SENATE JOINT RESOLUTION

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

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

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

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

(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 revenue bonds of the Texas Water Development Board or that board's successor in function, the proceeds of which are used to finance state utilities reliability projects. Bond enhancement agreements must be payable solely from the State Utilities Reliability Fund; provided, however, the bond enhancement agreements may not exceed an amount that can be fully supported by the State Utilities Reliability Fund. Any amount paid under a bond enhancement agreement may be repaid as provided by general law. Payments under a bond enhancement agreement entered into pursuant to this section may not be a constitutional state debt payable from general revenues of the state.

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

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

(e) The State Utilities Reliability Fund consists of:

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

2. the proceeds of any fee or tax imposed by this
   state that by statute is dedicated for deposit to the credit of the
   fund;

3. any other revenue that the legislature by statute
dedicates for deposit to the credit of the fund;

4. investment earnings and interest earned on amounts
credited to the fund; and

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

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

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

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

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

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

Sec. 49-d-16. (a) The State Utilities Reliability Revenue
Fund is created as a special fund in the state treasury outside the
general revenue fund. Money in the State Utilities Reliability
Revenue Fund 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 providing financing
for projects that enhance the reliability of water, electricity,
natural gas and broadband utilities in this state, including
utilities owned by public and private entities, by supporting
projects to weatherize facilities and to provide adequate capacity
during periods of high demand in accordance with general law and
program requirements adopted by the Texas Water Development Board
or that board's successor in function. Separate accounts may be
established in the State Utilities Reliability Revenue Fund as
necessary to administer the fund or authorized projects. The
financial assistance authorized by this section may be provided
directly to utilities owned by public or private entities as
provided by general law.

(b) The legislature by general law may authorize the Texas
Water Development Board or that board's successor in function to
issue bonds, make loans and enter into related credit agreements
that are payable from revenues available to the State Utilities
Reliability Revenue Fund.
(c) The Texas Water Development Board or that board's successor in function shall provide written notice to the Legislative Budget Board or that board's successor in function before issuing a bond pursuant to this section or entering into a related credit agreement that is payable from revenue deposited to the credit of the State Utilities Reliability Revenue Fund and shall provide a copy of the proposed bond or agreement to the Legislative Budget Board or that board's successor in function for approval. The proposed bond or agreement shall be considered to be approved unless the Legislative Budget Board or that board's successor in function issues a written disapproval not later than the 21st day after the date on which the staff of that board receives the submission.

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

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

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

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

(4) investment earnings and interest earned on amounts credited to the fund;
(5) the proceeds from the sale of bonds, including revenue bonds issued under this section by the Texas Water Development Board or that board's successor in function for the purpose of providing money for the fund; and

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

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

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

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

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

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

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

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

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

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