

A JOINT RESOLUTION

1 proposing a constitutional amendment to clarify references to the  
2 permanent school fund, to allow the General Land Office to  
3 distribute revenue derived from permanent school fund land or other  
4 properties to the available school fund, and to provide for an  
5 increase in the market value of the permanent school fund for the  
6 purpose of allowing increased distributions from the available  
7 school fund.

8 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

9 SECTION 1. Section 49-b(h), Article III, Texas  
10 Constitution, is amended to read as follows:

11 (h) Lands purchased and comprising a part of the Veterans'  
12 Land Fund are declared to be held for a governmental purpose, but  
13 the individual purchasers of those lands shall be subject to  
14 taxation to the same extent and in the same manner as are purchasers  
15 of lands dedicated to the Permanent [~~Free Public~~] School Fund. The  
16 lands shall be sold to veterans in quantities, on terms, at prices,  
17 and at fixed, variable, floating, or other rates of interest,  
18 determined by the Board and in accordance with rules of the Board.  
19 Notwithstanding any provisions of this section to the contrary,  
20 lands in the Veterans' Land Fund that are offered for sale to  
21 veterans and that are not sold may be sold or resold to the  
22 purchasers in quantities, on terms, at prices, and at rates of  
23 interest determined by the Board and in accordance with rules of the  
24 Board.

1 SECTION 2. Sections 2 and 4, Article VII, Texas  
2 Constitution, are amended to read as follows:

3 Sec. 2. All funds, lands and other property heretofore set  
4 apart and appropriated for the support of public schools; all the  
5 alternate sections of land reserved by the State out of grants  
6 heretofore made or that may hereafter be made to railroads or other  
7 corporations of any nature whatsoever; one half of the public  
8 domain of the State; and all sums of money that may come to the State  
9 from the sale of any portion of the same, shall constitute a  
10 permanent [~~perpetual-public~~] school fund.

11 Sec. 4. The lands herein set apart to the Permanent [~~Public~~  
12 ~~Free~~] School fund, shall be sold under such regulations, at such  
13 times, and on such terms as may be prescribed by law; and the  
14 Legislature shall not have power to grant any relief to purchasers  
15 thereof. The proceeds of such sales must be used to acquire other  
16 land for the Permanent [~~Public-Free~~] School fund as provided by law  
17 or the proceeds shall be invested by the comptroller of public  
18 accounts, as may be directed by the Board of Education herein  
19 provided for, in the bonds of the United States, the State of Texas,  
20 or counties in said State, or in such other securities, and under  
21 such restrictions as may be prescribed by law; and the State shall  
22 be responsible for all investments.

23 SECTION 3. Section 5, Article VII, Texas Constitution, is  
24 amended by amending Subsection (a) and adding Subsection (g) to  
25 read as follows:

26 (a) The permanent school fund consists of all land  
27 appropriated for public schools by this constitution or the other

1 laws of this state, other properties belonging to the permanent  
2 school fund, and all revenue derived from the land or other  
3 properties. The available school fund consists of the  
4 distributions made to it from the total return on all investment  
5 assets of the permanent school fund, the taxes authorized by this  
6 constitution or general law to be part of the available school fund,  
7 and appropriations made to the available school fund by the  
8 legislature. The total amount distributed from the permanent  
9 school fund to the available school fund:

10 (1) in each year of a state fiscal biennium must be an  
11 amount that is not more than six percent of the average of the  
12 market value of the permanent school fund, excluding real property  
13 belonging to the fund that is managed, sold, or acquired under  
14 Section 4 of this article, but including discretionary real assets  
15 investments and cash in the state treasury derived from property  
16 belonging to the fund, on the last day of each of the 16 state fiscal  
17 quarters preceding the regular session of the legislature that  
18 begins before that state fiscal biennium, in accordance with the  
19 rate adopted by:

20 (A) a vote of two-thirds of the total membership  
21 of the State Board of Education, taken before the regular session of  
22 the legislature convenes; or

23 (B) the legislature by general law or  
24 appropriation, if the State Board of Education does not adopt a rate  
25 as provided by Paragraph (A) of this subdivision; and

26 (2) over the 10-year period consisting of the current  
27 state fiscal year and the nine preceding state fiscal years may not

1 exceed the total return on all investment assets of the permanent  
2 school fund over the same 10-year period.

3 (g) Notwithstanding any other provision of this  
4 constitution or of a statute, the General Land Office or an entity  
5 other than the State Board of Education that has responsibility for  
6 the management of permanent school fund land or other properties  
7 may in its sole discretion distribute to the available school fund  
8 each year revenue derived during that year from the land or  
9 properties, not to exceed \$300 million each year.

10 SECTION 4. The following temporary provision is added to  
11 the Texas Constitution:

12 TEMPORARY PROVISION. (a) This temporary provision applies  
13 to the constitutional amendment proposed by H.J.R. No. 109, 82nd  
14 Legislature, Regular Session, 2011, providing for an increase in  
15 the market value of the permanent school fund for the purpose of  
16 allowing increased distributions from the available school fund.

17 (b) The change to Section 5(a), Article VII, of this  
18 constitution made by the amendment applies to a distribution from  
19 the permanent school fund to the available school fund made on or  
20 after September 1, 2011.

21 (c) This temporary provision expires December 1, 2015.

22 SECTION 5. This proposed constitutional amendment shall be  
23 submitted to the voters at an election to be held November 8, 2011.  
24 The ballot shall be printed to provide for voting for or against the  
25 proposition: "The constitutional amendment clarifying references  
26 to the permanent school fund, allowing the General Land Office to  
27 distribute revenue from permanent school fund land or other

H.J.R. No. 109

1 properties to the available school fund to provide additional  
2 funding for public education, and providing for an increase in the  
3 market value of the permanent school fund for the purpose of  
4 allowing increased distributions from the available school fund."

H.J.R. No. 109

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President of the Senate

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Speaker of the House

I certify that H.J.R. No. 109 was passed by the House on May 11, 2011, by the following vote: Yeas 147, Nays 0, 2 present, not voting; and that the House concurred in Senate amendments to H.J.R. No. 109 on May 23, 2011, by the following vote: Yeas 143, Nays 0, 2 present, not voting.

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Chief Clerk of the House

H.J.R. No. 109

I certify that H.J.R. No. 109 was passed by the Senate, with amendments, on May 21, 2011, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

RECEIVED: \_\_\_\_\_

Date

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Secretary of State