

SENATE AMENDMENTS
2nd Printing

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

1 amount that would otherwise be deposited to the fund in the affected
2 state fiscal year under Subsection (a) of this section; or

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

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

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

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

24 (f) Notwithstanding that money transferred from the Texas
25 water fund to a fund or account may be spent without further
26 legislative appropriation as provided by Section 49-d-16(b),
27 Article III, of this constitution, the revenue derived from the

1 imposition of the state sales and use tax dedicated by this Section
2 7-e shall be maintained in a separate account and may not be drawn
3 from the treasury but in pursuance of specific appropriation made
4 by law as provided by Section 6 of this article.

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

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

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

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

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

ADOPTED

MAY 27 2025

Latey Law
Secretary of the Senate

By: Perry H.J.R. No. 7
Substitute the following for H.J.R. No. 7:
By: Alky C.S. H.J.R. No. 7

A JOINT RESOLUTION

1 proposing a constitutional amendment to dedicate a portion of the
2 revenue derived from state sales and use taxes to the Texas water
3 fund and to provide for the allocation and use of that revenue.

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

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

9 (c) The Texas water fund consists of:

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

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

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

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

21 (5) money returned from any authorized transfer; and

22 (6) money in accounts established in the fund under
23 this constitution or by general law.

24 (e) The legislature by general law or by adoption of a

1 concurrent resolution approved by a record vote of a majority of the
2 members of each house may allocate for transfer to the funds and
3 accounts administered by the Texas Water Development Board or that
4 board's successor the money deposited to the credit of the Texas
5 water fund under Section 7-e, Article VIII, of this constitution.
6 The allocation of money prescribed by a general law or resolution
7 under this subsection may not be changed by the legislature during
8 the first 10 fiscal years for which the money is allocated by the
9 general law or resolution. Any money deposited to the credit of the
10 Texas water fund under Section 7-e, Article VIII, of this
11 constitution that is not allocated by a general law or resolution
12 under this subsection may be transferred to other funds or accounts
13 by the Texas Water Development Board or that board's successor in
14 accordance with Subsection (b) of this section.

15 (e-1) During a state of disaster declared under Chapter 418,
16 Government Code, or its successor, an allocation made under
17 Subsection (e) of this section may be suspended through the budget
18 execution process under Chapter 317, Government Code, or its
19 successor, or by adoption of a concurrent resolution approved by a
20 record vote of a majority of the members of each house. During a
21 suspension of an allocation under this subsection, the money that
22 would have been allocated but for the suspension is subject to
23 appropriation by the legislature for any purpose. It is the intent
24 of the legislature that any money repurposed under this subsection
25 be restored to the Texas water fund when practicable.

26 (e-2) Of the amount of money initially appropriated to the
27 Texas water fund, the administrator of the fund shall allocate not

1 less than 25 percent to be used only for transfer to the New Water
2 Supply for Texas Fund.

3 (e-3) This subsection and Subsections (e), (e-1), and (e-2)
4 of this section expire August 31, 2047.

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

7 Sec. 7-e. (a) Subject to Section 7-d of this article and
8 Subsection (b) of this section, in each state fiscal year, the
9 comptroller of public accounts shall deposit to the credit of the
10 Texas water fund the first \$1 billion of the net revenue derived
11 from the imposition of the state sales and use tax on the sale,
12 storage, use, or other consumption in this state of taxable items
13 under Chapter 151, Tax Code, or its successor, that exceeds the
14 first \$46.5 billion of that revenue coming into the treasury in that
15 state fiscal year.

16 (b) The duty of the comptroller of public accounts to make a
17 deposit under this section expires August 31, 2047.

18 (c) Money deposited to the credit of the Texas water fund
19 under Subsection (a) of this section may not be transferred to the
20 New Water Supply for Texas Fund for the purpose of financing the
21 construction of infrastructure to transport groundwater that was
22 produced from a well in this state and that, at the time of
23 production, was not brackish, as that term is defined by general
24 law. This subsection applies to the construction of infrastructure
25 to transport water produced from a well associated with an aquifer
26 storage and recovery project only if the water injected as part of
27 the project was groundwater described by this subsection.

