

BILL ANALYSIS

Senate Research Center
89R20094 KJE-D

S.J.R. 4
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Finance
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Legislature created the Emergency Stabilization Fund (ESF), commonly known as the "rainy day fund," as a reserve for the state to use in times of fiscal volatility. The Texas Constitution currently caps the maximum biennial ESF balance at 10 percent of certain general revenue deposited to the account. Should the ESF balance reach the cap, the Comptroller of Public Accounts of the State of Texas (comptroller) may reduce or eliminate transfers to the ESF, and credit interest earned on the ESF balance to the General Revenue Fund. The comptroller projects that the ESF will reach its cap in fiscal year 2026 and over the biennium a total of \$5.6 billion that would go to the fund will instead remain in general revenue.

S.J.R. 4 proposes a constitutional amendment providing for the maximum amount of money allowable in the economic stabilization fund.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 49-g(g), Article III, Texas Constitution, to prohibit the amount in the economic stabilization fund, during each fiscal biennium, from exceeding an amount equal to 15 percent, rather than 10 percent, of the total amount, excluding investment income, interest income, and amounts borrowed from special funds, deposited in general revenue during the preceding biennium.

SECTION 2. Provides that the following temporary divisions is added to the Texas Constitution:

TEMPORARY PROVISION. (a) Provides that this temporary provision applies to the constitutional amendment proposed by the 89th Legislature, Regular Session, 2025, providing for the maximum amount of money allowable in the economic stabilization fund.

(b) Provides that the amendment to Section 49-g (Economic Stabilization Fund; Allocation of Certain Oil and Gas Production Tax Revenue), Article III (Legislative Department), of this constitution takes effect September 1, 2028.

(c) Provides that this temporary provision expires September 1, 2029.

SECTION 3. Requires that the proposed constitutional amendment be submitted to the voters at an election to be held November 4, 2025. Sets forth the required language of the ballot.