

BILL ANALYSIS

Senate Research Center
85R4292 BEF-D

S.J.R. 36
By: Perry
Agriculture, Water & Rural Affairs
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Interested parties note that while Texas does not currently tax the sale or purchase of water at wholesale, it may become an option as the state continues to grow and seek new sources of revenue. Water is a vital part of life, and as the population of Texas continues to grow it is becoming harder and harder to meet the demands for water of this state. In order to meet our future water needs we must consider all opportunities for new and innovative methods of development, while actively working to decrease any hindrances to meeting this need. Levying a tax on the sale or purchase of water at wholesale would certainly provide such a hindrance.

S.J.R. 36 proposes a constitutional amendment prohibiting a tax on the sale or purchase of water at wholesale.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article VIII, Texas Constitution, by adding Section 31, to prohibit a tax from being imposed on the sale or purchase of water at wholesale.

SECTION 2. Provides that the following temporary provision is added to the Texas Constitution:

TEMPORARY PROVISION (a) Provides that this temporary provision applies to the constitutional amendment proposed by the 85th Legislature, Regular Session, 2017, prohibiting the imposition of a tax on the sale or purchase of water at wholesale.

(b) Provides that if the 85th Legislature, during the regular or a special session, enacts a law imposing or authorizing a tax prohibited by Section 31, Article VIII, of this constitution, the portion of the law that violates that section expires January 1, 2019.

(c) Provides that this temporary provision expires December 31, 2019.

SECTION 3. Requires that the proposed constitutional amendment be submitted to the voters at an election to be held November 7, 2017. Sets forth the required language of the ballot.