1 (d) Notwithstanding Section 49-d-16(b), Article III, of
2 this constitution, as proposed by S.J.R. 75, 88th Legislature,
3 Regular Session, 2023, the revenue deposited to the credit of the
4 Texas water fund under Subsection (a) of this section shall be
5 maintained by the administrator of the fund in a separate account in
6 the fund and may not be transferred from the fund by the
7 administrator except as directed by the legislature pursuant to an
8 appropriation made in accordance with Section 6 of this article.
9 The administrator of the fund shall transfer the amount
10 appropriated by the legislature from the account in accordance with
11 the applicable allocations specified by Section 49-d-16, Article
12 III, of this constitution, as proposed by S.J.R. 75, 88th
13 Legislature, Regular Session, 2023.

14 SECTION 3. The following temporary provision is added to
15 the Texas Constitution:

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

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

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

24 SECTION 4. This proposed constitutional amendment shall be
25 submitted to the voters at an election to be held November 4, 2025.
26 The ballot shall be printed to permit voting for or against the
27 proposition: "The constitutional amendment to dedicate a portion of

1 the revenue derived from state sales and use taxes to the Texas
2 water fund and to provide for the allocation and use of that
3 revenue."

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 28, 2025

TO: Honorable Dustin Burrows, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HJR7** by Harris (Proposing a constitutional amendment to dedicate a portion of the revenue derived from state sales and use taxes to the Texas water fund and to provide for the allocation and use of that revenue.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HJR7, As Passed 2nd House: a negative impact of (\$191,689) through the biennium ending August 31, 2027.

However the bill would result in a negative impact of (\$2,000,000,000) through the biennium ending August 31, 2029.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2026	(\$191,689)
2027	\$0
2028	(\$1,000,000,000)
2029	(\$1,000,000,000)
2030	(\$1,000,000,000)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Revenue (Loss) from General Revenue Fund</i> 1	<i>Probable Revenue Gain from Texas Water Fund</i> 484	<i>Probable (Cost) from General Revenue Fund</i> 1
2026	\$0	\$0	(\$191,689)
2027	\$0	\$0	\$0
2028	(\$1,000,000,000)	\$1,000,000,000	\$0
2029	(\$1,000,000,000)	\$1,000,000,000	\$0
2030	(\$1,000,000,000)	\$1,000,000,000	\$0

Fiscal Analysis

The resolution would propose an amendment to add Section 7-e, Article VIII, Texas Constitution, to require the Comptroller of Public Accounts to annually deposit to the Texas Water Fund (TWF) the first \$1 billion in sales and use tax revenue (Chapter 151, Tax Code) once annual revenue exceeds \$46.5 billion.

The Comptroller's duty to make the annual deposits described above would expire August 31, 2047.

Sales tax revenue deposited to the TWF under the provisions of the resolution would be prohibited from transfer to Fund 0485 – New Water Supply for Texas to fund projects financing the construction of

infrastructure to transport groundwater produced from a well in this state that was not brackish at the time of production.

The resolution would direct the sales and use tax deposited to the TWF be maintained in a separate account in the TWF and would prohibit the funds from being drawn from the treasury unless a specific appropriation is made by law.

The resolution would propose an amendment to Section 49-d-16 (Texas Water Fund) to allow the Legislature to allocate sales tax revenue deposited to Fund 0484-TWF as a result of the resolution, by general law or resolution, to the funds and accounts managed by the Texas Water Development Board (TWDB). The resolution would further amend this Section to allow for the suspension of such a Legislative allocation during a declared disaster. During the period for which a disaster is declared, the resolution would allow the Legislature to appropriate, for any purpose, sales tax revenue deposited to the TWF that would have been Legislatively allocated if not for the suspension.

Proposed Section 7-e, Article VIII, Texas Constitution would take effect September 1, 2027.

This proposed constitutional amendment would be submitted to voters in a statewide election on November 4, 2025.

Methodology

The proposed amendment would require the Comptroller to annually deposit the first \$1 billion from the amount collected in sales and use tax-after annual collections had first reached \$46.5 billion-to the TWF. This analysis assumes that condition will be met each year from fiscal 2028 through 2027, when the cumulative total of allocations of state sales tax to the TWF will have reached \$20 billion. The table below reflects the amounts projected to be deposited, as well as the resolution's effective date for proposed Section 7-e of September 1, 2027, to the TWF based on estimates from the *2026-27 Biennial Revenue Estimate*.

