

BILL ANALYSIS

Senate Research Center
78R12353 MCK-D

C.S.S.J.R. 55
By: Shapleigh
Veterans Affairs & Military Installations
4/23/2003
Committee Report (Substituted)

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. C.S.S.J.R. 55 proposes a constitutional amendment to authorize the legislature, by general law, to provide for a guarantee program to which the state pledges its general credit in an amount not to exceed \$250 million, to enhance the military value of a military facility in the state. This joint resolution also establishes provisions to pay for the guarantee program and for how the guarantee program will be managed.

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-g, as follows:

Sec. 50-g. (a) Authorizes the legislature, by general law, to provide for a guarantee program to which the state pledges its general credit in an amount not to exceed \$250 million to guarantee in whole or in part the principal of and interest on bonds or other obligations issued by a political subdivision for a project that will enhance the military value of a military facility located in, near, or adjacent to the political subdivision.

(b) Authorizes the legislature, by general law, to designate the state agency to administer the guarantee program and the political subdivisions eligible to seek a guarantee under the guarantee program, and to authorize that agency to execute agreements that specify the conditions by which the state will be obligated to pay the principal of and interest on bonds or other obligations or a political subdivision.

(c) Requires the payment by the state of any obligation incurred by or on behalf of the state under the terms of a guarantee agreement made under authority of this section to be made from the first money coming into the treasury in each fiscal year, not otherwise appropriated by this constitution, and provides that such amounts are hereby appropriated.

(d) Prohibits the total amount paid and not recovered by the state under this section, excluding costs or administration, from exceeding \$250 million, notwithstanding the total amount of bonds or other obligations guaranteed under this section. Prohibits the state agency administering the guarantee program from authorizing guarantees under the program in any state fiscal year that exceed a total of \$250 million.

SECTION 2. Requires that this proposed constitutional amendment be submitted to the voters at an election on September 13, 2003. Sets forth the required wording of the ballot.