

House Joint Resolution 7
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

No equivalent provision.

SENATE VERSION (CS)

CONFERENCE

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; and
- (6) money in accounts established in the fund under this constitution or by general law.

(e) The legislature by general law or by adoption of a concurrent resolution approved by a record vote of a majority of the members of each house 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 or resolution under this subsection may not be changed by the legislature during the first 10 fiscal years for which the money is allocated by the general law or resolution. 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 or resolution under this subsection may be transferred to other funds or accounts by

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the Texas Water Development Board or that board's successor in accordance with Subsection (b) of this section.
(e-1) During a state of disaster declared under Chapter 418, Government Code, or its successor, an allocation made under Subsection (e) of this section may be suspended through the budget execution process under Chapter 317, Government Code, or its successor, or by adoption of a concurrent resolution approved by a record vote of a majority of the members of each house. During a suspension of an allocation under this subsection, the money that would have been allocated but for the suspension is subject to appropriation by the legislature for any purpose. It is the intent of the legislature that any money repurposed under this subsection be restored to the Texas water fund when practicable.
(e-2) 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-3) This subsection and Subsections (e), (e-1), and (e-2) of this section expire August 31, 2047.

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

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 Subsection (b) of this section, in each state fiscal year, the comptroller of public accounts shall deposit to the credit of the Texas water fund the first \$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 \$46.5 billion of that revenue coming into the

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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

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treasury in that state fiscal year.

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

(c) Money deposited to the credit of the Texas water fund under Subsection (a) of this section may not be transferred to the New Water Supply for Texas Fund for the purpose of financing the construction of infrastructure to transport groundwater that was produced from a well in this state and that, at the time of production, was not brackish, as that term

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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.

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is defined by general law. This subsection applies to the construction of infrastructure to transport water produced from a well associated with an aquifer storage and recovery project only if the water injected as part of the project was groundwater described by this subsection.

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

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, 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.

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

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

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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."

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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 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."

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