

ANALYSES OF PROPOSED CONSTITUTIONAL AMENDMENTS

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Lieutenant Governor Dan Patrick, Joint Chair Speaker Dade Phelan, Joint Chair
Jeff Archer, Executive Director

SUMMARY ANALYSIS

S.J.R. 75 proposes an amendment to the Texas Constitution to create the Texas water fund as a special fund in the state treasury outside the general revenue fund to be administered by the Texas Water Development Board or that board's successor in function. The resolution authorizes the administrator of the fund to use the fund only to transfer money to other funds or accounts administered by the board or its successor in function. The resolution also provides that money transferred from the fund to another fund or account may be spent as provided by general law, or may be restored to the Texas water fund without further appropriation. The resolution provides that not less than 25 percent of the initial appropriation to the fund must be used for transfer to the New Water Supply for Texas Fund. The resolution authorizes the expenses of managing the investments of the Texas water fund to be paid from that fund. Finally, the resolution provides that an appropriation of state tax revenues for the purpose of depositing money to the credit of the fund does not count against the constitutional limit on the rate of growth of appropriations, which has the effect of excluding the appropriation from the state spending limit.

BACKGROUND AND DETAILED ANALYSIS

Persistent drought and continued population growth across Texas have overburdened and even depleted existing water sources. Aging water infrastructure causes significant water loss and often compromises the quality of water delivered to customers. Existing funding mechanisms for water projects do not provide sufficient flexibility to allow the Texas Water Development Board to undertake projects necessary to secure new water supply sources and repair existing water infrastructure. S.J.R. 75, in combination with the enabling legislation for the resolution, S.B. 28, 88th Legislature, Regular Session, 2023, seeks to address these concerns by establishing the Texas water fund to provide financial assistance for water projects. S.J.R. 75 adds Section 49-d-16 to Article III, Texas Constitution, to create the fund. S.B. 28 includes provisions, contingent on approval of the constitutional amendment, governing administration of the Texas water fund by the Texas Water Development Board, including limitations on the funds and accounts to which money in the fund may be transferred and the purposes for which money transferred from the fund may be spent. S.B. 28 also includes provisions that are not contingent on approval of the constitutional amendment, including provisions creating the New Water Supply for Texas Fund and the Statewide Water Public Awareness Account, two of the funds and accounts to which the Texas Water Development Board may transfer money from the Texas water fund.

S.B. 30, a supplemental appropriations bill also enacted by the 88th Legislature, provides initial funding for the proposed Texas water fund. If the constitutional amendment is approved, \$1 billion in appropriations from the state's general revenue fund will be deposited to the Texas water fund. See Section 6.08, S.B. 30, 88th Legislature, Regular Session, 2023.