

SENATE JOINT RESOLUTION

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proposing a constitutional amendment providing for the issuance of general obligation bonds to finance educational loans to students and for authority to enter into bond enhancement agreements with respect to general obligation bonds issued for that purpose.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Article III, Texas Constitution, is amended by adding Sections 50b-6 and 50b-6A to read as follows:

Sec. 50b-6. (a) The legislature by general law may authorize the Texas Higher Education Coordinating Board or its successor or successors to issue and sell general obligation bonds of the State of Texas in an amount not to exceed \$500 million in order to finance educational loans to students in the manner provided by law. The bonds are in addition to bonds issued under Sections 50b-4 and 50b-5 of this article and under any other provision or former provision of this constitution authorizing similar bonds.

(b) The bonds shall be executed in the form, on the terms, and in the denominations, bear interest, and be issued in installments as prescribed by the Texas Higher Education Coordinating Board or its successor or successors.

(c) The maximum net effective interest rate to be borne by bonds issued under this section may not exceed the maximum rate provided by law.

1 (d) The legislature may provide for the investment of bond
2 proceeds and may establish and provide for the investment of an
3 interest and sinking fund to pay the bonds. Income from the
4 investment shall be used for the purposes prescribed by the
5 legislature.

6 (e) Notwithstanding any other provision of this article,
7 there is appropriated out of the first money coming into the
8 treasury in each fiscal year, not otherwise appropriated by this
9 constitution, the amount sufficient to pay the principal of and
10 interest on any bonds issued under this section, under Sections
11 50b-4 and 50b-5 of this article, and under any other provision or
12 former provision of this article authorizing similar bonds that
13 mature or become due during the fiscal year, less any amount
14 remaining in an interest and sinking fund established under this
15 section, Section 50b-4 or 50b-5 of this article, or any other
16 provision or former provision of this article authorizing similar
17 bonds at the end of the preceding fiscal year that is pledged to the
18 payment of the bonds or interest.

19 (f) Bonds issued under this section, after approval by the
20 attorney general, registration by the comptroller of public
21 accounts, and delivery to the purchasers, are incontestable.

22 Sec. 50b-6A. The legislature by general law may provide for
23 the Texas Higher Education Coordinating Board or its successor or
24 successors to enter into bond enhancement agreements with
25 appropriate entities with respect to any bonds issued under Section
26 50b-4, 50b-5, or 50b-6 of this article or under any other provision
27 or former provision of this article authorizing similar bonds.

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1 Payments due from the coordinating board under a bond enhancement
2 agreement with respect to the principal of or interest on the bonds
3 shall be treated for purposes of this constitution as payments of
4 the principal of and interest on the bonds, and money appropriated
5 for the purpose of paying the principal of and interest on the bonds
6 as they mature or become due may be used to make payments under bond
7 enhancement agreements authorized by this section with respect to
8 the bonds.

9 SECTION 2. This proposed constitutional amendment shall be
10 submitted to the voters at an election to be held on the earlier of
11 the first date on which another election on a constitutional
12 amendment proposed by the 80th Legislature, Regular Session, 2007,
13 is held or November 6, 2007. The ballot shall be printed to permit
14 voting for or against the proposition: "The constitutional
15 amendment providing for the issuance of \$500 million in general
16 obligation bonds to finance educational loans to students and
17 authorizing bond enhancement agreements with respect to general
18 obligation bonds issued for that purpose."

S.J.R. No. 57

David Newkum
President of the Senate

Jim Caddick
Speaker of the House

I hereby certify that S.J.R. No. 57 was adopted by the Senate on May 15, 2007, by the following vote: Yeas 30, Nays 0.

Aatsy Spaw
Secretary of the Senate

I hereby certify that S.J.R. No. 57 was adopted by the House on May 22, 2007, by the following vote: Yeas 148, Nays 0, one present not voting.

Robert Henney
Chief Clerk of the House

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
2:30 O'CLOCK
MAY 23 2007
Robert Henney
Secretary of State

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 18, 2007

TO: Honorable Warren Chisum, Chair, House Committee on Appropriations

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: **SJR57** by Williams (Proposing a constitutional amendment providing for the issuance of general obligation bonds to finance educational loans to students and for authority to enter into bond enhancement agreements with respect to general obligation bonds issued for that purpose.), **As Engrossed**

No fiscal implication to the State is anticipated, other than the cost of publication.

The cost to the state for publication of the resolution is \$77,468.

The proposed amendment would authorize the Legislature by general law to authorize the Higher Education Coordinating Board to issue general obligation bonds of the state in an aggregate amount not to exceed \$500 million to finance educational loans to students and authorize bond enhancement agreements with respect to the bonds.

The proposed amendment would not result in a fiscal impact to the state other than the cost of publication, and any fiscal implications would depend on the language of the corresponding enabling legislation.

The proposed amendment would be submitted to the voters at an election to be held November 6, 2007.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 347 Public Finance Authority, 352 Bond Review Board, 781 Higher Education Coordinating Board

LBB Staff: JOB, CT, RT, GO

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 10, 2007

TO: Honorable Steve Ogden, Chair, Senate Committee on Finance

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: **SJR57** by Williams (Proposing a constitutional amendment providing for the issuance of general obligation bonds to finance education loans to students and for authority to enter into bond enhancement agreements with respect to general obligation bonds issued for that purpose.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated, other than the cost of publication.

The cost to the state for publication of the resolution is \$77,468.

The proposed amendment would authorize the Legislature by general law to authorize the Higher Education Coordinating Board to issue general obligation bonds of the state in an aggregate amount not to exceed \$500 million to finance educational loans to students and authorize bond enhancement agreements with respect to the bonds.

The proposed amendment would not result in a fiscal impact to the state other than the cost of publication, and any fiscal implications would depend on the language of the corresponding enabling legislation.

The proposed amendment would be submitted to the voters at an election to be held November 6, 2007.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 347 Public Finance Authority, 352 Bond Review Board, 781 Higher Education Coordinating Board

LBB Staff: JOB, CT, RT, GO

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 2, 2007

TO: Honorable Steve Ogden, Chair, Senate Committee on Finance

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: **SJR57** by Williams (Proposing a constitutional amendment providing for the issuance of general obligation bonds to finance educational loans to students and for authority to enter into bond enhancement agreements with respect to such bonds.), **As Introduced**

No fiscal implication to the State is anticipated, other than the cost of publication.

The cost to the state for publication of the resolution is \$77,468.

The proposed amendment would authorize the Legislature by general law to authorize the Higher Education Coordinating Board to issue general obligation bonds of the state in an aggregate amount not to exceed \$500 million to finance educational loans to students and authorize bond enhancement agreements with respect to the bonds.

The proposed amendment would not result in a fiscal impact to the state other than the cost of publication, and any fiscal implications would depend on the language of the corresponding enabling legislation.

The proposed amendment would be submitted to the voters at an election to be held November 6, 2007.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 347 Public Finance Authority, 352 Bond Review Board, 781 Higher Education Coordinating Board

LBB Staff: JOB, CT, RT, GO