By:  Perry, et al. S.J.R. No. 66

A JOINT RESOLUTION

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

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

SECTION 1.  Section 49-d-16, Article III, Texas Constitution, as proposed by S.J.R. 75, 88th Legislature, Regular Session, 2023, is amended by amending Subsections (c) and (e) and adding Subsections (e-1), (e-2), and (e-3) to read as follows:

(c)  The Texas water fund consists of:

(1)  money transferred or deposited to the credit of the fund under this constitution or by general law, including money appropriated by the legislature directly to the fund and money from any source transferred or deposited to the credit of the fund authorized by this constitution or by general law;

(2)  any other revenue that the legislature by statute dedicates for deposit to the credit of the fund;

(3)  investment earnings and interest earned on amounts credited to the fund;

(4)  money from gifts, grants, or donations to the fund; and

(5)  money returned from any authorized transfer.

(e)  For the period of 10 state fiscal years beginning September 1, 2043, and for each period of 10 state fiscal years that occur after that period has ended, the legislature by general law may allocate for transfer to the funds and accounts administered by the Texas Water Development Board or that board's successor the money deposited to the credit of the Texas water fund under Section 7-e, Article VIII, of this constitution. The allocation of money prescribed by a general law enacted under this subsection may not be amended by the legislature during the 10-year period for which the money is allocated. Any money deposited to the credit of the Texas water fund under Section 7-e, Article VIII, of this constitution that is not allocated by a general law enacted under this subsection may be transferred to other funds or accounts by the Texas Water Development Board or that board's successor in accordance with Subsection (b) of this section.

(e-1)  Of the amount of money initially appropriated to the Texas water fund, the administrator of the fund shall allocate not less than 25 percent to be used only for transfer to the New Water Supply for Texas Fund.

(e-2)  Of the amount of money deposited to the credit of the Texas water fund under Section 7-e, Article VIII, of this constitution before September 1, 2043, the administrator of the fund shall allocate not less than 80 percent to be used only for transfer to the New Water Supply for Texas Fund.

(e-3)  This subsection and Subsections (e-1) and (e-2) of this section expire August 31, 2043.

SECTION 2.  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)  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 $46.5 billion of that revenue coming into the treasury in that state fiscal year, provided that the total amount deposited to the credit of the Texas water fund under this subsection in a state fiscal year may not exceed $500 million; and

(2)  the first $500 million of the net revenue derived from the imposition of the insurance premium taxes on the taxable gross premiums, gross premium receipts, and gross revenues from the sale of certificates or contracts subject to those taxes under Subtitle B, Title 3, Insurance Code, or its successor, coming into the treasury in that state fiscal year.

(b)  The legislature by adoption of a 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 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 that 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 reduction of more than 50 percent of the amount that would otherwise be deposited to the fund in the affected state fiscal year under the applicable subsection of this section.

(c)  Subject to Subsection (d) of this section, the duty of the comptroller of public accounts to make a deposit under Subsection (a) of this section expires August 31, 2043.

(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 date prescribed by Subsection (c) of this section.

SECTION 3.  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, dedicating a portion of the revenue derived from state sales and use taxes and the insurance premium 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 4.  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 dedicating a portion of the revenue derived from state sales and use taxes and insurance premium taxes to the Texas water fund."