

BILL ANALYSIS

Senate Research Center
77R15593 JRD-D

C.S.H.J.R. 97
By: Junell (Ellis)
Finance
5/8/2001
Committee Report (Substituted)

DIGEST AND PURPOSE

This resolution and its enabling legislation authorize the Texas Public Finance Authority to issue and sell general obligation bonds, proceeds from which would be used to pay for construction and repair projects administered by certain state agencies. C.S.H.J.R. 97 requires the submission to the voters of a constitutional amendment authorizing the issuance of up to \$800 million in general obligation bonds for construction and repair projects.

RULEMAKING AUTHORITY

This bill does not expressly 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 50-f, as follows:

Sec. 50-f. (a) Authorizes the legislature by general law to authorize the Texas Public Finance Authority to provide for, issue, and sell general obligation bonds of the State of Texas in an amount not to exceed \$800 million and to enter into related credit agreements. Requires the bonds to be executed in the form, on the terms, and in the denominations, bear interest, and be issued in installments as prescribed by the Texas Public Finance Authority.

(b) Requires proceeds from the sale of the bonds to be deposited in a separate fund or account within the state treasury created by the comptroller for this purpose. Provides that money in the separate fund or account may be used only to pay for:

(1) construction and repair projects authorized by the legislature by general law or the General Appropriations Act and administered by or on behalf of the General Services Commission, the Texas Youth Commission, the Texas Department of Criminal Justice, the Texas Department of Mental Health and Mental Retardation, the Parks and Wildlife Department, the adjutant general's department, the Texas School for the Deaf, the Department of Agriculture, the Department of Public Safety of the State of Texas, the State Preservation Board, the Texas School for the Blind and Visually Impaired; or

(2) the purchase, as authorized by the legislature by general law or the General Appropriations Act, of needed equipment by or on behalf of a state agency listed in Subdivision (1) of this subsection.

(c) Authorizes the maximum net effective interest rate to be borne by bonds issued under this section to be set by general law.

(d) Provides that while any of the bonds or interest on the bonds authorized by this section is outstanding and unpaid, from the first money coming into the state treasury in

each fiscal year not otherwise appropriated by this constitution, an amount sufficient to pay the principal and interest on bonds that mature or become due during the fiscal year and to make payments that become due under a related credit agreement during the fiscal year is appropriated, less the amount in the sinking fund at the close of the previous fiscal year.

(e) Provides that bonds issued under this section, after approval by the attorney general, registration by the comptroller of public accounts, and delivery to the purchasers, are incontestable and are general obligations of the State of Texas under this constitution.

SECTION 2. Requires that this proposed constitutional amendment to be submitted to the voters at an election to be held November 6, 2001. Requires the ballot to be printed to permit voting for or against the proposition: "The constitutional amendment authorizing the issuance of up to \$850 million in bonds payable from the general revenues of the state for construction and repair projects and for the purchase of needed equipment."