The cost to the state for publication of the resolution is \$191,689.

The proposed constitutional amendment would only require the deposit of revenue into the TWF but would not make any changes to the current administration of the fund. Consequently, any cost would be shown in the fiscal note for the associated enabling legislation (SB 7).

Local Government Impact

The resolution would result in additional funding available for existing financial assistance programs administered by the Texas Water Development Board.

Source Agencies: 304 Comptroller of Public Accounts, 580 Water Development Board

LBB Staff: JMc, SD, KK, Tuf, AJL

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 26, 2025

TO: Honorable Joan Huffman, Chair, Senate Committee on Finance

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HJR7 by Harris (proposing a constitutional amendment to dedicate a portion of the revenue derived from state sales and use taxes to the Texas water fund and to provide for the allocation and use of that revenue.), Committee Report 2nd House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for HJR7, Committee Report 2nd House, Substituted: a negative impact of (\$191,689) through the biennium ending August 31, 2027.

However the bill would result in a negative impact of (\$2,000,000,000) through the biennium ending August 31, 2029.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2026	(\$191,689)
2027	\$0
2028	(\$1,000,000,000)
2029	(\$1,000,000,000)
2030	(\$1,000,000,000)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Revenue (Loss) from General Revenue Fund</i>	<i>Probable Revenue Gain from Texas Water Fund</i>	<i>Probable (Cost) from General Revenue Fund</i>
	1	484	1
2026	\$0	\$0	(\$191,689)
2027	\$0	\$0	\$0
2028	(\$1,000,000,000)	\$1,000,000,000	\$0
2029	(\$1,000,000,000)	\$1,000,000,000	\$0
2030	(\$1,000,000,000)	\$1,000,000,000	\$0

Fiscal Analysis

The resolution would propose an amendment to add Section 7-e, Article VIII, Texas Constitution, to require the Comptroller of Public Accounts to annually deposit to the Texas Water Fund (TWF) the first \$1 billion in sales and use tax revenue (Chapter 151, Tax Code) once annual revenue exceeds \$46.5 billion.

The Comptroller's duty to make the annual deposits described above would expire August 31, 2047.

Sales tax revenue deposited to the TWF under the provisions of the resolution would be prohibited from transfer to Fund 0485 – New Water Supply for Texas to fund projects financing the construction of

infrastructure to transport groundwater produced from a well in this state that was not brackish at the time of production.

The resolution would direct the sales and use tax deposited to the TWF be maintained in a separate account in the TWF and would prohibit the funds from being drawn from the treasury unless a specific appropriation is made by law.

The resolution would propose an amendment to Section 49-d-16 (Texas Water Fund) to allow the Legislature to allocate sales tax revenue deposited to Fund 0484-TWF as a result of the resolution, by general law or resolution, to the funds and accounts managed by the Texas Water Development Board (TWDB). The resolution would further amend this Section to allow for the suspension of such a Legislative allocation during a declared disaster. During the period for which a disaster is declared, the resolution would allow the Legislature to appropriate, for any purpose, sales tax revenue deposited to the TWF that would have been Legislatively allocated if not for the suspension.

Proposed Section 7-e, Article VIII, Texas Constitution would take effect September 1, 2027.

This proposed constitutional amendment would be submitted to voters in a statewide election on November 4, 2025.

Methodology

The proposed amendment would require the Comptroller to annually deposit the first \$1 billion from the amount collected in sales and use tax-after annual collections had first reached \$46.5 billion-to the TWF. This analysis assumes that condition will be met each year from fiscal 2028 through 2027, when the cumulative total of allocations of state sales tax to the TWF will have reached \$20 billion. The table below reflects the amounts projected to be deposited, as well as the resolution's effective date for proposed Section 7-e of September 1, 2027, to the TWF based on estimates from the *2026-27 Biennial Revenue Estimate*.

The cost to the state for publication of the resolution is \$191,689.

The proposed constitutional amendment would only require the deposit of revenue into the TWF but would not make any changes to the current administration of the fund. Consequently, any cost would be shown in the fiscal note for the associated enabling legislation (SB 7).

