

- SUBJECT:** Bonds for maintenance, improvement, repair, and construction projects
- COMMITTEE:** Appropriations — favorable, without amendment
- VOTE:** 18 ayes — Chisum, Branch, B. Brown, F. Brown, Darby, J. Davis, England, Harper-Brown, Hopson, Isett, Jackson, McReynolds, Menendez, Riddle, Taylor, Turner, Van Arsdale, Zerwas
- 0 nays
- 11 absent — Guillen, Allen, Chavez, Crownover, Dukes, Gattis, Kolkhorst, Lucio, McClendon, Noriega, Otto
- SENATE VOTE:** On final passage, May 2 — 30-0
- WITNESSES:** No public hearing
- DIGEST:** SB 2033 would authorize the board of directors of the Texas Public Finance Authority (TPFA) to provide for, issue, and sell general obligation bonds in an amount not to exceed \$1 billion for:
- maintenance, improvement, repair, and construction projects in or outside Travis County that are administered by or on behalf of a state agency listed in Texas Constitution, Art. 3, sec. 50-g and authorized by the Legislature; or
 - the purchase of needed equipment by or on behalf of such an agency, and authorized by the Legislature by the general appropriations act or other law.

The bill would require proceeds from the sale of the bonds to be invested and would allow the proceeds to be spent on authorized projects or for the purchase of needed equipment, in accordance with the legislative appropriation of the proceeds.

The bill would take effect on the date on which the constitutional amendment (SJR 65) proposed by the 80th Legislature at its regular session authorizing the issuance of general obligation bonds in an amount not to exceed \$1 billion for maintenance, improvement, repair, and

construction projects took effect, if that amendment was approved by the voters.

NOTES:

SJR 65 by Williams and Eltife, the constitutional amendment that would authorize SB 2033, would add Texas Constitution, Art. 3, sec. 50-g to authorize the TPFAs to issue up to \$1 billion in general obligation bonds for equipment or maintenance, improvement, repair, and construction projects at the Building and Procurement Commission, the Parks and Wildlife Department, the Adjutant General's Department, the Department of State Health Services, the Department of Aging and Disability Services, the Texas School for the Blind and Visually Impaired, the Texas Youth Commission, the Texas Historical Commission, the Texas Department of Criminal Justice, the Texas School for the Deaf, or the Department of Public Safety. SJR 65 appears on today's House Constitutional Amendments Calendar.

According to the Legislative Budget Board, the debt service for these bonds would cost a total of \$210.5 million in general revenue-related funds over the five year period ending in fiscal 2012. Following voter approval in November 2007, the bonds would be issued in three parts, staggering the annual cost from \$2.1 million in fiscal 2008 to \$79.3 million in fiscal 2012.