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By:  Perry S.J.R. No. 27

A JOINT RESOLUTION

proposing a constitutional amendment creating the Texas Connectivity Fund for the development of broadband and other telecommunications services in all areas of the state and authorizing the appropriation to that fund of a portion of revenue received from the existing state sales and use taxes on telecommunications services while not increasing the rate of the sales and use taxes.

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

SECTION 1.  Article III, Texas Constitution, is amended by adding Section 68 to read as follows:

Sec. 68.  (a)  In this section:

(1)  "Commission" means the Public Utility Commission of Texas or its successor.

(2)  "Comptroller" means the comptroller of public accounts of the State of Texas.

(3)  "Fund" means the Texas Connectivity Fund.

(b)  The Texas Connectivity Fund is created in the state treasury and shall be administered by the comptroller as a revolving fund to provide a method of funding for the development of telecommunications services, including the construction, reconstruction, and expansion of telecommunications infrastructure and services, and the operation of existing telecommunications infrastructure and services as determined by the comptroller and the commission in accordance with standards and procedures established by law.

(c)  Money in the fund may also be used in conjunction with other funds in accordance with the procedures, standards, and limitations established by federal law and the laws of this state.

(d)  Money dedicated as provided by this section is appropriated when received by the state, shall be deposited to the credit of the fund, and may be used as provided by this section and any laws enacted under this section without further appropriation.

(e)  Unless authorized to continue by a two-thirds vote of the members elected to each house, this section expires on September 1, 2035.

SECTION 2.  Article VIII, Texas Constitution, is amended by adding Section 7-e to read as follows:

Sec. 7-e.  (a)  Subject to Subsection (b) of this section, for each state fiscal year, 50 percent of the net revenue received from the collection of any state taxes imposed on the sale, use, or other consumption in this state of telecommunications services that were subject to taxation on January 1, 2023, under Chapter 151, Tax Code, is automatically appropriated to the Texas Connectivity Fund. The legislature by general law may provide limitations on the use of money appropriated under this subsection, with priority given to funds required by the universal service fund or its successor.

(b)  The legislature by adoption of a resolution approved by a record vote of two-thirds of the members of each house may direct the comptroller to reduce the amount of money appropriated to the Texas Connectivity Fund. The comptroller may be directed to make that reduction only:

(1)  in the state fiscal year in which the resolution is adopted, or in either of the following two state fiscal years; and

(2)  by an amount that does not result in a reduction of more than 50 percent of the amount that would otherwise be appropriated to the Texas Connectivity Fund in the affected state fiscal year under Subsection (a) of this section.

(c)  Money appropriated to the Texas Connectivity Fund under Subsection (a) of this section may not be considered available for certification by the comptroller under Section 49a(b), Article III, of this constitution.

(d)  In this section, "telecommunications services" means the electronic or electrical transmission, conveyance, routing, or reception of sounds, signals, data, or information utilizing wires, cable, radio waves, microwaves, satellites, fiber optics, or any other method now in existence or that may be devised, including long-distance telephone service.  The term does not include:

(1)  the storage of data or information for subsequent retrieval or the processing, or reception and processing, of data or information intended to change its form or content;

(2)  the sale or use of a telephone prepaid calling card;

(3)  Internet access service; or

(4)  the portion of the sales price of a pay telephone coin sent-paid telephone call that is paid by coin.

(e)  Unless authorized to continue by a two-thirds vote of the members elected to each house, this section expires on September 1, 2035.

SECTION 3.  The following temporary provision is added to the Texas Constitution:

TEMPORARY PROVISION. (a)  This temporary provision applies to the constitutional amendment proposed by the 88th Legislature, Regular Session, 2023, dedicating a portion of the revenue received from the existing state sales and use taxes that are imposed on telecommunications services to the Texas Connectivity Fund to provide funding for the development of broadband and other telecommunications services in all areas of the state while not increasing the rate of the state sales and use taxes.

(b)  Section 68, Article III, of this constitution takes effect September 1, 2025.

(c)  Section 7-e, Article VIII, of this constitution takes effect September 1, 2025, and applies only to state tax revenue collected on or after that date.

(d)  This temporary provision expires January 1, 2026.

SECTION 4.  This proposed constitutional amendment shall be submitted to the voters at an election to be held November 7, 2023. The ballot shall be printed to provide for voting for or against the proposition: "The constitutional amendment creating the Texas Connectivity Fund for the development of broadband and other telecommunications services in all areas of the state and authorizing the appropriation to that fund of a portion of revenue received from the existing state sales and use taxes on telecommunications services while not increasing the rate of the sales and use taxes."