

By: Williams

S.J.R. No. 1

1 SENATE JOINT RESOLUTION

2 proposing constitutional amendments providing for the transfer of  
3 existing money from the economic stabilization fund to assist in  
4 the financing of priority water infrastructure projects in the  
5 state water plan and to assist in the funding of transportation  
6 construction, maintenance, and rehabilitation projects and  
7 providing for the transfer of \$800 million from the economic  
8 stabilization fund for the purposes of public education.

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

10 SECTION 1. Article III, Texas Constitution, is amended by  
11 adding Sections 49-d-12 and 49-d-13 to read as follows:

12 Sec. 49-d-12. (a) The state water implementation fund for  
13 Texas is created as a special fund in the state treasury outside the  
14 general revenue fund to provide a means to finance water  
15 infrastructure, conservation, and reuse projects in this state.

16 (b) Money or other assets in the state water implementation  
17 fund for Texas may be used only to fund water infrastructure,  
18 conservation, and reuse projects included in a statewide water plan  
19 that is adopted as required by general law by the Texas Water  
20 Development Board or that board's successor in function.

21 (c) The state water implementation fund for Texas consists  
22 of:

23 (1) money or other assets deposited, appropriated, or  
24 otherwise transferred to the credit of the fund as provided by law;

1 and

2 (2) interest or other investment earnings that accrue  
3 on the balance of the fund.

4 (d) The legislature by general law may provide for the  
5 assets of the state water implementation fund for Texas to be  
6 invested separately from the investment of other treasury assets  
7 and funds to the extent that the general law ensures that, in  
8 managing the assets of the fund, on behalf of the fund the fund's  
9 investment manager may acquire, exchange, sell, supervise, manage,  
10 or retain any kind of investment that a prudent investor,  
11 exercising reasonable care, skill, and caution, would acquire or  
12 retain in light of the purposes, terms, distribution requirements,  
13 and other circumstances of the fund then prevailing, taking into  
14 consideration the investment of all the assets of the fund rather  
15 than a single investment and taking into consideration the goal of  
16 preserving the aggregate purchasing power of the fund assets.

17 (e) The legislature by general law shall prescribe the  
18 manner in which the assets of the state water implementation fund  
19 for Texas may be used, subject to the limitations provided by  
20 Subsections (a) and (b) of this section.

21 (f) The legislature may authorize the Texas Water  
22 Development Board or its successor in function to issue bonds and  
23 enter into bond enhancement agreements that are payable or secured  
24 by amounts on deposit in the state water implementation fund for  
25 Texas.

26 (g) In each fiscal year there is appropriated from amounts  
27 on deposit in the state water implementation fund for Texas an

1 amount that is sufficient to:

2 (1) pay the principal of and interest on the bonds that  
3 mature or become due during the fiscal year, after considering all  
4 other sources pledged for those purposes;

5 (2) fund or restore reserves necessary to secure the  
6 bonds; and

7 (3) pay any cost related to the bonds, including  
8 payments under bond enhancement agreements that become due during  
9 that fiscal year.

10 (h) Any dedication or appropriation of amounts on deposit in  
11 the state water implementation fund for Texas may not be modified so  
12 as to impair any outstanding bonds secured by a pledge of those  
13 amounts unless provisions have been made for a full discharge of  
14 those bonds.

15 (i) An appropriation from the state water implementation  
16 fund for Texas is an appropriation of state tax revenues dedicated  
17 by this constitution for the purposes of Section 22, Article VIII of  
18 this constitution.

19 (j) On November 30, 2013, the amount of \$2 billion is  
20 transferred from the economic stabilization fund to the credit of  
21 the state water implementation fund for Texas. This subsection  
22 expires January 1, 2014.

23 Sec. 49-d-13. (a) The state water implementation revenue  
24 fund for Texas is created as a special fund in the state treasury  
25 outside the general revenue fund to provide a means to finance water  
26 infrastructure, conservation, and reuse projects in this state.

27 (b) Money or other assets in the state water implementation

1 revenue fund for Texas may be used only to fund water  
2 infrastructure, conservation, and reuse projects included in the  
3 statewide water plan that is adopted as required by general law by  
4 the Texas Water Development Board or that board's successor in  
5 function.

6 (c) The state water implementation revenue fund for Texas  
7 consists of:

8 (1) money or other assets deposited, appropriated, or  
9 otherwise transferred to the credit of the fund as provided by law;

10 (2) interest or other investment earnings that accrue  
11 on the balance of the fund;

12 (3) the proceeds from the sale of bonds, including  
13 revenue bonds issued by the board as authorized by law, that are  
14 designated by the board for the purpose of providing money for the  
15 fund;

16 (4) money disbursed to the fund from the state water  
17 implementation fund for Texas as authorized by law;

18 (5) repayments of loans made from the fund; and

19 (6) proceeds from the sale of political subdivision  
20 bonds or obligations held in the fund and not otherwise pledged to  
21 the discharge, repayment, or redemption of revenue bonds or other  
22 bonds, the proceeds of which were placed in the fund.

23 (d) The legislature by general law may provide for the  
24 assets of the state water implementation revenue fund for Texas to  
25 be invested separately from the investment of other treasury assets  
26 and funds to the extent that the general law ensures that, in  
27 managing the assets of the fund, on behalf of the fund the fund's

1 investment manager may acquire, exchange, sell, supervise, manage,  
2 or retain any kind of investment that a prudent investor,  
3 exercising reasonable care, skill, and caution, would acquire or  
4 retain in light of the purposes, terms, distribution requirements,  
5 and other circumstances of the fund then prevailing, taking into  
6 consideration the investment of all the assets of the fund rather  
7 than a single investment and taking into consideration the goal of  
8 preserving the aggregate purchasing power of the fund assets.

