

By: Landgraf, Guillen, Dean, Murr, Hunter,  
et al.

H.B. No. 2207

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the allocation of certain constitutional transfers of  
3 money to the economic stabilization fund, the state highway fund,  
4 the oil and gas regulation and cleanup account, the Texas emissions  
5 reduction plan fund, the property tax relief fund, and the Texas  
6 severance tax revenue and oil and natural gas (Texas STRONG)  
7 defense fund and to the permissible uses of money deposited to the  
8 Texas severance tax revenue and oil and natural gas (Texas STRONG)  
9 defense fund.

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

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

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

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

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

19 SECTION 3. Section 316.092(b), Government Code, is amended  
20 to read as follows:

21 (b) This section expires December 31, 2038 [~~2034~~].

22 SECTION 4. The heading to Section 316.093, Government Code,  
23 is amended to read as follows:

24 Sec. 316.093. ADJUSTMENT OF CONSTITUTIONAL ALLOCATIONS TO

1 CERTAIN FUNDS [~~FUND AND STATE HIGHWAY FUND~~].

2 SECTION 5. Section 316.093, Government Code, is amended by  
3 amending Subsections (b), (c), and (d) and adding Subsection (e) to  
4 read as follows:

5 (b) If the sum described by Subsection (a) is less than the  
6 amount determined under Section 316.092 for that state fiscal  
7 biennium, the comptroller shall reduce proportionately the  
8 allocations [~~allocation~~] to the state highway fund, the oil and gas  
9 regulation and cleanup account, the Texas emissions reduction plan  
10 fund, the property tax relief fund, and the Texas severance tax  
11 revenue and oil and natural gas (Texas STRONG) defense fund as  
12 provided by Section 49-g(c-1) [49-g(e)], Article III, Texas  
13 Constitution, and increase the allocation to the economic  
14 stabilization fund[7] in an [equal] amount equal to the reduction  
15 of those allocations[7] until the amount determined under Section  
16 316.092 for that state fiscal biennium would be achieved by the  
17 transfer to the fund or the total amount of the sum described by  
18 Section 49-g(c), Article III, Texas Constitution, is allocated to  
19 the fund, whichever occurs first.

20 (c) For the purposes of Section 49-g(c-2), Article III,  
21 Texas Constitution, the comptroller shall adjust the allocation  
22 provided by Section 49-g(c-1) of that article so that [~~of amounts to~~  
23 ~~be transferred to the fund and to the state highway fund under~~  
24 ~~Section 49-g(c) of that article in a state fiscal year]~~ beginning  
25 [~~on or after~~] September 1, 2037 [~~2035~~], the amount allocated for  
26 transfer to the Texas severance tax revenue and oil and natural gas  
27 (Texas STRONG) defense fund under Section 49-g(c-1) of that article

1 is instead [~~so that the total of those amounts is~~] transferred to  
2 the economic stabilization fund.

3 (d) The [~~, except that the~~] comptroller shall reduce a  
4 transfer to the economic stabilization fund required [~~made~~] under  
5 Subsection (c) of this section [~~this subsection~~] as necessary to  
6 prevent the amount in the fund from exceeding the limit in effect  
7 for that biennium under Section 49-g(g), Article III, Texas  
8 Constitution [~~of that article~~].

9 (e) [~~(d)~~] Subsections (a) and (b) of this section and this  
10 subsection expire December 31, 2038 [~~2034~~].

11 SECTION 6. Subchapter G, Chapter 403, Government Code, is  
12 amended by adding Section 403.108 to read as follows:

13 Sec. 403.108. TEXAS SEVERANCE TAX REVENUE AND OIL AND  
14 NATURAL GAS (TEXAS STRONG) DEFENSE FUND; GRANT PROGRAM. (a) In  
15 this section:

16 (1) "Fund" means the Texas severance tax revenue and  
17 oil and natural gas (Texas STRONG) defense fund under Section  
18 49-g-1, Article III, Texas Constitution.

19 (2) "Qualifying county" means a county in which the  
20 amount of oil and gas production taxes collected by the comptroller  
21 during the preceding two state fiscal years is at least 0.5 percent  
22 of the total amount of those taxes collected in the state during  
23 that same period.

24 (b) Money in the fund may be appropriated by the legislature  
25 only for the following purposes:

26 (1) to the governor for the purpose of implementing,  
27 administering, and funding the grant program established under

1 Subsection (h);

2 (2) to the Texas Department of Transportation for the  
3 purpose of making grants under Subchapter C, Chapter 256,  
4 Transportation Code only to make a grant to a qualifying county or a  
5 county in which a port authority or navigation district is engaged  
6 in oil or gas production, refinement, or export, notwithstanding  
7 any other provision of that subchapter;

8 (3) to the trustee programs within the office of the  
9 governor for the purpose of meeting economic development needs in  
10 qualifying counties; and

11 (4) to the Department of Public Safety for the  
12 purposes of:

13 (A) paying the salaries, benefit costs, and other  
14 costs associated with additional full-time equivalent department  
15 employees stationed in qualifying counties;

16 (B) paying salary increases to department  
17 employees stationed in qualifying counties; or

18 (C) providing additional resources for the  
19 enforcement of commercial motor vehicle safety standards under  
20 Chapter 644, Transportation Code, and the prevention of gang  
21 violence and human trafficking, in qualifying counties.

22 (h) Subject to Subsection (i), the governor by rule shall:

23 (1) establish a grant program using money received  
24 from the fund to address the effects of and needs associated with  
25 significant oil and gas production in this state by providing  
26 financial assistance to nonprofit organizations, public  
27 institutions of higher education, school districts, and other

1 political subdivisions;

2 (2) develop an application process for grants made  
3 under the program; and

4 (3) prioritize grants for first responder, emergency  
5 and trauma care services, health care, mental health care,  
6 educational, and workforce preparedness needs.

7 (i) In awarding grants under the grant program established  
8 under Subsection (h), the governor shall give priority to an  
9 applicant located in a qualifying county or a county in which a port  
10 authority or navigation district is engaged in oil or gas  
11 production, refinement, or export.

12 SECTION 7. This Act takes effect January 1, 2024, but only  
13 if the constitutional amendment proposed by the 88th Legislature,  
14 Regular Session, 2023, providing for the creation of the Texas  
15 severance tax revenue and oil and natural gas (Texas STRONG)  
16 defense fund, dedicating the money in that fund to benefit areas of  
17 the state significantly affected by oil and gas production, and  
18 providing for the transfer of certain general revenues to that  
19 fund, the economic stabilization fund, and the state highway fund  
20 is approved by the voters. If that amendment is not approved by the  
21 voters, this Act has no effect.