

- SUBJECT:** Renewing Veterans' Land Board bond authority for land and mortgages
- COMMITTEE:** Defense and Veterans' Affairs — committee substitute recommended
- VOTE:** 6 ayes — Corte, Edwards, Farias, Ortiz, Pickett, C. Turner
0 nays
3 absent — Vaught, Chavez, Maldonado
- WITNESSES:** For — Jerry Patterson, Texas Veterans' Land Board; (*Registered, but did not testify*: Morgan Little, Texas Committee for Employer Support of Guard and Reserve)
Against — None
- BACKGROUND:** Texas Constitution, Art. 3, sec. 49-b establishes the Veterans' Land Board (VLB), whose members are the land commissioner, a person well versed in veterans' issues, and a member well versed in finance. The VLB may issue and sell state bonds, as authorized by the Constitution, to finance land purchases and home mortgages for Texas veterans. The principal amount of outstanding bonds may not exceed \$500 million at any one time.
- DIGEST:** CSHJR 116 would amend Art. 3, sec. 49-b(w) of the Texas Constitution to allow the Veterans' Land Board (VLB) to provide for, issue, and sell state general obligation bonds for the purpose of selling land to Texas veterans or to provide them with home or land mortgage loans. The principal amount of any outstanding bonds could not exceed the principal amount of state obligation bonds previously authorized by constitutional amendments. The VLB would be permitted to deposit the bond proceeds in or use them to augment the Veterans' Land Fund and the Veterans' Housing Assistance Fund, in addition to the Veterans' Housing Assistance Fund II. Bonds issued under this authority would not be considered payable from the general revenue fund. The \$500 million cap on total bonds outstanding at any one time would be eliminated.
- The proposal would be presented to the voters at an election on Tuesday, November 3, 2009. The ballot proposal would read: "The constitutional

amendment authorizing the Veterans' Land Board to issue general obligation bonds in amounts equal to or less than amounts previously authorized.”

**SUPPORTERS
SAY:**

CSHJR 116 would help secure an uninterrupted bonding authority for the Veterans' Land Board (VLB) to continue its housing assistance program. Voters have approved \$4 billion in these types of bonds in the past, and so far about \$2 billion of that has been issued and retired or redeemed. Federal tax law prohibits the VLB from issuing more than \$250 million in veterans' mortgage bonds per year, and the current authorization will last through the end of 2009.

The proposed constitutional amendment would allow the VLB to avoid having to seek new bonding authority every four years, and the board could not issue bonds greater than the total amount previously authorized. The amendment would authorize issuance of new bonds in place of those that already have been issued and redeemed, as long as the VLB did not issue more than the total amount of bonds authorized by the Legislature and the voters in previous constitutional amendments.

**OPPONENTS
SAY:**

No apparent opposition.

NOTES:

The committee substitute differs from the bill as filed by making land mortgage loans eligible for funding by these bonds.

The companion proposal, SJR 37 by Van de Putte, has been referred to the Senate Veteran Affairs and Military Installations Committee.