

## **BILL ANALYSIS**

Senate Research Center  
78R1757 DWS-D

S.J.R. 21  
By: Lucio  
Infrastructure Development and Security  
2/27/2003  
As Filed

### **DIGEST AND PURPOSE**

The federal National Highway System Designation Act of 1995 and the Transportation Equity Act for the 21st Century authorized the use of Grant Anticipation Revenue Vehicle (GARVEE) bonds to finance highway projects. GARVEE bonds are issued by the state, guaranteed by future federal funds, and may be backed by state funds such as gas and tax revenues. Utilizing GARVEE bonds to finance new construction projects may speed up the construction process. As proposed, S.J.R. 21 requires submission to the voters of a constitutional amendment authorizing the legislature to use GARVEE bonds, general obligation bonds, or a combination thereof to fund state highway projects.

### **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 III, Texas Constitution, by adding Section 49-m, as follows:

Sec. 49-m. Authorizes the legislature to authorize the Texas Transportation Commission, or its successor, to issue bonds and enter into bond enhancement agreements, payable from certain funds, to improve the state highway system.

(b) Provides that each fiscal year, while the principal of or interest on any bonds authorized by this section is outstanding, there will be an appropriation from the state highway fund sufficient to pay the principal and interest on mature bonds or bonds that become due during that fiscal year, and any cost related to the bonds.

SECTION 2. Requires this proposed constitutional amendment be submitted to the voters at an election to be held November 4, 2003. Requires that the ballot be printed to allow voting for or against the proposition: "The constitutional amendment authorizing the legislature to provide for the issuance of bonds for improvements to the state highway system."