

By: Ogden
(Pitts)

S.J.R. No. 5

Substitute the following for S.J.R. No. 5:

By: Crownover

C.S.S.J.R. No. 5

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 distributions
4 made to it from the total return on all investment assets of the
5 permanent school fund, the taxes authorized by this constitution or
6 general law to be part of the available school fund, and
7 appropriations made to the available school fund by the
8 legislature. The total amount distributed from the permanent school
9 fund to the available school fund:

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

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

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

25 (2) over the 10-year period consisting of the current state
26 fiscal year and the nine preceding state fiscal years may not exceed
27 the total return on all investment assets of the permanent school

1 fund over the same 10-year period.

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

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

11 TEMPORARY PROVISION. (a) This temporary provision applies
12 to the constitutional amendment proposed by S.J.R. No. 5, 82nd
13 Legislature, Regular Session, 2011, providing for an increase in
14 the market value of the permanent school fund for the purpose of
15 allowing increased distributions from the available school fund.

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

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

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

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