

## **BILL ANALYSIS**

Senate Research Center  
78R8402 ESH-D

S.J.R. 43  
By: Ogden  
Infrastructure Development and Security  
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As Filed

### **DIGEST AND PURPOSE**

Under current Texas law, funds from the Permanent School Fund cannot be lent for the purpose of acquiring rights-of-way for the state highway system. As proposed, S.J.R. 43 amends the constitution to allow the State Board of Education to lend the Texas Department of Transportation up to \$1 billion from the Permanent School Fund for acquiring such rights-of-way, and sets forth certain provisions for any such loans. The bill also provides the guidelines for the election to be held regarding the amendment.

### **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 5a, as follows:

Sec. 5a. (a) Authorizes the legislature to authorize the State Board of Education by general law to make loans from the permanent school fund for the purpose of acquiring rights-of-way for development of the state highway system.

(b) Authorizes a general law enacted under this section to set the interest rate to be paid on a loan under this section. Prohibits the interest rate from being less than the average rate of return for the preceding five state fiscal years on all permanent school fund investments other than a loan under this section.

(c) Prohibits the total principal amount of loans under this section outstanding at any one time from exceeding \$1 billion.

(d) Requires any loan under this section to be guaranteed by the first money received under Section 7-a, Article VIII, of this constitution.

SECTION 2. Requires this proposed constitutional amendment to be submitted to the voters at an election on November 4, 2003. Requires the ballot to be printed to permit voting for or against the proposition contained in specified text.