

RESOLUTION ANALYSIS

H.J.R. 27
By: Craddick
Appropriations
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The regions of Texas responsible for the growth in the state's oil and natural gas production have encountered significant challenges that have limited the potential growth of the energy sector and could pose a significant threat to the sustained future growth of oil and natural gas production in the state. Returning a portion of the severance taxes to the oil and gas production areas of Texas through investments in area infrastructure could help alleviate these issues. H.J.R. 27 proposes a constitutional amendment providing for the creation of the Grow Texas Fund, which will be used to fund the construction or maintenance of roads, schools, health care facilities, and other infrastructure in the areas of Texas significantly affected by oil and gas production.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this resolution does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this resolution does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.J.R. 27 proposes an amendment to the Texas Constitution to establish the Grow Texas Fund as a fund in the state treasury from which the legislature may appropriate money only for use in areas of Texas from which oil and gas are produced and only to address infrastructure needs in the manner provided by general law in areas of Texas determined by the legislature to be significantly affected by oil and gas production. Such general law may provide for the appropriation of money in the fund to make grants to state agencies and political subdivisions for that purpose. The resolution sets out the composition of the fund and requires the comptroller of public accounts, on the last day of each state fiscal biennium, to transfer any unobligated and unappropriated money that remains in the fund to the economic stabilization fund (ESF), otherwise known as the Rainy Day Fund.

H.J.R. 27 establishes the seven-member Grow Texas Fund Commission to administer money appropriated from the fund and to advise the legislature on making those appropriations. The commission consists of two members of the senate appointed by the lieutenant governor, two members of the house of representatives appointed by the speaker of the house, and three members of the public appointed by the governor, and the governor designates the presiding officer. The resolution provides for four-year terms and for the filling of vacancies. Commission members are not entitled to compensation but are entitled to reimbursement of expenses.

H.J.R. 27 revises the allocation of oil and gas production tax revenue to the ESF and the state highway fund by providing for 12 percent of the oil and gas production tax revenue constitutionally allocated to the ESF to be instead transferred by the comptroller to the Grow Texas Fund, subject to a \$250 million cap on the total amount transferred in a state fiscal biennium. The resolution prohibits the comptroller from considering certain increases in the amount transferred to the ESF for purposes of determining the amount to transfer to the Grow Texas Fund.

The provisions of H.J.R. 27 take effect September 1, 2025.

ELECTION DATE

The constitutional amendment proposed by this joint resolution will be submitted to the voters at an election to be held November 7, 2023.