

AN ACT

relating to loans from the permanent school fund for the acquisition of rights-of-way for the state highway system.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter A, Chapter 222, Transportation Code, is amended by adding Section 222.003 to read as follows:

Sec. 222.003. LOANS FROM PERMANENT SCHOOL FUND. (a) On terms and conditions agreed on by the department and the State Board of Education, the department may borrow from the permanent school fund for the purpose of acquiring rights-of-way for the state highway system.

(b) The State Board of Education may make a loan under this section upon determining that the terms of the agreement governing the loan provide for the payment of interest at a rate at least equal to the greater of:

(1) the minimum interest rate prescribed by Section 5a, Article VII, Texas Constitution; or

(2) the current average interest earnings yield on all fixed-income investments of the permanent school fund as of the date the loan is made.

(c) The agreement must be secured by a pledge of the first money coming into the state highway fund.

(d) The department may not use the proceeds of a loan made under this section for the construction of a state highway or other

1 facility of the Trans Texas Corridor. For purposes of this
2 subsection, "Trans Texas Corridor" means a statewide system of
3 multimodal transportation facilities under the department's
4 jurisdiction and as designated by the commission, regardless of the
5 name given to the system.

6 SECTION 2. Chapter 43, Education Code, is amended by adding
7 Section 43.020 to read as follows:

8 Sec. 43.020. LOANS FOR HIGHWAY RIGHTS-OF-WAY. As provided
9 by Section 5a, Article VII, Texas Constitution, the State Board of
10 Education may make loans from the permanent school fund to the Texas
11 Department of Transportation for the purpose of acquiring
12 rights-of-way for the state highway system.

13 SECTION 3. This Act takes effect on the date on which the
14 constitutional amendment proposed by S.J.R. No. 43, 78th
15 Legislature, Regular Session, 2003, takes effect. If that
16 amendment is not approved by the voters, this Act has no effect.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1082 passed the Senate on April 14, 2003, by a viva-voce vote.

Secretary of the Senate

I hereby certify that S.B. No. 1082 passed the House on May 28, 2003, by a non-record vote.

Chief Clerk of the House

Approved:

Date

Governor