

RESOLUTION ANALYSIS

C.S.S.J.R. 75
By: Perry
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Texas House Natural Resources Committee Interim Report to the 88th Legislature noted that Texas' water and wastewater infrastructure is at a crisis point and that the legislature should consider large-scale investments in water development. According to the 2022 State Water Plan, Texas' population is expected to increase by 73 percent from 2020 to 2070, and water demands are projected to increase by approximately nine percent, from 17.7 million to 19.2 million acre-feet per year. However, in that same time frame, Texas' existing water supplies are projected to decline by approximately 18 percent, resulting in a potential water shortage of 6.9 million acre-feet per year in 2070. The Texas Section of the American Society of Civil Engineers has given the state a grade of "C-" for drinking water infrastructure and "D" for wastewater infrastructure. The study "Hidden Reservoirs: Addressing Water Loss in Texas" found that Texas utilities are losing at least 572,000 acre-feet of water per year, which is more than the water needs of Austin, Fort Worth, El Paso, Laredo, and Lubbock combined.

C.S.S.J.R. 75 seeks to create the Texas Water Fund to provide financial assistance to address these pressing water challenges.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this resolution does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this resolution does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.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 and administered by the Texas Water Development Board (TWDB) as provided by general law. The resolution restricts the use of the Texas Water Fund by the fund's administrator to the transfer of money to other funds or accounts administered by the TWDB. The resolution authorizes the administrator to 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. The resolution establishes that the fund consists of the following:

- 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;
- any other revenue that the legislature by statute dedicates for deposit to the credit of the fund;
- investment earnings and interest earned on amounts credited to the fund;

- money from gifts, grants, or donations to the fund; and
- money returned from any authorized transfer.

The resolution requires the legislature by general law to provide for the manner in which money from the Texas Water Fund may be used, subject to the limitations provided by the resolution, and authorizes the legislature by general law to provide for costs of investment of the fund to be paid from that fund.

C.S.S.J.R. 75 establishes the following, for purposes of constitutional restrictions on the rate of growth of appropriations, with respect to the Texas Water Fund:

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

The resolution requires the comptroller of public accounts, on January 1, 2024, to transfer \$3 billion of the unencumbered balance of the general revenue fund that exists on that date to the Texas Water Fund.

ELECTION DATE

The constitutional amendment proposed by this joint resolution will be submitted to the voters at an election to be held November 7, 2023.

COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE

While C.S.S.J.R. 75 may differ from the engrossed in minor or nonsubstantive ways, the following summarizes the substantial differences between the engrossed and committee substitute versions of the resolution.

The substitute includes the following provisions that were not present in the engrossed:

- a specification that legislative appropriation is not required for the fund administrator to transfer money from the fund;
- a specification that the fund consists of money appropriated by the legislature directly to the fund; and
- a requirement, in a temporary provision added by the substitute, for the comptroller to transfer \$3 billion of the unencumbered balance of the general revenue fund to the Texas Water Fund on January 1, 2024.