Local Government Impact

The resolution would result in additional funding available for existing financial assistance programs administered by the Texas Water Development Board.

Source Agencies: 304 Comptroller of Public Accounts, 580 Water Development Board

LBB Staff: JMc, KK, SD, Tuf, AJL

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 6, 2025

TO: Honorable Joan Huffman, Chair, Senate Committee on Finance

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HJR7** by Harris (Proposing a constitutional amendment to dedicate a portion of the revenue derived from state sales and use taxes to the Texas water fund.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HJR7, As Engrossed: a negative impact of (\$191,689) through the biennium ending August 31, 2027.

However the bill would result in a negative impact of (\$2,000,000,000) through the biennium ending August 31, 2029.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2026	(\$191,689)
2027	\$0
2028	(\$1,000,000,000)
2029	(\$1,000,000,000)
2030	(\$1,000,000,000)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Revenue (Loss) from General Revenue Fund</i>	<i>Probable Revenue Gain from Texas Water Fund</i>	<i>Probable (Cost) from General Revenue Fund</i>
	1	484	1
2026	\$0	\$0	(\$191,689)
2027	\$0	\$0	\$0
2028	(\$1,000,000,000)	\$1,000,000,000	\$0
2029	(\$1,000,000,000)	\$1,000,000,000	\$0
2030	(\$1,000,000,000)	\$1,000,000,000	\$0

Fiscal Analysis

The joint resolution would propose amendments to the Texas Constitution to dedicate a portion of state sales and use tax revenue to the Texas Water Fund (TWF).

The resolution would require the Comptroller of Public Accounts to annually deposit the first \$1 billion to TWF from the amount of revenue derived from the sales and use tax under Chapter 151 of the Tax Code once that amount exceeds \$48 billion.

The proposed amendment would allow the Legislature, by adoption of a resolution approved by a two-thirds majority, to direct the Comptroller to adjust the amount deposited to the TWF by an amount not to exceed 50

percent below or 100 percent above the amount that would otherwise be deposited. The Comptroller could only adjust the amount to be deposited in the state fiscal year in which the resolution is adopted or in the two following state fiscal years.

The Comptroller's duty to make the annual deposits described above would expire August 31, 2035, unless extended by the Legislature. Such an extension would be for a ten-year period.

Funds deposited to the TWF under the provisions of the resolution and transferred by the Texas Water Development Board (TWDB) to Fund 0485 – New Water Supply for Texas Fund would be prohibited from providing financial assistance to projects for which the primary purpose of which is to produce groundwater, or transport groundwater produced from a well in this state unless the water is brackish.

The resolution would direct the sales and use tax deposited to the TWF be maintained in a separate account in the TWF and would prohibit the funds from being drawn from the treasury unless a specific appropriation is made by law.

The proposed constitutional amendment would be submitted to voters in a statewide election on November 4, 2025. If approved by voters, the resolution would take effect September 1, 2027.

Methodology

The proposed amendment would require the Comptroller to annually deposit \$1 billion from the amount collected in sales and use tax, after \$48 billion is collected, to the TWF. This analysis assumes that condition will be met each year during the next five fiscal years. The table below reflects the amounts projected to be deposited, as well as the resolution's effective date of September 1, 2027, to the TWF based on estimates from the *2026-27 Biennial Revenue Estimate*.

The cost to the state for publication of the resolution is \$191,689.

The proposed constitutional amendment would only require the deposit of revenue into the TWF but would not make any changes to the current administration of the fund. Consequently, any cost would be shown in the fiscal note for the associated enabling legislation (HB 16).

Local Government Impact

The resolution would result in additional funding available for existing financial assistance programs administered by the Texas Water Development Board.

