88R3715 KBB-D

By:  Craddick H.B. No. 1392

A BILL TO BE ENTITLED

AN ACT

relating to the allocation of certain constitutional transfers of money to the economic stabilization fund, the state highway fund, and the Grow Texas fund and to the permissible uses of money deposited to the Grow Texas fund.

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

SECTION 1.  The heading to Subchapter H, Chapter 316, Government Code, is amended to read as follows:

SUBCHAPTER H. ALLOCATION OF CONSTITUTIONAL TRANSFERS TO CERTAIN FUNDS [~~ECONOMIC STABILIZATION FUND AND STATE HIGHWAY FUND~~]

SECTION 2.  The heading to Section 316.092, Government Code, is amended to read as follows:

Sec. 316.092.  DETERMINATION OF THRESHOLD FOR CONSTITUTIONAL TRANSFER TO CERTAIN FUNDS [~~STATE HIGHWAY FUND~~].

SECTION 3.  The heading to Section 316.093, Government Code, is amended to read as follows:

Sec. 316.093.  ADJUSTMENT OF CONSTITUTIONAL ALLOCATIONS TO CERTAIN FUNDS [~~FUND AND STATE HIGHWAY FUND~~].

SECTION 4.  Section 316.093, Government Code, is amended by amending Subsections (a), (b), and (d) and adding Subsection (e) to read as follows:

(a)  Before the comptroller makes transfers for a state fiscal year in accordance with Section 49-g(c), Article III, Texas Constitution, the comptroller shall determine whether the sum of the balance of the fund on the preceding August 31, any projected transfer to the fund under Section 49-g(b) of that article, [~~and~~] any projected transfer to the fund under Section 49-g(c) of that article in accordance with the allocations for the transfer as provided by Section 49-g(c-1) of that article, and any increase in the projected amount of the allocation to the fund under Section 49-g(c-2) of that article as provided by Subsection (c) of this section is less than the amount determined under Section 316.092 for that state fiscal biennium.

(b)  If the sum described by Subsection (a) is less than the amount determined under Section 316.092 for that state fiscal biennium, the comptroller shall reduce proportionately the amount allocated [~~allocation~~] to the state highway fund provided by Section 49-g(c-1) [~~49-g(c)~~], Article III, Texas Constitution, and the amount by which the transfer to the economic stabilization fund under that subsection is reduced and a corresponding amount is transferred to the Grow Texas fund as provided by Section 49-g(c-3) of that article, and increase the allocation to the economic stabilization fund[~~,~~] in an [~~equal~~] amount equal to the reduction of those amounts[~~,~~] until the amount determined under Section 316.092 for that state fiscal biennium would be achieved by the transfer to the fund or the total amount of the sum described by Section 49-g(c), Article III, Texas Constitution, is allocated to the fund, whichever occurs first. This subsection expires December 31, 2034.

(d)  The adjustment required of the comptroller under Subsection (c) does not increase the amount by which the allocation to the economic stabilization fund is reduced and a corresponding amount is transferred to the Grow Texas fund under Section 49-g(c-3), Article III, Texas Constitution. [~~Subsections (a) and (b) and this subsection expire December 31, 2034.~~]

(e)  If the sum described by Subsection (a) is less than the amount determined under Section 316.092 for a state fiscal biennium beginning on or after September 1, 2035, the comptroller shall reduce the amount by which the transfer to the economic stabilization fund under Section 49-g(c), Article III, Texas Constitution, is reduced and a corresponding amount is transferred to the Grow Texas fund as provided by Section 49-g(c-3) of that article and increase the allocation to the economic stabilization fund in an amount equal to the reduction of those amounts until the amount determined under Section 316.092 for that state fiscal biennium would be achieved by the transfer to the fund or the total amount of the sum described by Section 49-g(c), Article III, Texas Constitution, is allocated to the fund, whichever occurs first.

SECTION 5.  Subchapter G, Chapter 403, Government Code, is amended by adding Section 403.108 to read as follows:

Sec. 403.108.  GROW TEXAS GRANT PROGRAM. (a) In this section:

(1)  "Commission" means the Grow Texas fund commission created under Section 49-g-1(e), Article III, Texas Constitution.

(2)  "Fund" means the Grow Texas fund established under Section 49-g-1(a), Article III, Texas Constitution.

(b)  The legislature may appropriate money in the fund to the comptroller for the purpose of funding grants to applicants selected by the commission under the program established under Subsection (c).

(c)  The comptroller and the commission shall jointly establish a program under which the commission may select applicants to receive grants provided by the comptroller to construct or maintain roads, schools, health care facilities, and other infrastructure in the areas of this state the commission determines to be significantly affected by oil and gas production.

(d)  The commission shall establish:

(1)  eligibility criteria for grant applicants;

(2)  guidelines relating to grant amounts; and

(3)  procedures for evaluating and approving or denying grant applications.

(e)  The comptroller shall:

(1)  establish the procedure for applying for a grant;

(2)  adopt a form that must be used by an applicant to apply for a grant; and

(3)  establish procedures for monitoring the use of a grant provided under the program and ensuring compliance with any conditions of a grant.

(f)  The comptroller shall adopt rules to implement and administer this section.

SECTION 6.  Section 316.092(b), Government Code, is repealed.

SECTION 7.  This Act takes effect September 1, 2025, but only if the constitutional amendment proposed by the 88th Legislature, Regular Session, 2023, providing for the creation of and use of money in the Grow Texas fund and allocating certain general revenues to that fund, the economic stabilization fund, and the state highway fund is approved by the voters. If that amendment is not approved by the voters, this Act has no effect.