

## **RESOLUTION ANALYSIS**

H.J.R. 47  
By: Landgraf  
Appropriations  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The resolution author has informed the committee that as a result of record-setting deposits into the Economic Stabilization Fund (ESF), commonly known as the Rainy Day Fund, the most recent revenue estimate from the comptroller of public accounts projects that the ESF will hit its cap at the beginning of fiscal year 2026. The resolution author has further informed the committee that there is a need to support continued strong oil and gas production in Texas, which is vital for generating substantial tax revenue for public schools and state highways, and that this cannot be achieved without addressing the critical needs of communities heavily involved in oil and gas activity, including the communities' strained infrastructure, health care services, and education systems. The resolution author has also informed the committee that legislation is needed to keep the ESF from hitting its cap. H.J.R. 47 seeks to address public health and safety concerns and supplement educational opportunities and workforce preparedness in areas of Texas significantly affected by oil and gas production by proposing an amendment to the Texas Constitution to establish the Texas Severance Tax Revenue and Oil and Natural Gas (Texas STRONG) defense fund as a fund in the state treasury from which the legislature may appropriate money to fund grants to state agencies, political subdivisions, public institutions of higher education, and nonprofit organizations.

### **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. 47 proposes an amendment to the Texas Constitution to establish the Texas Severance Tax Revenue and Oil and Natural Gas (Texas STRONG) defense fund as a fund in the state treasury from which the legislature may appropriate money as provided by general law to fund grants to state agencies, political subdivisions, public institutions of higher education, and nonprofit organizations to address public health and safety concerns and workforce preparedness needs and to supplement educational opportunities in areas of Texas significantly affected by oil and gas production, as determined by the legislature. The fund consists of the following:

- certain severance tax revenue transferred to the fund from the general revenue fund;
- money appropriated to the fund by the legislature;
- money that the legislature by statute dedicates for deposit to the credit of the fund;
- gifts or grants contributed to the fund; and
- investment earnings and interest earned on amounts credited to the fund.

The resolution requires the comptroller of public accounts to transfer any unobligated and unappropriated money that remains in the fund to the general revenue fund on the last day of each state fiscal biennium.

H.J.R. 47 revises the allocation of oil and gas production tax revenue to the Economic Stabilization Fund (ESF), otherwise known as the Rainy Day Fund, and the state highway fund by providing for 12 percent of the revenue currently constitutionally allocated to the ESF to instead be transferred elsewhere by the comptroller as follows:

- 10 percent to the Texas STRONG defense fund, subject to a \$500 million cap on the total amount transferred in a state fiscal year;
- one percent to the oil and gas regulation and cleanup account or a successor account; and
- one percent to the Texas Emissions Reduction Plan fund or a successor fund.

If the amount allocated to be transferred to the Texas STRONG defense fund for a state fiscal year would cause the total amount allocated for transfer to exceed that cap, the comptroller must appropriately reduce the amount allocated to be transferred and transfer to the property tax relief fund or a successor fund the amount by which the allocation is reduced.

H.J.R. 47 takes effect September 1, 2027.

### **ELECTION DATE**

The constitutional amendment proposed by this joint resolution will be submitted to the voters at an election to be held November 4, 2025.