

By: Perry, et al.

S.J.R. No. 66

1 A JOINT RESOLUTION

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

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

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

10 (c) The Texas water fund consists of:

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

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

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

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

22 (5) money returned from any authorized transfer.

23 (e) For the period of 10 state fiscal years beginning
24 September 1, 2043, and for each period of 10 state fiscal years that

1 occur after that period has ended, the legislature by general law
2 may allocate for transfer to the funds and accounts administered by
3 the Texas Water Development Board or that board's successor the
4 money deposited to the credit of the Texas water fund under Section
5 7-e, Article VIII, of this constitution. The allocation of money
6 prescribed by a general law enacted under this subsection may not be
7 amended by the legislature during the 10-year period for which the
8 money is allocated. Any money deposited to the credit of the Texas
9 water fund under Section 7-e, Article VIII, of this constitution
10 that is not allocated by a general law enacted under this subsection
11 may be transferred to other funds or accounts by the Texas Water
12 Development Board or that board's successor in accordance with
13 Subsection (b) of this section.

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

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

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

25 SECTION 2. Article VIII, Texas Constitution, is amended by
26 adding Section 7-e to read as follows:

27 Sec. 7-e. (a) Subject to Section 7-d of this article and

1 Subsections (b) and (c) of this section, in each state fiscal
2 year, the comptroller of public accounts shall deposit to the
3 credit of the Texas water fund:

4 (1) the net revenue derived from the imposition of the
5 state sales and use tax on the sale, storage, use, or other
6 consumption in this state of taxable items under Chapter 151, Tax
7 Code, or its successor, that exceeds the first \$46.5 billion of that
8 revenue coming into the treasury in that state fiscal year,
9 provided that the total amount deposited to the credit of the Texas
10 water fund under this subsection in a state fiscal year may not
11 exceed \$500 million; and

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

18 (b) The legislature by adoption of a resolution approved by
19 a record vote of two-thirds of the members of each house of the
20 legislature may direct the comptroller of public accounts to reduce
21 the amount of money deposited to the credit of the Texas water fund
22 under Subsection (a) of this section. The comptroller may be
23 directed to make that reduction only:

24 (1) in the state fiscal year in which the resolution is
25 adopted, or in either of the following two state fiscal years; and

26 (2) by an amount or percentage that does not result in
27 a reduction of more than 50 percent of the amount that would

1 otherwise be deposited to the fund in the affected state fiscal year
2 under the applicable subsection of this section.

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

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

12 SECTION 3. The following temporary provision is added to
13 the Texas Constitution:

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

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

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

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