

BILL ANALYSIS

S.J.R. 64
By: Carona
Transportation
Committee Report (Unamended)

BACKGROUND AND PURPOSE

S.J.R. 64 proposes a constitutional amendment to authorize the legislature to authorize the Texas Department of Transportation to issue general obligation bonds not to exceed \$5 billion.

RULEMAKING AUTHORITY

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

ANALYSIS

SECTION 1. Amends Article III, Texas Constitution, by adding Section 49-p, as follows:

Sec. 49-p. (a) Authorizes the legislature by general law to authorize the Texas Transportation Commission (TCC) or its successor to issue general obligation bonds of this state in an aggregate amount not to exceed \$5 billion and enter into related credit agreements. Requires the bonds to be executed in the form, on the terms, and in the denominations, bear interest, and be issued in installments as prescribed by TCC or its successor.

(b) Authorizes a portion of the proceeds from the sale of the bonds and a portion of the interest earned on the bonds to be used to pay the costs of administering projects authorized under this section, the cost or expense of issuing the bonds, and all or part of a payment owed or to be owed under a credit agreement.

(c) Provides that the bonds authorized under this section constitute a general obligation of the state and that while any of the bonds or interest thereof is outstanding and unpaid, there is appropriated out of the first money coming in to the treasury each fiscal year, not otherwise appropriated by this constitution, an amount sufficient to pay the principal of and interest on the bonds that mature or become due during the fiscal year.

(d) Provides that bonds issued under this section, after approval by the attorney general, registration by the comptroller of public accounts, and delivery to the purchasers, are incontestable and are general obligations of this state under this constitution.

SECTION 2. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held November 6, 2007. Sets forth the required language for the ballot.

EFFECTIVE DATE

This proposed constitutional amendment shall be submitted to the voters at an election to be held November 6, 2007.