

BILL ANALYSIS

Senate Research Center
78R4132 MCK-D

S.J.R. 49
By: Van de Putte
Subcommittee on Base Realignment and Closure
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As Filed

DIGEST AND PURPOSE

The military represents a significant part of the Texas economy, accounting for more than \$49 billion in economic impact. The Office of Defense Affairs (ODA) is responsible for assisting defense communities to develop infrastructure to minimize the possibility of, or the negative effects of, a base closure. However, the current revolving loan program is unfunded. As proposed, S.J.R. 49 authorizes the Texas Public Finance Authority to issue general obligation bonds, in an aggregate amount not to exceed \$150 million, to be deposited in a separate account to fund economic development projects in defense communities. This joint resolution also sets forth the criteria projects must meet to receive financial assistance, provisions for paying back the bonds, and provisions for administering the account.

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-m, as follows:

Sec. 49-m. FINANCIAL ASSISTANCE RELATING TO MILITARY INSTALLATIONS. (a) Authorizes the legislature, by general law, to authorize the Texas Public Finance Authority (TPFA), or its successor, to issue general obligation bonds of the State of Texas in an aggregate amount not to exceed \$150 million. Requires the proceeds from the sale of the bonds to be deposited in a separate account in the treasury and used only to provide financial assistance for economic development projects that benefit defense-related communities, as defined by the legislature by general law, including certain kinds of projects.

(b) Authorizes the expenses incurred in connection with issuing the bonds and administering the account to be paid from the bond proceeds.

(c) Provides that bonds authorized under this section are a general obligation of the state. Provides that while any of the bonds, or interest thereon, is outstanding and unpaid, each fiscal year the first money coming into the treasury sufficient to pay the principal of an interest on bonds that mature or become due, not otherwise appropriated by this constitution, is appropriated less any amounts in the interest and sinking accounts at the close of the preceding fiscal year that are pledged to payment of the bonds or interest.

SECTION 2. Requires this proposed constitutional amendment to be submitted to the voters at an election on November 4, 2003. Sets forth the required wording of the ballot.