

BILL ANALYSIS

Senate Research Center
77R5867 ESH-F

S.J.R. 28
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Education
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DIGEST AND PURPOSE

Currently, the permanent school fund is configured so that all realized capital gains from the fund remain with the corpus of the fund, while income derived from the fund investments is distributed to local school districts through the available school fund. S.J.R. 28 allows voters to determine whether realized capital gains from the permanent school fund may be used with existing unrealized gains to support the state's education system through dedicating such funds exclusively to the available school fund and to school district employee health insurance.

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 VII, Texas Constitution, by adding Section 3-c, as follows:

Sec. 3-c. (a) Authorizes the legislature to provide for counties that provide public primary and secondary schools and independent school districts to levy an additional ad valorem tax at a rate determined by the legislature or by the county or district to pay for group health benefits for active and retired public school employees.

(b) Prohibits an ad valorem tax under this section from being levied unless approved by a majority of the voters of the county or school district voting at an election held for that purpose.

SECTION 2. Amends Section 5, Article VII, Texas Constitution, as follows:

(a) Provides that the permanent school fund consists of all land appropriated for public schools by this constitution or the other laws of this state and of other properties and funds belonging to the permanent school fund.

(b) Provides that the available school fund consists of a portion of the distributions each fiscal year from the permanent school fund as provided by Subsections (d) and (e) of this section and the taxes authorized by this constitution or general law to be part of the available school fund. Deletes language relating to the principal of all bonds and other funds.

(c) Requires that the school employees primary health coverage fund only be used to provide group health benefits for active and retired public school employees and sets forth what the fund consists of.

(d) Requires the total amount distributed in each fiscal year from the permanent school fund to the available school fund and the school employees primary health coverage fund to be an amount equal to a certain specified amount.

(e) Sets forth provisions regarding the portion of the permanent school fund to be placed in the available school fund and the school employees primary health coverage fund.

(f) Adds language prohibiting the legislature from appropriating any part of the permanent school fund or available school fund to any other purpose. Prohibits the permanent and available school funds from being appropriated to or used for the support of any sectarian school. Changes reference of “the several counties” to “school districts” regarding funds distributed based on scholastic population.

(g) Deletes reference to the income from the permanent school fund regarding the guarantee of bonds issued by school districts or by the state for the purpose of making certain loans.

(j) Requires that the total distribution from the permanent and available school funds and to the school employees primary health coverage fund for the state fiscal years beginning September 1, 2001, and September 1, 2002, be an amount equal to five percent of the market value of the permanent school fund on the first day of the appropriate fiscal year. Provides that this subsection expires December 1, 2003.

SECTION 3. Requires that this constitutional amendment be put before the voters in an election on November 6, 2001. Requires the ballot be printed to permit a person to vote for or against the proposition and sets forth specific wording to be contained on the ballot.