

CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

May 21st 2023
Date

Honorable Dan Patrick
President of the Senate

Honorable Dade Phelan
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on SJR 75 have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Charles Perry

Perry

[Signature]

Blanco

[Signature]

Flores

[Signature]

Hancock

[Signature]

On the part of the Senate

[Signature]

[Signature]

King

[Signature]

Green

[Signature]

Price

[Signature]

Ramos

[Signature]

On the part of the House

[Signature]

Note to Conference Committee Clerk:

Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.

CONFERENCE COMMITTEE REPORT

3rd Printing

S.J.R. No. 75

A JOINT RESOLUTION

1 proposing a constitutional amendment creating the Texas water fund
2 to assist in financing water projects in this state.

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

4 SECTION 1. Article III, Texas Constitution, is amended by
5 adding Section 49-d-16 to read as follows:

6 Sec. 49-d-16. (a) The Texas water fund is created as a
7 special fund in the state treasury outside the general revenue
8 fund. The fund is administered by the Texas Water Development Board
9 or by that board's successor in function as provided by general law.
10 The legislature may appropriate money for the purpose of depositing
11 the money to the fund to be available for transfer as provided by
12 Subsection (b) of this section.

13 (b) The administrator of the Texas water fund may use the
14 fund only to transfer money to other funds or accounts administered
15 by the Texas Water Development Board or that board's successor in
16 function. The administrator may restore to the fund money
17 transferred from the fund and deposited to the credit of another
18 fund or account. Legislative appropriation is not required for the
19 administrator to transfer money from or restore money to the fund,
20 including the transfer of money from the fund to or the restoration
21 of the money from:

22 (1) the Water Assistance Fund No. 480;

23 (2) the New Water Supply for Texas Fund;

24 (3) the Rural Water Assistance Fund No. 301; or

1 (4) the Statewide Water Public Awareness Account.

2 (c) The Texas water fund consists of:

3 (1) money transferred or deposited to the credit of
4 the fund by general law, including money appropriated by the
5 legislature directly to the fund and money from any source
6 transferred or deposited to the credit of the fund authorized by
7 general law;

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

10 (3) investment earnings and interest earned on amounts
11 credited to the fund;

12 (4) money from gifts, grants, or donations to the
13 fund; and

14 (5) money returned from any authorized transfer.

15 (d) The legislature by general law shall provide for the
16 manner in which money from the Texas water fund may be used, subject
17 to the limitations provided by this section.

18 (e) Of the amount of money initially appropriated to the
19 Texas water fund, the administrator of the fund shall allocate not
20 less than 25 percent to be used only for transfer to the New Water
21 Supply for Texas Fund.

22 (f) The expenses of managing the investments of the Texas
23 water fund shall be paid from that fund.

24 (g) For purposes of Section 22, Article VIII, of this
25 constitution:

26 (1) money in the Texas water fund is dedicated by this
27 constitution; and

1 (2) an appropriation of state tax revenues for the
2 purpose of depositing money to the credit of the Texas water fund is
3 treated as if it were an appropriation of revenues dedicated by this
4 constitution.

5 (h) Any unexpended and unobligated balance remaining in the
6 Texas water fund at the end of a state fiscal biennium is
7 appropriated to the administrator of that fund for the following
8 state fiscal biennium for the purposes authorized by this section.

9 SECTION 2. This proposed constitutional amendment shall be
10 submitted to the voters at an election to be held November 7, 2023.
11 The ballot shall be printed to permit voting for or against the
12 proposition: "The constitutional amendment creating the Texas
13 water fund to assist in financing water projects in this state."

Senate Joint Resolution 75
Conference Committee Report
Section-by-Section Analysis

SENATE VERSION

HOUSE VERSION (IE)

CONFERENCE

SECTION 1. Article III, Texas Constitution, is amended by adding Section 49-d-16 to read as follows:

SECTION 1. Article III, Texas Constitution, is amended by adding Section 49-d-16 to read as follows:

[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]

SECTION 1. Same as Senate version except as follows:

Sec. 49-d-16. (a) The Texas water fund is created as a special fund in the state treasury outside the general revenue fund. The fund is administered by the Texas Water Development Board or by that board's successor in function as provided by general law.

Sec. 49-d-16. (a) Same as Senate version.

Sec. 49-d-16. (a) Same as Senate version except also authorizes ***the legislature to appropriate money for the purpose of depositing the money to the fund to be available for transfer as provided by Subsection (b) of the section.***

(b)
The administrator of the Texas water fund may use the fund only to transfer money to other funds or accounts administered by the Texas Water Development Board or that board's successor in function. The administrator may restore to the fund money transferred from the fund and deposited to the credit of another fund or account. Legislative appropriation is not required for the administrator to restore money to the fund.

