By:  Harris, Hunter, Martinez, Kitzman, H.J.R. No. 7

     Metcalf, et al.

A JOINT RESOLUTION

proposing a constitutional amendment to dedicate a portion of the revenue derived from state sales and use taxes to the Texas water fund.

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

SECTION 1.  Article VIII, Texas Constitution, is amended by adding Section 7-e to read as follows:

Sec. 7-e.  (a) Subject to Section 7-d of this article and Subsections (b) and (c) of this section, in each state fiscal year, the comptroller of public accounts shall deposit to the credit of the Texas water fund $1 billion of the net revenue derived from the imposition of the state sales and use tax on the sale, storage, use, or other consumption in this state of taxable items under Chapter 151, Tax Code, or its successor, that exceeds the first $48 billion of that revenue coming into the treasury in that state fiscal year.

(b)  The legislature by adoption of a concurrent resolution approved by a record vote of two-thirds of the members of each house of the legislature may direct the comptroller of public accounts to increase or reduce the amount of money deposited to the credit of the Texas water fund under Subsection (a) of this section. The comptroller may be directed to make the increase or 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 or percentage that does not result in:

(A)  an increase of more than 100 percent of the amount that would otherwise be deposited to the fund in the affected state fiscal year under Subsection (a) of this section; or

(B)  a reduction of more than 50 percent of the amount that would otherwise be deposited to the fund in the affected state fiscal year under Subsection (a) of this section.

(c)  Subject to Subsection (d) of this section, the duty of the comptroller of public accounts to make a deposit under this section expires August 31, 2035.

(d)  The legislature by adoption of a concurrent resolution approved by a record vote of a majority of the members of each house of the legislature may extend, in 10-year increments, the duty of the comptroller of public accounts to make a deposit under Subsection (a) of this section beyond the applicable date prescribed by Subsection (c) of this section.

(e)  Money deposited to the credit of the Texas water fund under Subsection (a) of this section and transferred by the Texas Water Development Board or that board's successor to the New Water Supply for Texas Fund may not be used to provide financial assistance for projects the primary purpose of which is to produce groundwater, or transport groundwater produced, from a well in this state. The limitation prescribed by this subsection does not apply to a project to produce or transport groundwater that is considered brackish under general law or by the board.

(f)  Notwithstanding that money transferred from the Texas water fund to a fund or account may be spent without further legislative appropriation as provided by Section 49-d-16(b), Article III, of this constitution, the revenue derived from the imposition of the state sales and use tax dedicated by this Section 7-e shall be maintained in a separate account and may not be drawn from the treasury but in pursuance of specific appropriation made by law as provided by Section 6 of this article.

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

TEMPORARY PROVISION.  (a)  This temporary provision applies to the constitutional amendment proposed by the 89th Legislature, Regular Session, 2025, to dedicate a portion of the revenue derived from state sales and use taxes to the Texas water fund.

(b)  Section 7-e, Article VIII, of this constitution takes effect September 1, 2027.

(c)  This temporary provision expires September 1, 2028.

SECTION 3.  This proposed constitutional amendment shall be submitted to the voters at an election to be held November 4, 2025. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment to dedicate a portion of the revenue derived from state sales and use taxes to the Texas water fund."