4 Development Board or that board's successor in function and shall  
5 provide a copy of the proposed agreement to the Legislative Budget  
6 Board or that board's successor in function for approval. The  
7 proposed agreement shall be considered to be approved unless the  
8 Legislative Budget Board or that board's successor in function  
9 issues a written disapproval not later than the 21st day after the  
10 date on which the staff of that board receives the submission.

11 (e) The State Utilities Reliability Fund consists of:

12 (1) money transferred or deposited to the credit of  
13 the fund by general law, including appropriations and money from  
14 any source transferred or deposited to the credit of the fund at the  
15 discretion of the Texas Water Development Board or that board's  
16 successor in function as authorized by general law;

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

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

22 (4) investment earnings and interest earned on amounts  
23 credited to the fund; and

24 (5) money transferred to the fund under a bond  
25 enhancement agreement from another fund or account to which money  
26 from the fund was transferred under a bond enhancement agreement,  
27 as authorized by general law.

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

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

12       (h) Any dedication or appropriation of amounts on deposit in  
13 the State Utilities Reliability Fund may not be modified so as to  
14 impair any outstanding obligation under a bond enhancement  
15 agreement secured by a pledge of those amounts unless provisions  
16 have been made for a full discharge of the bond enhancement  
17 agreement.

18       (i) Money in the State Utilities Reliability Fund is  
19 dedicated by this constitution for purposes of Section 22, Article  
20 VIII, of this constitution and an appropriation from the economic  
21 stabilization fund to the credit of the State Utilities Reliability  
22 Fund is an appropriation of state tax revenues dedicated by this  
23 constitution for the purposes of Section 22, Article VIII, of this  
24 constitution.

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

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

4 Sec. 49-d-16. (a) The State Utilities Reliability Revenue  
5 Fund is created as a special fund in the state treasury outside the  
6 general revenue fund. Money in the State Utilities Reliability  
7 Revenue Fund shall be administered, without further appropriation,  
8 by the Texas Water Development Board or that board's successor in  
9 function and shall be used for the purpose of providing financing  
10 for projects that enhance the reliability of water, electricity,  
11 natural gas and broadband utilities in this state, including  
12 utilities owned by public and private entities, by supporting  
13 projects to weatherize facilities and to provide adequate capacity  
14 during periods of high demand in accordance with general law and  
15 program requirements adopted by the Texas Water Development Board  
16 or that board's successor in function. Separate accounts may be  
17 established in the State Utilities Reliability Revenue Fund as  
18 necessary to administer the fund or authorized projects. The  
19 financial assistance authorized by this section may be provided  
20 directly to utilities owned by public or private entities as  
21 provided by general law.

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

27 (c) The Texas Water Development Board or that board's

1 successor in function shall provide written notice to the  
2 Legislative Budget Board or that board's successor in function  
3 before issuing a bond pursuant to this section or entering into a  
4 related credit agreement that is payable from revenue deposited to  
5 the credit of the State Utilities Reliability Revenue Fund and  
6 shall provide a copy of the proposed bond or agreement to the  
7 Legislative Budget Board or that board's successor in function for  
8 approval. The proposed bond or agreement shall be considered to be  
9 approved unless the Legislative Budget Board or that board's  
10 successor in function issues a written disapproval not later than  
11 the 21st day after the date on which the staff of that board  
12 receives the submission.

13 (d) The State Utilities Reliability Revenue Fund consists  
14 of:

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

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

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

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

27 (5) the proceeds from the sale of bonds, including

1 revenue bonds issued under this section by the Texas Water  
2 Development Board or that board's successor in function for the  
3 purpose of providing money for the fund; and

4 (6) money disbursed to the fund from the State  
5 Utilities Reliability Fund as authorized by general law.

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

12 (f) In each fiscal year in which amounts become due under  
13 the bonds or agreements authorized by this section, the Texas Water  
14 Development Board or that board's successor in function shall  
15 transfer from revenue deposited to the credit of the State  
16 Utilities Reliability Revenue Fund in that fiscal year an amount  
17 that is sufficient to pay:

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

20 (2) any cost related to the bonds, including payments  
21 under related credit agreements that become due during that fiscal  
22 year.

23 (g) Any obligations authorized by general law to be issued  
24 by the Texas Water Development Board or that board's successor in  
25 function pursuant to this section shall be special obligations  
26 payable solely from amounts in the State Utilities Reliability  
27 Revenue Fund. Obligations issued by the Texas Water Development

1 Board or that board's successor in function pursuant to this  
2 section may not be a constitutional state debt payable from the  
3 general revenue of the state.

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

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

12 (j) This section is intended to establish a basic framework  
13 of the State Utilities Reliability Revenue Fund, and the  
14 legislature shall have the power to implement and effectuate the  
15 design and objects of this section, including the power to delegate  
16 such duties, responsibilities, functions, and authority to the  
17 Texas Water Development Board or that board's successor in  
18 function.

19 SECTION 2. This proposed constitutional amendment shall be  
20 submitted to the voters at an election to be held November 2, 2021.  
21 The ballot shall be printed to permit voting for or against the  
22 proposition: "The constitutional amendment adding Sections 49-d-15  
23 and 49-d-16, Article III, Texas Constitution, creating the state  
24 utilities reliability fund and the state utilities reliability  
25 revenue fund to provide financial support for projects that enhance  
26 the reliability of water, electricity, natural gas and broadband  
27 utilities in this state by supporting projects to weatherize



1 facilities and to provide adequate capacity during periods of high  
2 demand."