By: Landgraf H.J.R. No. 46

A JOINT RESOLUTION

proposing a constitutional amendment providing for the creation of the Texas severance tax revenue and oil and natural gas (Texas STRONG) defense fund, dedicating the money in that fund to benefit areas of the state significantly affected by oil and gas production, and providing for the transfer of general revenue to that fund, the economic stabilization fund, and other funds used to construct roads, reduce the emission of air contaminants, regulate oil and gas development, and provide property tax relief.

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, the oil and gas regulation and cleanup fund or a successor fund, the Texas emissions reduction plan fund or a successor fund, and the Texas severance tax revenue and oil and natural gas (Texas STRONG) defense 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) of this section. However, if necessary and notwithstanding the allocations prescribed by Subsections (c-1) and (c-2) 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) Except as provided by Subsection (c-2) of this section, the comptroller shall allocate [~~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 as follows:

(1) 38 percent[~~, the comptroller shall allocate one-half~~] to the economic stabilization fund;

(2) 10 percent to the Texas severance tax revenue and oil and natural gas (Texas STRONG) defense fund, subject to Subsection (c-3) of this section;

(3) one percent to the oil and gas regulation and cleanup fund or a successor fund;

(4) one percent to the Texas emissions reduction plan fund or a successor fund; and

(5) the remainder to the state highway fund[~~, except as provided by Subsection (c-2) of this section~~].

(c-2) The legislature by general law shall provide for a procedure by which the allocation prescribed by Subsection (c-1) [~~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 allocation provided for under that subsection [~~Subsection (c-1) of this section~~] with the remainder of that sum, if any, allocated for transfer to the other funds described by that subsection as provided by general law [~~state highway fund~~]. The allocation made as provided by that general law is binding on the comptroller for the purposes of the transfers required by Subsection (c) of this section.

(c-3) If the amount allocated to be transferred to the Texas severance tax revenue and oil and natural gas (Texas STRONG) defense fund for a state fiscal year under Subsection (c-1) or (c-2) of this section would cause the total amount allocated for transfer to the fund under those subsections for a state fiscal year to exceed $500 million, the comptroller shall reduce the amount allocated to be transferred to the fund under the applicable subsection by the amount that would exceed $500 million for the year. The amount by which the allocation is reduced under this subsection is dedicated to the purpose of reducing school district maintenance and operations ad valorem tax rates and may not be used for any other purpose.

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

Sec. 49-g-1. (a) The Texas severance tax revenue and oil and natural gas (Texas STRONG) defense fund is established as a fund in the state treasury.

(b) The Texas severance tax revenue and oil and natural gas (Texas STRONG) defense 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) gifts or grants contributed to the fund; and

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

(c) The legislature may appropriate money from the Texas severance tax revenue and oil and natural gas (Texas STRONG) defense fund only for use in areas of the state that are significantly affected by oil and gas production as determined by the legislature. Money appropriated from the fund may be used as provided by general law to fund grants to state agencies, political subdivisions of the state, public institutions of higher education, and nonprofit organizations to address public health and safety concerns and workforce preparedness needs and to supplement educational opportunities.

(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 fund on that date to the general revenue fund.

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 Texas

severance tax revenue and oil and natural gas (Texas STRONG) defense fund, dedicating the money in that fund to benefit areas of the state significantly affected by oil and gas production, and providing for the transfer of general revenue to that fund, the economic stabilization fund, and other funds used to construct roads, reduce the emission of air contaminants, regulate oil and gas development, and provide property tax relief.

(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 Texas severance tax revenue and oil and natural gas (Texas STRONG) defense fund, dedicating the money in that fund to benefit areas of the state significantly affected by oil and gas production, and providing for the transfer of general revenue to that fund, the economic stabilization fund, and other funds used to construct roads, reduce the emission of air contaminants, regulate oil and gas development, and provide property tax relief."