(b) Same as Senate version except as follows:
The administrator of the Texas water fund may use the fund only to transfer money to other funds or accounts administered by the Texas Water Development Board or that board's successor in function ***or to pay for expenses of administering the fund.*** The administrator may restore to the fund money transferred from the fund and deposited to the credit of another fund or account. Legislative appropriation is not required for the administrator to ***transfer money from or*** restore money to the fund. [FA1(1)]

(b) Same as Senate version except as follows:
The administrator of the Texas water fund may use the fund only to transfer money to other funds or accounts administered by the Texas Water Development Board or that board's successor in function. The administrator may restore to the fund money transferred from the fund and deposited to the credit of another fund or account. Legislative appropriation is not required for the administrator to ***transfer money from or*** restore money to the fund, ***including the transfer of money from the fund to or the restoration of the money from:***
(1) the Water Assistance Fund No. 480;
(2) the New Water Supply for Texas Fund;
(3) the Rural Water Assistance Fund No. 301; or
(4) the Statewide Water Public Awareness Account.

(c) The Texas water fund consists of:

(c) The Texas water fund consists of:

(c) Same as House version.

Senate Joint Resolution 75
Conference Committee Report
Section-by-Section Analysis

SENATE VERSION

HOUSE VERSION (IE)

CONFERENCE

[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]

(1) money transferred or deposited to the credit of the fund by general law, including money from any source transferred or deposited to the credit of the fund authorized by general law;

(1) money transferred or deposited to the credit of the fund 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 general law;

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

(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;

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

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

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

(5) money returned from any authorized transfer.

(5) money returned from any authorized transfer.

(d) The legislature by general law shall provide for the manner in which money from the Texas water fund may be used, subject to the limitations provided by this section.

(d) Same as Senate version.

(d) Same as Senate version.

No equivalent provision.

No equivalent provision.

(e) The **legislature by general law may provide for costs of investment** of the **Texas water** fund **to** be paid from **that** fund.

(e) The **expenses of managing the investments** of the fund **shall** be paid from **the** fund. [FA1(2)]

(e) 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.

(f) Substantially the same as House version.

(f) For purposes of Section 22, Article VIII, of this constitution:

(f) Same as Senate version.

(g) Same as Senate version.

Senate Joint Resolution 75
Conference Committee Report
Section-by-Section Analysis

SENATE VERSION

HOUSE VERSION (IE)

CONFERENCE

[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]

(1) money in the Texas water fund is dedicated by this constitution; and
(2) an appropriation of state tax revenues for the purpose of depositing money to the credit of the Texas water fund is treated as if it were an appropriation of revenues dedicated by this constitution.

No equivalent provision.

(g) Not later than January 15, 2024, the comptroller shall transfer \$3 billion from the general revenue fund to the Texas water fund. This subsection expires December 31, 2024.
[FA1(3)]

Same as Senate version.

No equivalent provision.

No equivalent provision.

(h) Any unexpended and unobligated balance remaining in the Texas water fund at the end of a state fiscal biennium is appropriated to the administrator of that fund for the following state fiscal biennium for the purposes authorized by this section.

SECTION 2. Election date.

SECTION 2. Same as Senate version.

SECTION 2. Same as Senate version.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 27, 2023

TO: Honorable Dan Patrick, Lieutenant Governor, Senate
Honorable Dade Phelan, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SJR75 by Perry (proposing a constitutional amendment creating the Texas water fund to assist in financing water projects in this state.), **Conference Committee Report**

No significant fiscal implication to the State is anticipated, other than the cost of publication.

The cost to the state for publication of the resolution is \$204,406.

The joint resolution proposes a constitutional amendment to Article III of the Texas Constitution that would create the Texas Water Fund (TWF). The fund would be held in the state treasury outside the General Revenue Fund and would be administered by the Texas Water Development Board (TWDB) to assist in financing water projects through the transfer of money to other accounts and funds administered by the TWDB.

The legislature may appropriate money to be deposited to the TWF and be available for permitted transfers. No further legislative appropriation would be necessary to transfer or restore money transferred between the TWF and the following other TWDB accounts and funds: the Water Assistance Fund, the New Water Supply for Texas Fund, the Rural Water Assistance Fund, or the Statewide Water Public Awareness Account. At least twenty five percent of the money initially appropriated to the TWF would be required to be transferred to the New Water Supply for Texas Fund. The expenses of managing the TWF and its investments would be paid from the fund. Any unexpended and unobligated balances remaining in the TWF can be carried forward between biennia.

The proposed amendment would be submitted to voters at an election to be held November 7, 2023.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Local Government Impact

No fiscal implication to units of local government is anticipated.

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

LBB Staff: JMc, SZ, MW, AJL, KDw, CMA