

1-1 By: Pickett, et al. (Senate Sponsor - Lucio) H.J.R. No. 28  
1-2 (In the Senate - Received from the House April 30, 2003;  
1-3 May 7, 2003, read first time and referred to Committee on Finance;  
1-4 May 13, 2003, rereferred to Committee on Infrastructure  
1-5 Development and Security; May 24, 2003, reported adversely, with  
1-6 favorable Committee Substitute by the following vote: Yeas 7, Nays  
1-7 0; May 24, 2003, sent to printer.)

1-8 COMMITTEE SUBSTITUTE FOR H.J.R. No. 28 By: Ogden

1-9 HOUSE JOINT RESOLUTION

1-10 proposing a constitutional amendment providing for authorization  
1-11 of the borrowing of money on a short-term basis by a state  
1-12 transportation agency for transportation-related projects, and the  
1-13 issuance of bonds and other public securities secured by the state  
1-14 highway fund.

1-15 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-16 SECTION 1. Article III, Texas Constitution, is amended by  
1-17 adding Sections 49-m and 49-n to read as follows:

1-18 Sec. 49-m. (a) The legislature, by law, may authorize the  
1-19 Texas Transportation Commission or its successor to authorize the  
1-20 Texas Department of Transportation or its successor to issue notes  
1-21 or borrow money from any source to carry out the functions of the  
1-22 department.

1-23 (b) Notes issued or a loan obtained under this section may  
1-24 not have a term of more than two years. The legislature may  
1-25 appropriate money dedicated by Sections 7-a and 7-b, Article VIII,  
1-26 of this constitution for the purpose of paying a debt created by the  
1-27 notes or loan.

1-28 Sec. 49-n. (a) To fund highway improvement projects, the  
1-29 legislature may authorize the Texas Transportation Commission or  
1-30 its successor to issue bonds and other public securities and enter  
1-31 into bond enhancement agreements that are payable from revenue  
1-32 deposited to the credit of the state highway fund.

1-33 (b) Proceeds from the sale of bonds and other public  
1-34 securities issued under this section may only be used to provide:

1-35 (1) funding for projects that, as determined by the  
1-36 Texas Transportation Commission or its successor:

1-37 (A) allow the Texas Department of Transportation  
1-38 or its successor to draw down additional federal-aid highway funds;

1-39 (B) are eligible for expedited contracting under  
1-40 Subchapter C, Chapter 223, Transportation Code;

1-41 (C) facilitate, for the purpose of reducing  
1-42 unemployment or underemployment, the retention of businesses in  
1-43 this state or the ability to provide an incentive for new businesses  
1-44 to locate in this state;

1-45 (D) reduce accidents or correct or improve  
1-46 hazardous locations on the state highway system; or

1-47 (E) are included in the Texas Highway Trunk  
1-48 System; or

1-49 (2) short-term financing of turnpike project costs  
1-50 that are incurred before the project is open to traffic and begins  
1-51 generating revenue, if the commission determines that issuing  
1-52 short-term bonds will reduce total project costs.

1-53 (c) In this section, "Texas Highway Trunk System" means a  
1-54 rural network of four-lane or better divided roadways that will  
1-55 serve as a principal connector of all Texas cities with over 20,000  
1-56 population, as well as major ports and points of entry.

1-57 (d) In each fiscal year in which amounts become due under  
1-58 the bonds, other public securities, or agreements authorized by  
1-59 this section, there is appropriate from the revenue deposited to  
1-60 the credit of the state highway fund in that fiscal year an amount  
1-61 that is sufficient to pay:

1-62 (1) the principal of and interest on the bonds or other  
1-63 public securities that mature or become due during the fiscal year;

2-1 and

2-2 (2) any cost related to the bonds and other public  
2-3 securities, including payments under bond enhancement agreements,  
2-4 that becomes due during that fiscal year.

2-5 (e) Any dedication or appropriation of revenue to the credit  
2-6 of the state highway fund may not be modified so as to impair any  
2-7 outstanding bonds or other public securities secured by a pledge of  
2-8 that revenue unless provisions have been made for a full discharge  
2-9 of those securities.

2-10 SECTION 2. This proposed constitutional amendment shall be  
2-11 submitted to the voters at an election to be held November 4, 2003.  
2-12 The ballot shall be printed to permit voting for or against the  
2-13 proposition: "The constitutional amendment providing for  
2-14 authorization of the issuing of notes or the borrowing of money on a  
2-15 short-term basis by a state transportation agency for  
2-16 transportation-related projects, and the issuance of bonds and  
2-17 other public securities secured by the state highway fund."

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