

By: Craddick

H.J.R. No. 35

A JOINT RESOLUTION

1 proposing a constitutional amendment providing for the creation of
2 and use of money in the Grow Texas fund and allocating certain
3 general revenues to that fund, the economic stabilization fund, and
4 the state highway fund.

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

6 SECTION 1. Section 49-g, Article III, Texas Constitution,
7 is amended by amending Subsections (c), (c-1), and (c-2) and adding
8 Subsection (c-3) to read as follows:

9 (c) Not later than the 90th day of each fiscal year, the
10 comptroller of public accounts shall transfer from the general
11 revenue fund to the economic stabilization fund, ~~and~~ the state
12 highway fund, and the Grow Texas fund the sum of the amounts
13 described by Subsections (d) and (e) of this section, to be
14 allocated as provided by Subsections (c-1), ~~and~~ (c-2), and (c-3)
15 of this section. However, if necessary and notwithstanding the
16 allocations prescribed by Subsections (c-1), ~~and~~ (c-2), and (c-3)
17 of this section, the comptroller shall reduce proportionately the
18 amounts described by Subsections (d) and (e) of this section to be
19 transferred and allocated to the economic stabilization fund to
20 prevent the amount in that fund from exceeding the limit in effect
21 for that biennium under Subsection (g) of this section. Revenue
22 transferred to the state highway fund under this subsection may be
23 used only for constructing, maintaining, and acquiring
24 rights-of-way for public roadways other than toll roads.

(c-1) Of the sum of the amounts described by Subsections (d) and (e) of this section and required to be transferred from the general revenue fund under Subsection (c) of this section, the comptroller shall allocate one-half to the economic stabilization fund and the remainder to the state highway fund, except as provided by Subsections ~~[Subsection]~~ (c-2) and (c-3) of this section.

(c-2) The legislature by general law shall provide for a procedure by which the allocations prescribed by Subsections (c-1) and (c-3) ~~[allocation of the sum of the amounts described by Subsections (d) and (e)]~~ of this section may be adjusted to provide for a transfer to the economic stabilization fund of an amount greater than the allocations ~~[allocation]~~ provided for under those subsections ~~[Subsection (c-1) of this section with the remainder of that sum, if any, allocated for transfer to the state highway fund]~~. The allocations ~~[allocation]~~ made as provided by that general law are ~~[is]~~ binding on the comptroller for the purposes of the transfers required by Subsection (c) of this section.

(c-3) Each time the comptroller determines the amount of general revenue to be allocated for transfer to the economic stabilization fund under Subsection (c-1) of this section, the comptroller shall reduce by 12 percent the amount of that transfer and at the same time transfer to the credit of the Grow Texas fund an amount of general revenue equal to the amount by which the comptroller reduced the amount of the transfer to the economic stabilization fund, provided that the total amount transferred to the Grow Texas fund under this subsection may not exceed \$250 million in a state fiscal biennium. For purposes of determining the

1 amount of the transfer to the Grow Texas fund under this subsection,
2 the comptroller may not consider any amount by which the amount
3 transferred to the economic stabilization fund is increased under
4 Subsection (c-2) of this section.

5 SECTION 2. Article III, Texas Constitution, is amended by
6 adding Section 49-g-1 to read as follows:

7 Sec. 49-g-1. (a) The Grow Texas fund is established as a
8 fund in the state treasury.

9 (b) The Grow Texas fund consists of:

10 (1) money transferred to the fund under Section 49-g
11 of this article;

12 (2) money appropriated to the fund by the legislature;

13 (3) money that the legislature by statute dedicates
14 for deposit to the credit of the fund;

15 (4) money received from the federal government that
16 may be used for a purpose for which money in the fund may be used and
17 that is transferred or deposited to the credit of the fund by the
18 legislature;

19 (5) gifts or grants contributed to the fund; and

20 (6) investment earnings and interest earned on amounts
21 credited to the fund.

22 (c) The legislature may appropriate money from the Grow
23 Texas fund only for use in areas of the state from which oil and gas
24 are produced and only to address infrastructure needs in the manner
25 provided by general law in areas of the state determined by the
26 legislature to be significantly affected by oil and gas production.
27 General law enacted under this subsection may provide for the

1 appropriation of money in the fund to make grants to state agencies
2 and political subdivisions of the state for a purpose authorized by
3 this subsection.

4 (d) On the last day of each state fiscal biennium, the
5 comptroller of public accounts shall transfer any unobligated and
6 unappropriated money that remains in the Grow Texas fund on that
7 date to the economic stabilization fund.

8 (e) The Grow Texas fund commission is created to administer
9 money appropriated from the fund and to advise the legislature on
10 making appropriations from the fund. The commission consists of
11 seven members who serve four-year terms beginning September 1 of
12 each odd-numbered year. The lieutenant governor shall appoint two
13 members of the senate to the commission. The speaker of the house
14 of representatives shall appoint two members of the house of
15 representatives to the commission. The governor shall appoint
16 three members of the public to the commission and shall designate
17 the presiding officer of the commission. A vacancy on the
18 commission shall be filled in the same manner as the original
19 appointment for the unexpired term. Members of the commission are
20 not entitled to compensation for service on the commission but are
21 entitled to reimbursement of expenses incurred while performing
22 duties as commission members.

23 SECTION 3. The following temporary provision is added to
24 the Texas Constitution:

25 TEMPORARY PROVISION. (a) This temporary provision applies
26 to the constitutional amendment proposed by the 89th Legislature,
27 Regular Session, 2025, providing for the creation of the Grow Texas

1 fund, dedicating the money in that fund to benefit areas of the
2 state from which oil and gas are produced, and providing for the
3 transfer of certain general revenues to that fund, the economic
4 stabilization fund, and the state highway fund.

5 (b) Section 49-g-1, Article III, of this constitution, as
6 added by the amendment, and the amendment to Section 49-g, Article
7 III, of this constitution, take effect September 1, 2027.

8 (c) This temporary provision expires September 1, 2028.

9 SECTION 4. This proposed constitutional amendment shall be
10 submitted to the voters at an election to be held November 4, 2025.
11 The ballot shall be printed to permit voting for or against the
12 proposition: "The constitutional amendment providing for the
13 creation of the Grow Texas fund, dedicating the money in that fund
14 to benefit areas of the state from which oil and gas are produced,
15 and providing for the transfer of certain general revenues to that
16 fund, the economic stabilization fund, and the state highway fund."