Source Agencies: 304 Comptroller of Public Accounts, 580 Water Development Board
LBB Staff: JMc, KK, SD, TUf, AJL

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

March 18, 2025

TO: Honorable Cody Harris, Chair, House Committee on Natural Resources

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HJR7 by Harris (Proposing a constitutional amendment to dedicate a portion of the revenue derived from state sales and use taxes to the Texas water fund.), As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HJR7, As Introduced: a negative impact of (\$1,000,191,689) through the biennium ending August 31, 2027.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2026	(\$191,689)
2027	(\$1,000,000,000)
2028	(\$1,000,000,000)
2029	(\$1,000,000,000)
2030	(\$1,000,000,000)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Revenue (Loss) from <i>General Revenue Fund</i> 1	Probable Revenue Gain from <i>Texas Water Fund</i> 484	Probable (Cost) from <i>General Revenue Fund</i> 1
2026	\$0	\$0	(\$191,689)
2027	(\$1,000,000,000)	\$1,000,000,000	\$0
2028	(\$1,000,000,000)	\$1,000,000,000	\$0
2029	(\$1,000,000,000)	\$1,000,000,000	\$0
2030	(\$1,000,000,000)	\$1,000,000,000	\$0

Fiscal Analysis

The joint resolution would propose amendments to the Texas Constitution to dedicate a portion of state sales and use tax revenue to the Texas Water Fund (TWF).

The resolution would require the Comptroller of Public Accounts to annually deposit to TWF the amount of revenue derived from the sales and use tax that exceeds \$48 billion, provided the Comptroller not deposit more than \$1 billion of this revenue to the TWF each fiscal year.

The proposed amendment would allow the Legislature, by adoption of a resolution approved by a two-thirds majority, to direct the Comptroller to adjust the amount deposited to the TWF by an amount not to exceed 50 percent below or 100 percent above the amount that would otherwise be deposited. The Comptroller could only adjust the amount to be deposited in the state fiscal year in which the resolution is adopted or in the two following state fiscal years.

The Comptroller's duty to make the annual deposits described above would expire August 31, 2035, unless extended by the Legislature. Such an extension would be for a ten-year period.

The proposed constitutional amendment would be submitted to voters in a statewide election on November 4, 2025. If approved by voters, the resolution would take effect September 1, 2026.

Methodology

The proposed amendment would require the Comptroller to deposit the amount collected in sales and use tax in excess of \$48 billion to the TWF, up to \$1 billion per fiscal year. This analysis assumes, once the condition exists that sales and use tax revenue exceeds \$48 billion in a fiscal year, no more than \$1 billion would be deposited to the TWF during that fiscal year. The table above reflects the amount projected to be deposited to the TWF based on estimates from the *2026-27 Biennial Revenue Estimate*.

The cost to the state for publication of the resolution is \$191,689.

The proposed constitutional amendment would only require the deposit of revenue into the TWF but would not make any changes to the current administration of the fund. Consequently, any cost would be shown in the fiscal note for the associated enabling legislation (HB 16).

Local Government Impact

The resolution would result in additional funding available for existing financial assistance programs administered by the Texas Water Development Board.

Source Agencies: 304 Comptroller of Public Accounts, 580 Water Development Board
LBB Staff: JMc, TUf, SD, KK, AJL

LEGISLATIVE BUDGET BOARD
Austin, Texas

TAX/FEE EQUITY NOTE

89TH LEGISLATIVE REGULAR SESSION

March 28, 2025

TO: Honorable Cody Harris, Chair, House Committee on Natural Resources

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HJR7 by Harris (Proposing a constitutional amendment to dedicate a portion of the revenue derived from state sales and use taxes to the Texas water fund.), **As Introduced**

No statistically significant impact on the overall distribution of a state tax or fee burden among individuals and businesses is anticipated from the provisions of this bill.

Source

Agencies:

LBB Staff: JMc, KK

LEGISLATIVE BUDGET BOARD
Austin, Texas

WATER DEVELOPMENT POLICY IMPACT STATEMENT

89TH LEGISLATIVE REGULAR SESSION

March 28, 2025

TO: Honorable Cody Harris, Chair, House Committee on Natural Resources

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HJR7 by Harris (Proposing a constitutional amendment to dedicate a portion of the revenue derived from state sales and use taxes to the Texas water fund.), **As Introduced**

The Legislative Budget Board, in cooperation with the Texas Water Development Board (TWDB) and the Texas Commission on Environmental Quality (TCEQ), has determined that:

No Water Development Policy Impact Statement will be prepared for this bill under the provisions of Texas Constitution, Article 16, Section 59(d) as this bill does not create a conservation and reclamation district.

Source
Agencies: 582 Commission on Environmental Quality
LBB Staff: JMc, SZ