

By: Perry

S.J.R. No. 27

A JOINT RESOLUTION

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

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

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

11 Sec. 68. (a) In this section:

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

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

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

17 (b) The Texas Connectivity Fund is created in the state  
18 treasury and shall be administered by the comptroller as a  
19 revolving fund to provide a method of funding for the development of  
20 telecommunications services, including the construction,  
21 reconstruction, and expansion of telecommunications infrastructure  
22 and services, and the operation of existing telecommunications  
23 infrastructure and services as determined by the comptroller and

1 the commission in accordance with standards and procedures  
2 established by law.

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

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

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

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

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

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

1 that reduction only:

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

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

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

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

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

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

23 (3) Internet access service; or

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

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

1 September 1, 2035.

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

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

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

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

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

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