

SENATE JOINT RESOLUTION

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

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

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

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

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

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

(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."

President of the Senate

Speaker of the House

I hereby certify that S.J.R. No. 50 was adopted by the Senate on April 28, 2011, by the following vote: Yeas 27, Nays 4.

Secretary of the Senate

I hereby certify that S.J.R. No. 50 was adopted by the House on May 24, 2011, by the following vote: Yeas 142, Nays 3, one present not voting.

Chief Clerk of the House