

BILL ANALYSIS

S.J.R. 43
By: Ogden
State Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Under current Texas law, funds from the Permanent School Fund cannot be lent for the purpose of acquiring rights-of-way for the state highway system. As proposed, Senate Joint Resolution 43 amends the constitution to allow the State Board of Education to lend the Texas Department of Transportation up to \$1 billion from the Permanent School Fund for acquiring rights-of-way, and sets forth certain provisions for any such loans.

RULEMAKING AUTHORITY

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

ANALYSIS

Senate Joint Resolution 43 amends Article VII, Texas Constitution, by adding Section 5a. The section provides that the legislature may authorize the State Board of Education by general law to make loans from the permanent school fund for the purpose of acquiring rights-of-way for development of the state highway system.

The resolution authorizes a general law enacted under Section 5a to set the interest rate to be paid on a loan under this section. The resolution prohibits the interest rate from being less than the average rate of return for the preceding five state fiscal years on all permanent school fund investments other than a loan under this section.

The resolution prohibits the total principal amount of loans under Section 5a outstanding at any one time from exceeding \$1 billion. The resolution also requires any loan under that section to be guaranteed by the first money received under Section 7-a, Article VIII, of the Texas Constitution.

FOR ELECTION

This proposed constitutional amendment shall be submitted to the voters at an election to be held on November 4, 2003. The ballot is required to be printed to permit voting for or against the proposition contained in specified text.

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