

By: Hancock

S.J.R. No. 62

1 SENATE JOINT RESOLUTION

2 proposing a constitutional amendment providing for the creation of
3 the State Utilities Reliability Fund and the State Utilities
4 Reliability Revenue Fund to provide financial support for projects
5 that enhance the reliability of water, electricity, natural gas and
6 broadband utilities in 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. The State
15 Utilities Reliability Fund shall serve as a utility infrastructure
16 bank in order to enhance the financing capabilities of the Texas
17 Water Development Board or that board's successor in function under
18 a revenue bond program designed to enhance the reliability of
19 water, electricity, natural gas and broadband utilities in this
20 state, including utilities owned by public and private entities, by
21 supporting projects to weatherize facilities and to provide
22 adequate capacity during periods of high demand, such program to be
23 adopted and implemented in accordance with general law by the Texas
24 Water Development Board or that board's successor in function.

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

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

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

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

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

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

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

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

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

25 (5) money transferred to the fund under a bond
26 enhancement agreement from another fund or account to which money
27 from the fund was transferred under a bond enhancement agreement,

1 as authorized by general law.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 Revenue Fund. Obligations issued by the Texas Water Development
2 Board or that board's successor in function pursuant to this
3 section may not be a constitutional state debt payable from the
4 general revenue of the state.

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

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

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

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

1 utilities in this state by supporting projects to weatherize
2 facilities and to provide adequate capacity during periods of high
3 demand,."