

Amend **SJR 1** (senate committee printing) by striking all below the resolving clause and substituting the following:

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

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

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

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

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

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

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

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

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

(g) In each fiscal year there is appropriated from amounts on deposit in the state water implementation fund for Texas an amount that is sufficient to:

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

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

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

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

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

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

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

(b) Money or other assets in the state water implementation revenue fund for Texas may be used only to fund water infrastructure, conservation, and reuse projects included in the statewide water plan that is adopted as required by general law by

the Texas Water Development Board or that board's successor in function.

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

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

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

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

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

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

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

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

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

(f) The legislature may authorize the Texas Water

Development Board or its successor in function to issue bonds and enter into bond enhancement agreements that are payable from revenue deposited to the credit of the state water implementation revenue fund for Texas.

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

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

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

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

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

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

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

(p) On November 30, 2013, the amount of \$2.9 billion is transferred from the economic stabilization fund to the credit of an account created by the Texas Department of Transportation in the state highway fund for the purposes described by this subsection. Funds transferred under this subsection may only be appropriated to the Texas Department of Transportation for the purposes of paying the principal and interest on bonds issued on or before January 1, 2013, for projects described by Rider No. 42, pages VII-36 and VII-37, Article VII, Chapter 1355, Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), and funding projects previously selected to be funded with the proceeds of

bonds issued under Section 49-p, Article III, of this constitution. Interest earned on funds transferred under this subsection must be deposited to the credit of the state highway fund. The amounts appropriated under this subsection are not included in determining the total amount of appropriations from state tax revenues for purposes of Section 22, Article VIII, of this constitution. This subsection expires August 31, 2015.

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

(q) The amount of \$500 million is appropriated from the economic stabilization fund to the Texas Education Agency for the state fiscal biennium beginning September 1, 2013, for purposes of the Foundation School Program. The commissioner of education shall use the amount appropriated for the Foundation School Program under this subsection to increase the basic allotment under the Foundation School Program for the 2013-2014 and 2014-2015 school years. The amount of \$300 million is appropriated from the economic stabilization fund to the Texas Education Agency for the state fiscal biennium beginning September 1, 2013, for purposes of the Educator Excellence Awards program as provided by Subchapter O, Chapter 21, Education Code. The amounts appropriated under this subsection are not included in determining the total amount of appropriations from state tax revenues for purposes of Section 22, Article VIII, of this constitution. This subsection expires August 31, 2015.

SECTION 5. (a) The proposed amendment to the Texas Constitution providing for adding Sections 49-d-12 and 49-d-13, Article III, to the constitution shall be submitted to the voters at an election to be held November 5, 2013. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment providing for the transfer of existing money from the economic stabilization fund to a state water implementation fund for Texas to assist in the financing of priority water infrastructure projects in the state water plan."

(b) The proposed amendment to the Texas Constitution relating to transportation and providing for amending Section 49-g, Article III, shall be submitted to the voters at an election to be

held November 5, 2013. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment providing for the transfer of existing money from the economic stabilization fund to assist in the funding of transportation construction, maintenance, and rehabilitation projects."

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