

BILL ANALYSIS

H.J.R. 128
By: Ritter
Natural Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

In 1997, the voters approved the creation of Texas Water Development Fund II (the "Fund") which consolidated existing authorizations. This was accomplished through S.B. 1 and S.J.R. 17 of the 75th Legislative Session. The Texas Water Development Board is authorized to issue general obligation debt for the Fund and has approximately \$1.9 billion of remaining authority. The Fund is used for self-supporting water financial assistance accounts, which loan the proceeds of the board-issued bonds with the expectation that the repaid loans will pay the debt incurred by the board and nonself-supporting program, which consists of the state participation account and the water infrastructure fund. Debt issued under the state water plan draws upon that authority. Based on the projected debt issuance for the state water plan and ongoing Fund program debt, the current authority is projected to be fully utilized by fiscal year 2011.

H.J.R. 128 proposes an amendment to the Texas Constitution to authorize the Texas Water Development Board to issue, in addition to the bonds authorized by other provisions of the Texas Constitution, general obligation bonds, at its determination and on a continuing basis, for one or more accounts of the Fund in amounts such that the aggregate principal amount of such bonds issued by the board that are outstanding at any time does not exceed \$6 billion.

RULEMAKING AUTHORITY

It is the Committee's opinion that the bill does not expressly delegate any additional rulemaking authority to a state office, department, institution, or agency.

ANALYSIS

SECTION 1. Amends Article III, Texas Constitution, by adding Section 49-d-11 as follows:

Section 49-d-11. Subsection (a) Authorizes the board, at its determination, to issue general obligation bonds for one or more accounts of the Fund in amounts such that the outstanding aggregate principal amount of these bonds does not exceed \$6 billion at any time.

Subsection (b) Applies Section 49-d-8 of this article to the bonds authorized by Section 49-d-11. Provides that the limitation in Section 49-d-8 that the board may not issue bonds in excess of the aggregate principal amount of previously authorized bonds, does not apply.

Subsection (c) Provides that the limitation on the percentage of state participation in any single project does not apply to a project funded with the proceeds of bonds issued under this section or Section 49-d-8 of this article.

SECTION 2. Requires that this proposed constitutional amendment must be submitted to the voters at an election to be held November 3, 2009. Sets forth the required language for the ballot.

ELECTION DATE

The constitutional amendment proposed by this joint resolution will be submitted to the voters at an election to be held November 3, 2009.