

## **BILL ANALYSIS**

Senate Research Center  
77R9804 QS-F

S.J.R. 50  
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Intergovernmental Relations  
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As Filed

### **DIGEST AND PURPOSE**

The Housing Trust Fund is the sole program funded by the state to provide affordable housing units for very low and low-income households. It is funded by general revenue funds. As proposed, S.J.R. 50 proposes a constitutional amendment to enable an increase in revenue available to the Housing Trust Fund through a general obligation bond issuance.

### **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 49-k, as follows:

Sec. 49-k. (a) Authorizes the legislature by general law to authorize the Texas Department of Housing and Community Affairs (department) or its successor to issue and sell general obligation bonds of the state in an amount not to exceed \$100 million. Requires the bonds to be called "Texas Housing Bonds" and to be issued and sold in forms and denominations, on terms, at times, in the manner, at places, and in installments the department or its successor determines. Requires the bonds to bear a rate or rates of interest the department or its successor determines, except that the legislature by general law is required to set the maximum net effective interest rate to be borne by the bonds.

(b) Requires the obligation of the department or its successor under the agreements to make payments with respect to principal of or interest on the bonds to also constitute a general obligation of the state.

(c) Requires all money received from the sale of the bonds to be deposited in the housing trust fund or its successor fund administered by the department or its successor to finance affordable housing for low and very low income persons within the state in accordance with law. Requires the expenses of issuance of the bonds and administration of the fund to be paid from money in the fund.

(d) Provides that while any of the bonds or interest on the bonds is outstanding and unpaid, there is appropriated out of the first money coming into the treasury in each fiscal year, not otherwise appropriated by this constitution, the amount sufficient to pay the principal of and interest on the bonds that mature or become due during the fiscal year, including payments made during the fiscal year by the department or its successor under bond enhancement agreements with respect to principal of or interest on the bonds.

SECTION 2. Requires 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 issuance of \$100 million in general obligation bonds to augment funds available to finance housing for low and very low income persons."