

By: Williams

S.J.R. No. 1

1 SENATE JOINT RESOLUTION

2 proposing a constitutional amendment providing for the creation and
3 use of funds in the state treasury to provide financial assistance
4 for certain projects related to economic development and water
5 infrastructure and for the transfer to the funds of money from the
6 economic stabilization fund.

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

8 SECTION 1. Article III, Texas Constitution, is amended by
9 adding Section 49-d-12 to read as follows:

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

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

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

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

24 (2) interest or other investment earnings that accrue

1 on the balance of the fund.

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

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

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

23 (g) On November 30, 2013, the amount of \$2.5 billion is
24 transferred from the economic stabilization fund to the credit of
25 the state water implementation fund for Texas. This subsection
26 expires January 1, 2014.

27 SECTION 2. Section 49-p, Article III, Texas Constitution,

1 is amended by adding Subsection (e) to read as follows:

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

5 SECTION 3. Article XVI, Texas Constitution, is amended by
6 adding Section 74 to read as follows:

7 Sec. 74. (a) In this section:

8 (1) "Commission" means the Texas Transportation
9 Commission or its successor in function.

10 (2) "Economic development infrastructure" includes
11 transportation infrastructure and port infrastructure. The term
12 includes freight rail infrastructure.

13 (3) "Fund" means the state infrastructure fund.

14 (4) "Political subdivision" means:

15 (A) a county;

16 (B) a municipality; or

17 (C) another governmental unit that has the
18 authority to build roads or operate and develop ports, including a
19 district created under Section 52, Article III, or Section 59,
20 Article XVI, of this constitution.

21 (b) The state infrastructure fund is created as a special
22 fund in the state treasury outside the general revenue fund. The
23 fund consists of:

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

26 (2) donations made to the fund;

27 (3) loan repayments received by the commission from

1 loans made under this section; and

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

4 (c) The commission may use money or other assets in the fund
5 only to provide:

6 (1) loans to political subdivisions for projects
7 related to economic development infrastructure; or

8 (2) credit enhancement to political subdivisions and
9 other governmental entities for projects related to economic
10 development infrastructure.

11 (d) Money or other assets in the fund shall be invested
12 separately from the investment of other treasury assets and funds.

13 In managing the assets of the fund, on behalf of the fund the
14 comptroller may acquire, exchange, sell, supervise, manage, or
15 retain any kind of investment that a prudent investor, exercising
16 reasonable care, skill, and caution, would acquire or retain in
17 light of the purposes, terms, distribution requirements, and other
18 circumstances of the fund then prevailing, taking into
19 consideration the investment of all the assets of the fund rather
20 than a single investment, and taking into consideration the goal of
21 preserving the aggregate purchasing power of the fund assets.

22 (e) The legislature by general law shall prescribe the
23 manner in which the assets of the fund may be used, subject to the
24 limitations provided by Subsection (c) of this section.

25 (f) Money in the fund may not be used for passenger rail
26 projects.

27 (g) An appropriation from the fund is an appropriation of

1 state tax revenues dedicated by this constitution for the purposes
2 of Section 22, Article VIII, of this constitution.

3 (h) On November 30, 2013, the amount of \$3.5 billion is
4 transferred from the economic stabilization fund to the credit of
5 the fund. This subsection expires January 1, 2014.

6 SECTION 4. (a) The proposed amendment to the Texas
7 Constitution providing for adding Section 49-d-12, Article III, to
8 the constitution shall be submitted to the voters at an election to
9 be held November 5, 2013. The ballot shall be printed to permit
10 voting for or against the proposition: "The constitutional
11 amendment providing for the transfer of existing money from the
12 economic stabilization fund to a state water implementation fund
13 for Texas to assist in the financing of priority water
14 infrastructure projects in the state water plan."

15 (b) The proposed amendment to the Texas Constitution
16 providing for amending Section 49-p, Article III, and adding
17 Section 74, Article XVI, to the constitution shall be submitted to
18 the voters at an election to be held November 5, 2013. The ballot
19 shall be printed to permit voting for or against the proposition:
20 "The constitutional amendment providing for the transfer of
21 existing money from the economic stabilization fund to a state
22 infrastructure fund to assist in the financing of transportation,
23 port, freight rail, and other similar economic development
24 infrastructure projects and authorizing the use of state highway
25 funds for paying the principal and interest on certain general
26 obligation bonds issued by the Texas Transportation Commission."