

1-1 By: West S.J.R. No. 50
1-2 (In the Senate - Filed March 11, 2011; March 24, 2011, read
1-3 first time and referred to Committee on Higher Education;
1-4 April 18, 2011, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 7, Nays 0; April 18, 2011,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.J.R. No. 50 By: West

1-8 SENATE JOINT RESOLUTION

1-9 proposing a constitutional amendment providing for the issuance of
1-10 general obligation bonds of the state to finance educational loans
1-11 to students.

1-12 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Article III, Texas Constitution, is amended by
1-14 adding Section 50b-7 to read as follows:

1-15 Sec. 50b-7. (a) The legislature by general law may
1-16 authorize the Texas Higher Education Coordinating Board or its
1-17 successor or successors to issue and sell general obligation bonds
1-18 of the State of Texas for the purpose of financing educational loans
1-19 to students in the manner provided by law. The principal amount of
1-20 outstanding bonds issued under this section must at all times be
1-21 equal to or less than the aggregate principal amount of state
1-22 general obligation bonds previously authorized for that purpose by
1-23 any other provision or former provision of this constitution.

1-24 (b) The bonds shall be executed in the form, on the terms,
1-25 and in the denominations, bear interest, and be issued in
1-26 installments as prescribed by the Texas Higher Education
1-27 Coordinating Board or its successor or successors.

1-28 (c) The maximum net effective interest rate to be borne by
1-29 bonds issued under this section may not exceed the maximum rate
1-30 provided by law.

1-31 (d) The legislature may provide for the investment of bond
1-32 proceeds and may establish and provide for the investment of an
1-33 interest and sinking fund to pay the bonds. Income from the
1-34 investment shall be used for the purposes prescribed by the
1-35 legislature.

1-36 (e) While any of the bonds issued under this section or
1-37 interest on the bonds is outstanding and unpaid, there is
1-38 appropriated out of the first money coming into the treasury in each
1-39 fiscal year, not otherwise appropriated by this constitution, the
1-40 amount sufficient to pay the principal of and interest on the bonds
1-41 that mature or become due during the fiscal year, less any amount in
1-42 an interest and sinking fund established under this section at the
1-43 end of the preceding fiscal year that is pledged to the payment of
1-44 the bonds or interest.

1-45 (f) Bonds issued under this section, after approval by the
1-46 attorney general, registration by the comptroller of public
1-47 accounts, and delivery to the purchasers, are incontestable.

1-48 SECTION 2. This proposed constitutional amendment shall be
1-49 submitted to the voters at an election to be held November 8, 2011.
1-50 The ballot shall be printed to permit voting for or against the
1-51 proposition: "The constitutional amendment providing for the
1-52 issuance of general obligation bonds of the State of Texas to
1-53 finance educational loans to students."

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