

1-1 By: Ogden S.B. No. 1082
1-2 (In the Senate - Filed March 10, 2003; March 17, 2003, read
1-3 first time and referred to Committee on Infrastructure Development
1-4 and Security; April 2, 2003, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 8, Nays 0;
1-6 April 2, 2003, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1082 By: Ogden

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to loans from the permanent school fund for the
1-11 acquisition of rights-of-way for the state highway system.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Subchapter A, Chapter 222, Transportation Code,
1-14 is amended by adding Section 222.003 to read as follows:

1-15 Sec. 222.003. LOANS FROM PERMANENT SCHOOL FUND. (a) On
1-16 terms and conditions agreed on by the department and the State Board
1-17 of Education, the department may borrow from the permanent school
1-18 fund for the purpose of acquiring rights-of-way for the state
1-19 highway system.

1-20 (b) The State Board of Education may make a loan under this
1-21 section upon determining that the terms of the agreement governing
1-22 the loan must provide for the payment of interest at a rate equal to
1-23 the greater of:

1-24 (1) the minimum interest rate prescribed by Section
1-25 5a, Article VII, Texas Constitution; or

1-26 (2) the interest rate on the most recently issued
1-27 10-year note issued by the United States Department of the
1-28 Treasury, as of the date the interest rate is recalculated, as
1-29 published in the *Wall Street Journal* or another publication
1-30 acceptable to both the department and the board, plus one percent.

1-31 (c) The agreement must be secured by a pledge of the first
1-32 money coming into the state highway fund.

1-33 SECTION 2. Chapter 43, Education Code, is amended by adding
1-34 Section 43.020 to read as follows:

1-35 Sec. 43.020. LOANS FOR HIGHWAY RIGHTS-OF-WAY. (a) As
1-36 provided by Section 5a, Article VII, Texas Constitution, the State
1-37 Board of Education may make loans from the permanent school fund to
1-38 the Texas Department of Transportation for the purpose of acquiring
1-39 rights-of-way for the state highway system.

1-40 SECTION 3. This Act takes effect on the date on which the
1-41 constitutional amendment proposed by S.J.R. No. 43, 78th
1-42 Legislature, Regular Session, 2003, takes effect. If that
1-43 amendment is not approved by the voters, this Act has no effect.

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