By: Craddick H.J.R. No. 39

A JOINT RESOLUTION

proposing a constitutional amendment providing for the creation of and use of money in the Grow Texas fund and allocating certain general revenues to that fund, the economic stabilization fund, and the state highway fund.

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

SECTION 1. Section 49-g, Article III, Texas Constitution, is amended by amending Subsections (c), (c-1), and (c-2) and adding Subsection (c-3) to read as follows:

(c) Not later than the 90th day of each fiscal year, the comptroller of public accounts shall transfer from the general revenue fund to the economic stabilization fund, [~~and~~] the state highway fund, and the Grow Texas fund the sum of the amounts described by Subsections (d) and (e) of this section, to be allocated as provided by Subsections (c-1), [~~and~~] (c-2), and (c-3) of this section. However, if necessary and notwithstanding the allocations prescribed by Subsections (c-1), [~~and~~] (c-2), and (c-3) of this section, the comptroller shall reduce proportionately the amounts described by Subsections (d) and (e) of this section to be transferred and allocated to the economic stabilization fund to prevent the amount in that fund from exceeding the limit in effect for that biennium under Subsection (g) of this section. Revenue transferred to the state highway fund under this subsection may be used only for constructing, maintaining, and acquiring rights-of-way for public roadways other than toll roads.

(c-1) Of the sum of the amounts described by Subsections (d) and (e) of this section and required to be transferred from the general revenue fund under Subsection (c) of this section, the comptroller shall allocate one-half to the economic stabilization fund and the remainder to the state highway fund, except as provided by Subsections [~~Subsection~~] (c-2) and (c-3) of this section.

(c-2) The legislature by general law shall provide for a procedure by which the allocations prescribed by Subsections (c-1) and (c-3) [~~allocation of the sum of the amounts described by Subsections (d) and (e)~~] of this section may be adjusted to provide for a transfer to the economic stabilization fund of an amount greater than the allocations [~~allocation~~] provided for under those subsections [~~Subsection (c-1) of this section with the remainder of that sum, if any, allocated for transfer to the state highway fund~~]. The allocations [~~allocation~~] made as provided by that general law are [~~is~~] binding on the comptroller for the purposes of the transfers required by Subsection (c) of this section.

(c-3) Each time the comptroller determines the amount of general revenue to be allocated for transfer to the economic stabilization fund under Subsection (c-1) of this section, the comptroller shall reduce by 12 percent the amount of that transfer and at the same time transfer to the credit of the Grow Texas fund an amount of general revenue equal to the amount by which the comptroller reduced the amount of the transfer to the economic stabilization fund, provided that the total amount transferred to the Grow Texas fund under this subsection may not exceed $250 million in a state fiscal biennium. For purposes of determining the

amount of the transfer to the Grow Texas fund under this subsection, the comptroller may not consider any amount by which the amount transferred to the economic stabilization fund is increased under Subsection (c-2) of this section.

SECTION 2. Article III, Texas Constitution, is amended by adding Section 49-g-1 to read as follows:

Sec. 49-g-1. (a) The Grow Texas fund is established as a fund in the state treasury.

(b) The Grow Texas fund consists of:

(1) money transferred to the fund under Section 49-g of this article;

(2) money appropriated to the fund by the legislature;

(3) money that the legislature by statute dedicates for deposit to the credit of the fund;

(4) money received from the federal government that may be used for a purpose for which money in the fund may be used and that is transferred or deposited to the credit of the fund by the legislature;

(5) gifts or grants contributed to the fund; and

(6) investment earnings and interest earned on amounts credited to the fund.

(c) The legislature may appropriate money from the Grow Texas fund only for use in areas of the state from which oil and gas are produced and only to address infrastructure needs in the manner provided by general law in areas of the state determined by the legislature to be significantly affected by oil and gas production. General law enacted under this subsection may provide for the

appropriation of money in the fund to make grants to state agencies and political subdivisions of the state for a purpose authorized by this subsection.

(d) On the last day of each state fiscal biennium, the comptroller of public accounts shall transfer any unobligated and unappropriated money that remains in the Grow Texas fund on that date to the economic stabilization fund.

(e) The Grow Texas fund commission is created to administer money appropriated from the fund and to advise the legislature on making appropriations from the fund. The commission consists of seven members who serve four-year terms beginning September 1 of each odd-numbered year. The lieutenant governor shall appoint two members of the senate to the commission. The speaker of the house of representatives shall appoint two members of the house of representatives to the commission. The governor shall appoint three members of the public to the commission and shall designate the presiding officer of the commission. A vacancy on the commission shall be filled in the same manner as the original appointment for the unexpired term. Members of the commission are not entitled to compensation for service on the commission but are entitled to reimbursement of expenses incurred while performing duties as commission members.

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 90th Legislature, Regular Session, 2027, providing for the creation of the Grow Texas

fund, dedicating the money in that fund to benefit areas of the state from which oil and gas are produced, and providing for the transfer of certain general revenues to that fund, the economic stabilization fund, and the state highway fund.

(b) Section 49-g-1, Article III, of this constitution, as added by the amendment, and the amendment to Section 49-g, Article III, of this constitution, take effect September 1, 2029.

(c) This temporary provision expires September 1, 2030.

SECTION 4. This proposed constitutional amendment shall be submitted to the voters at an election to be held November 2, 2027. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment providing for the creation of the Grow Texas fund, dedicating the money in that fund to benefit areas of the state from which oil and gas are produced, and providing for the transfer of certain general revenues to that fund, the economic stabilization fund, and the state highway fund."