

BILL ANALYSIS

Senate Research Center
76R8625 JRD-D

S.J.R. 42
By: Brown
Finance
4/7/1999
As Filed

DIGEST

Throughout the last decade, the state's population has grown by more than 2.8 million. According to the U.S. Census Bureau, five Texas counties were among the 10 fastest growing counties in the nation, and the Rio Grande Valley population has been steadily increasing. S.B. 1695 would address Texas' rapidly growing population, and the increased infrastructure needs this growth mandates.

PURPOSE

As proposed, S.B. 1695 creates a vital infrastructure program to fund new or existing improvement projects for schools, health facilities, transportation structures, and environmental related infrastructure.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article III, Texas Constitution, by adding Section 49-k, to authorize the legislature by general law to authorize specific state agencies to define vital infrastructure needs of the state and to develop and propose projects designed to meet those needs, including constructing or improving or assisting in the construction or improvement of certain infrastructures. Authorizes the legislature by general law to provide for the manner in which a proposed vital infrastructure program is approved. Authorizes the procedure for approval to include a requirement that a state agency submit a proposed vital infrastructure program to the governor and the Legislative Budget Board for review, comment, and joint approval. Authorizes the legislature by general law to allow bonds to be issued to pay for an approved vital infrastructure program. Prohibits general obligation bonds from being issued by the state under this section. Provides that the only money that may be pledged by the state to the payment of the principal and interest on bonds issued under this section is money generated by an approved vital infrastructure program and money received by the state under the Comprehensive Settlement Agreement and Release filed in the case styled The State of Texas v. The American Tobacco Co., et al., No. 5-96CV-91, in the United States District Court, Eastern District of Texas. Provides that no more than 80 percent of the sum of unspent and unencumbered money received in previous years from settlement proceeds in the tobacco litigation, together with the projected amount reasonably expected to be received from those proceeds during that year, to be scheduled for the payment of principal and interest during the year on all outstanding bonds issued under this section for any calendar year. Requires bonds issued under this section to be issued subject to the condition that bondholders do not have the right to demand payment out of a source of money that has not been specifically pledged to the payment of principal and interest on the bonds. Authorizes the legislature by general law to provide for the manner in which bonds issued under this section are approved and issued.

SECTION 2. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held on November 2, 1999. Sets forth the required language for the ballot.