

By: Landgraf, Morales of Maverick

H.B. No. 188

Substitute the following for H.B. No. 188:

By: Bonnen

C.S.H.B. No. 188

A BILL TO BE ENTITLED

AN ACT

relating to the allocation of certain constitutional transfers of money to certain funds and accounts, including the Texas severance tax revenue and oil and natural gas (Texas STRONG) defense fund, and to the permissible uses of money deposited to the Texas severance tax revenue and oil and natural gas (Texas STRONG) defense fund.

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

SECTION 1. The heading to Subchapter H, Chapter 316, Government Code, is amended to read as follows:

SUBCHAPTER H. ALLOCATION OF CONSTITUTIONAL TRANSFERS TO CERTAIN FUNDS [~~ECONOMIC STABILIZATION FUND AND STATE HIGHWAY FUND~~]

SECTION 2. The heading to Section 316.092, Government Code, is amended to read as follows:

Sec. 316.092. DETERMINATION OF THRESHOLD FOR CONSTITUTIONAL TRANSFER TO CERTAIN FUNDS [~~STATE HIGHWAY FUND~~].

SECTION 3. Section 316.092(b), Government Code, is amended to read as follows:

(b) This section expires December 31, 2036 [~~2042~~].

SECTION 4. The heading to Section 316.093, Government Code, is amended to read as follows:

Sec. 316.093. ADJUSTMENT OF CONSTITUTIONAL ALLOCATIONS TO CERTAIN FUNDS [~~FUND AND STATE HIGHWAY FUND~~].

SECTION 5. Section 316.093, Government Code, is amended by amending Subsections (b), (c), and (d) and adding Subsection (e) to

read as follows:

(b) If the sum described by Subsection (a) is less than the amount determined under Section 316.092 for that state fiscal biennium, the comptroller shall reduce proportionately the allocations ~~[allocation]~~ to the state highway fund, the oil and gas regulation and cleanup account, the Texas emissions reduction plan fund, and the Texas severance tax revenue and oil and natural gas (Texas STRONG) defense fund as provided by Section 49-g(c-1) [49-g(c)], Article III, Texas Constitution, and increase the allocation to the economic stabilization fund~~[7]~~ in an ~~[equal]~~ amount equal to the reduction of those allocations~~[7]~~ until the amount determined under Section 316.092 for that state fiscal biennium would be achieved by the transfer to the fund or the total amount of the sum described by Section 49-g(c), Article III, Texas Constitution, is allocated to the fund, whichever occurs first.

(c) For the purposes of Section 49-g(c-2), Article III, Texas Constitution, the comptroller shall adjust the allocation provided by Section 49-g(c-1) of that article so that ~~[of amounts to be transferred to the fund and to the state highway fund under Section 49-g(c) of that article in a state fiscal year]~~ beginning ~~[on or after]~~ September 1, 2037 ~~[2043]~~, the amount allocated for transfer to the Texas severance tax revenue and oil and natural gas (Texas STRONG) defense fund under Section 49-g(c-1) of that article is instead ~~[so that the total of those amounts is]~~ transferred to the economic stabilization fund.

(d) The ~~[, except that the]~~ comptroller shall reduce a transfer to the economic stabilization fund required ~~[made]~~ under

1 Subsection (c) of this section [~~this subsection~~] as necessary to  
2 prevent the amount in the fund from exceeding the limit in effect  
3 for that biennium under Section 49-g(g), Article III, Texas  
4 Constitution [~~of that article~~].

5 (e) [~~(d)~~] Subsections (a) and (b) and this subsection  
6 expire December 31, 2036 [~~2042~~].

7 SECTION 6. Subchapter G, Chapter 403, Government Code, is  
8 amended by adding Section 403.108 to read as follows:

9 Sec. 403.108. TEXAS SEVERANCE TAX REVENUE AND OIL AND  
10 NATURAL GAS (TEXAS STRONG) DEFENSE FUND; GRANT PROGRAM. (a) In  
11 this section:

12 (1) "Fund" means the Texas severance tax revenue and  
13 oil and natural gas (Texas STRONG) defense fund under Section  
14 49-g-1, Article III, Texas Constitution.

15 (2) "Qualifying county" means a county in which the  
16 amount of oil and gas production taxes collected by the comptroller  
17 during the preceding two state fiscal years is at least 0.5 percent  
18 of the total amount of those taxes collected in the state during  
19 that same period.

20 (b) Money in the fund may be appropriated by the legislature  
21 only to:

22 (1) the governor for the purpose of implementing,  
23 administering, and funding the grant program established under  
24 Subsection (c);

25 (2) the Texas Department of Transportation for the  
26 purpose of making grants under Subchapter C, Chapter 256,  
27 Transportation Code, to a qualifying county or a county in which a

port authority or navigation district is engaged in oil or gas production, refinement, or export, notwithstanding any other provision of that subchapter;

(3) the trustee programs within the office of the governor for the purpose of meeting economic development needs in qualifying counties; and

(4) the Department of Public Safety for the purposes of:

(A) paying the salaries, benefit costs, and other costs associated with additional full-time equivalent department employees stationed in qualifying counties;

(B) paying salary increases to department employees stationed in qualifying counties; or

(C) providing additional resources for the enforcement of commercial motor vehicle safety standards under Chapter 644, Transportation Code, and the prevention of gang violence and human trafficking, in qualifying counties.

(c) Subject to Subsections (d) and (e), the governor by rule shall:

(1) establish a grant program using money received from the fund to address the effects of and needs associated with significant oil and gas production in this state by providing financial assistance to nonprofit organizations, public institutions of higher education, school districts, municipal utility districts, and other political subdivisions;

(2) develop an application process for grants made under the program; and

1           (3) prioritize grants for first responders, emergency  
2 and trauma care services, health care and mental health care  
3 services, educational opportunities, water infrastructure  
4 projects, and workforce preparedness needs.

5           (d) Subject to Subsection (e), in awarding grants under the  
6 grant program established under Subsection (c), the governor shall  
7 give priority to an applicant located in a qualifying county or a  
8 county in which a port authority or navigation district is engaged  
9 in oil or gas production, refinement, or export.

10          (e) In awarding grants for water infrastructure projects  
11 under the grant program established under Subsection (c), the  
12 governor shall give priority to a municipal utility district  
13 located in a qualifying county.

14          SECTION 7. Section 386.250(b), Health and Safety Code, is  
15 amended to read as follows:

16           (b) The fund consists of:

17               (1) the amount of money deposited to the credit of the  
18 fund under:

19                       (A) Section 386.056;

20                       (B) Sections 151.0515 and 152.0215, Tax Code; and

21                       (C) Sections 501.138, 502.358, and 548.5055,  
22 Transportation Code; ~~and~~

23               (2) money transferred to the fund under Section  
24 49-g(c), Article III, Texas Constitution; and

25               (3) grant money recaptured under Section 386.111(d)  
26 and Chapter 391.

27          SECTION 8. This Act takes effect September 1, 2027, but only

1 if the constitutional amendment proposed by the 89th Legislature,  
2 Regular Session, 2025, providing for the creation of the Texas  
3 severance tax revenue and oil and natural gas (Texas STRONG)  
4 defense fund, dedicating the money in that fund to benefit areas of  
5 the state significantly affected by oil and gas production, and  
6 providing for the transfer of certain general revenues to that  
7 fund, the economic stabilization fund, and certain other funds and  
8 accounts is approved by the voters. If that amendment is not  
9 approved by the voters, this Act has no effect.