9 (e) The legislature by general law shall prescribe the  
10 manner in which the assets of the state water implementation  
11 revenue fund for Texas may be used, subject to the limitations  
12 provided by Subsections (a) and (b) of this section.

13 (f) The legislature may authorize the Texas Water  
14 Development Board or its successor in function to issue bonds and  
15 enter into bond enhancement agreements that are payable from  
16 revenue deposited to the credit of the state water implementation  
17 revenue fund for Texas.

18 (g) In each fiscal year in which amounts become due under  
19 the bonds, or agreements authorized by this section, there is  
20 appropriated from revenue deposited to the credit of the state  
21 water implementation revenue fund for Texas in that fiscal year an  
22 amount that is sufficient to pay:

23 (1) the principal of and interest on the bonds that  
24 mature or become due during the fiscal year; and

25 (2) any cost related to the bonds, including payments  
26 under bond enhancement agreements that become due during that  
27 fiscal year.

1       (h) Any dedication or appropriation of revenue to the credit  
2 of the state water implementation revenue fund for Texas may not be  
3 modified so as to impair any outstanding bonds secured by a pledge  
4 of that revenue unless provisions have been made for a full  
5 discharge of those bonds.

6       SECTION 2. Section 49-p, Article III, Texas Constitution,  
7 is amended by adding Subsection (e) to read as follows:

8       (e) Money deposited to the credit of the state highway fund  
9 may be appropriated to repay the principal and interest on bonds  
10 issued under this section.

11       SECTION 3. Section 49-g, Article III, Texas Constitution,  
12 is amended by adding Subsection (p) to read as follows:

13       (p) On November 30, 2013, the amount of \$2.9 billion is  
14 transferred from the economic stabilization fund to the credit of  
15 an account created by the Texas Department of Transportation in the  
16 state highway fund for the purposes described by this subsection.  
17 Funds transferred under this subsection may only be appropriated to  
18 the Texas Department of Transportation for the purposes of paying  
19 the principal and interest on bonds issued on or before January 1,  
20 2013, for projects described by Rider No. 42, pages VII-36 and  
21 VII-37, Article VII, Chapter 1355, Acts of the 82nd Legislature,  
22 Regular Session, 2011 (the General Appropriations Act), and funding  
23 projects previously selected to be funded with the proceeds of  
24 bonds issued under Section 49-p, Article III of this constitution.  
25 Interest earned on funds transferred under this subsection must be  
26 deposited to the credit of the state highway fund. The amounts  
27 appropriated under this subsection are not included in determining

1 the total amount of appropriations from state tax revenues for  
2 purposes of Section 22, Article VIII of this constitution. This  
3 subsection expires August 31, 2015.

4 SECTION 4. Section 49-g, Article III, Texas Constitution,  
5 is amended by adding Subsection (q) to read as follows:

6 (q) The amount of \$500 million is appropriated from the  
7 economic stabilization fund to the Texas Education Agency for the  
8 state fiscal biennium beginning September 1, 2013, for purposes of  
9 the Foundation School Program. The commissioner of education shall  
10 use the amount appropriated for the Foundation School Program under  
11 this subsection to increase the basic allotment under the  
12 Foundation School Program for the 2013-2014 and 2014-2015 school  
13 years. The amount of \$300 million is appropriated from the economic  
14 stabilization fund to the Texas Education Agency for the state  
15 fiscal biennium beginning September 1, 2013, for purposes of the  
16 educator excellence awards program as provided by Sections  
17 21.705(1)-(8), Education Code. Priority shall be given to campuses  
18 that fail to meet the standard defined under Section 39.054,  
19 Education Code. The amounts appropriated under this subsection are  
20 not included in determining the total amount of appropriations from  
21 state tax revenues for purposes of Section 22, Article VIII of this  
22 constitution. This subsection expires August 31, 2015.

23 SECTION 5. (a) The proposed amendment to the Texas  
24 Constitution providing for adding Sections 49-d-12 and 49-d-13,  
25 Article III, to the constitution shall be submitted to the voters at  
26 an election to be held November 5, 2013. The ballot shall be  
27 printed to permit voting for or against the proposition: "The

1 constitutional amendment providing for the transfer of existing  
2 money from the economic stabilization fund to a state water  
3 implementation fund for Texas to assist in the financing of  
4 priority water infrastructure projects in the state water plan."

5 (b) The proposed amendment to the Texas Constitution  
6 relating to transportation and providing for amending Section 49-g,  
7 Article III, shall be submitted to the voters at an election to be  
8 held November 5, 2013. The ballot shall be printed to permit voting  
9 for or against the proposition: "The constitutional amendment  
10 providing for the transfer of existing money from the economic  
11 stabilization fund to assist in the funding of transportation  
12 construction, maintenance, and rehabilitation projects."

13 (c) The proposed amendment to the Texas Constitution  
14 relating to education and providing for amending Section 49-g,  
15 Article III, shall be submitted to the voters at an election to be  
16 held November 5, 2013. The ballot shall be printed to permit voting  
17 for or against the proposition: "The constitutional amendment  
18 transferring \$800 million from the economic stabilization fund for  
19 purposes of public education."