

By: Ogden

S.B. No. 1082

A BILL TO BE ENTITLED

AN ACT

1
2 relating to loans from the permanent school fund for the
3 acquisition of rights-of-way for the state highway system.

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

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

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

12 (b) The agreement governing the loan must provide for the
13 payment of interest at a rate recalculated semiannually to the
14 greater of:

15 (1) the minimum interest rate prescribed by Section
16 5a, Article VII, Texas Constitution; or

17 (2) the interest rate on the most recently issued
18 10-year note issued by the United States Department of the
19 Treasury, as of the date the interest rate is recalculated, as
20 published in the *Wall Street Journal* or another publication
21 acceptable to both the department and the board, plus one percent.

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

24 SECTION 2. Chapter 43, Education Code, is amended by adding

1 Section 43.020 to read as follows:

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

7 (b) The loans are considered an investment of the permanent
8 school fund, and the board shall make its best efforts to provide
9 the loans on request of the department.

10 SECTION 3. This Act takes effect on the date on which the
11 constitutional amendment proposed by ___J.R. No. ___, 78th
12 Legislature, Regular Session, 2003, takes effect. If that
13 amendment is not approved by the voters, this Act has no effect.