

BILL ANALYSIS

Senate Research Center
78R9046 MCK-D

S.J.R. 55
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Veteran Affairs & Military Installations
4/1/2003
As Filed

DIGEST AND PURPOSE

Currently, Texas has 18 major military installations throughout the state that employ 225,000 people and contribute \$43.4 billion annually to the state economy. The Department of Defense has announced plans to adopt new technologies and national defense strategies to meet the changing needs of warfare. This transformation largely will be funded through execution of the 2005 Base Realignment and Closure process, which may close as much as 25 percent of the existing military installation infrastructure. State and defense community leaders are committed to ensuring that Texas remains a primary home and contributor to the evolving new defense strategies. As proposed, S.J.R. 55 authorizes one or more state agencies to issue general obligation bonds of the State of Texas in an aggregate amount not to exceed \$250 million to provide loans for economic development projects benefiting defense-related communities. This joint resolution also establishes the Texas military preparedness revolving loan account and establishes provisions to pay for the bond issuance and to pay for administering that account. S.J.R. 55 also establishes provisions for how the loans will be managed and for paying back the bonds.

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-n, as follows:

Sec. 49-n. (a) Authorizes the legislature, by general law, to authorize one or more state agencies to issue general obligation bonds of the State of Texas in an aggregate amount not to exceed \$250 million. Requires the proceeds from the sale of the bonds to be deposited in the Texas military preparedness revolving loan account, or its successor account in the state treasury, to be used by one or more state agency designated by the legislature by general law, without further appropriation, to provide loans for economic development projects that benefit defense-related communities, as defined by the legislature by general law, including projects that enhance the military value of military installations located in the state.

(b) Authorizes payment of expenses incurred in connection with issuing the bonds and administering the Texas military preparedness revolving loan account from money in that account.

(c) Authorizes a defense-related community receiving a loan from the Texas military preparedness revolving loan account to use money from the account to capitalize interest on the loan.

(d) Authorizes an agency providing a loan from the Texas military preparedness revolving loan account to a defense-related community to require that community to pay any pro rata cost of issuing the general obligation bonds.

(e) 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 that this proposed constitutional amendment be submitted to the voters at an election on November 4, 2003. Sets forth the required wording of the ballot.