

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 to finance educational loans to students
4 and for authority to enter into bond enhancement agreements with
5 respect to general obligation bonds issued for that purpose.

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

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

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

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

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

1 provided by law.

2 (d) The legislature may provide for the investment of bond
3 proceeds and may establish and provide for the investment of an
4 interest and sinking fund to pay the bonds. Income from the
5 investment shall be used for the purposes prescribed by the
6 legislature.

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

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

19 SECTION 2. This proposed constitutional amendment shall be
20 submitted to the voters at an election to be held on the earlier of
21 the first date on which another election on a constitutional
22 amendment proposed by the 82nd Legislature, Regular Session, 2011,
23 is held or November 8, 2011. The ballot shall be printed to permit
24 voting for or against the proposition: "The constitutional
25 amendment providing for the issuance of general obligation bonds of
26 the State of Texas for the purpose of financing educational loans to
27 students."