

By: West

S.J.R. No. 50

1 SENATE JOINT RESOLUTION

2 proposing a constitutional amendment providing for the issuance of  
3 general obligation bonds of the state to finance educational loans  
4 to students.

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

6 SECTION 1. Article III, Texas Constitution, is amended by  
7 adding Section 50b-7 to read as follows:

8 Sec. 50b-7. (a) The legislature by general law may  
9 authorize the Texas Higher Education Coordinating Board or its  
10 successor or successors to issue and sell general obligation bonds  
11 of the State of Texas for the purpose of financing educational loans  
12 to students in the manner provided by law. The principal amount of  
13 outstanding bonds issued under this section must at all times be  
14 equal to or less than the aggregate principal amount of state  
15 general obligation bonds previously authorized for that purpose by  
16 any other provision or former provision of this constitution.

17 (b) The bonds shall be executed in the form, on the terms,  
18 and in the denominations, bear interest, and be issued in  
19 installments as prescribed by the Texas Higher Education  
20 Coordinating Board or its successor or successors.

21 (c) The maximum net effective interest rate to be borne by  
22 bonds issued under this section may not exceed the maximum rate  
23 provided by law.

24 (d) The legislature may provide for the investment of bond

1 proceeds and may establish and provide for the investment of an  
2 interest and sinking fund to pay the bonds. Income from the  
3 investment shall be used for the purposes prescribed by the  
4 legislature.

5 (e) While any of the bonds issued under this section or  
6 interest on the bonds is outstanding and unpaid, there is  
7 appropriated out of the first money coming into the treasury in each  
8 fiscal year, not otherwise appropriated by this constitution, the  
9 amount sufficient to pay the principal of and interest on the bonds  
10 that mature or become due during the fiscal year, less any amount in  
11 an interest and sinking fund established under this section at the  
12 end of the preceding fiscal year that is pledged to the payment of  
13 the bonds or interest.

14 (f) Bonds issued under this section, after approval by the  
15 attorney general, registration by the comptroller of public  
16 accounts, and delivery to the purchasers, are incontestable.

17 SECTION 2. This proposed constitutional amendment shall be  
18 submitted to the voters at an election to be held November 8, 2011.  
19 The ballot shall be printed to permit voting for or against the  
20 proposition: "The constitutional amendment providing for the  
21 issuance of general obligation bonds of the State of Texas to  
22 finance educational loans to students."