

BILL ANALYSIS

Senate Research Center

S.J.R. 65
By: Williams, Eltife
Finance
6/20/2007
Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, the state needs additional funding for maintenance, improvement, repair, or construction of projects authorized by the legislature that are administered by state agencies.

S.J.R. 65 proposes a constitutional amendment to authorize the issuance of up to \$1 billion in general obligation bonds toward the maintenance, improvement, repair, or construction of projects authorized by the legislature and for the purchase of needed equipment.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article III, Texas Constitution, by adding Section 50-g, as follows:

Sec. 50-g. (a) Authorizes the legislature by general law to authorize the Texas Public Finance Authority (authority) to provide for, issue, and sell general obligation bonds of the state in an amount not to exceed \$1 billion and to enter into related credit agreements. Requires the bonds to be executed in a certain manner as prescribed by the authority.

(b) Requires proceeds from the sale of the bonds to be deposited in a separate fund or account within the state treasury created by the comptroller of public accounts (comptroller) for this purpose. Authorizes the use of money in this fund only for maintenance, improvement, repair, or construction projects (project) that are administered by or on behalf of certain state agencies, or the purchase of needed equipment by or on behalf those state agencies, as authorized by the legislature by general law or the General Appropriations Act.

(c) Authorizes the maximum net effective interest rate to be borne by bonds issued under this section to be set by general law.

(d) Provides that an amount is appropriated from the first money coming into the state treasury in each fiscal year, not otherwise appropriated by the constitution and while any of the bonds or interest on the bonds authorized by this section are outstanding and unpaid, sufficient to pay the principal and interest on bonds that mature or become due during the fiscal year and to make payments that become due under a related credit agreement during the fiscal year, less the amount in the sinking fund at the close of the previous fiscal year.

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