1 <u>SENATE JOINT RESOLUTION</u>

- 2 proposing a constitutional amendment authorizing the legislature
- 3 to define rates of interest for commercial loans.
- 4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:
- 5 SECTION 1. Section 11, Article XVI, Texas Constitution, is
- 6 amended to read as follows:
- 7 Sec. 11. (a) The Legislature shall have authority to
- 8 define interest and fix maximum rates of interest; provided,
- 9 however, in the absence of legislation fixing maximum rates of
- 10 interest all contracts for a greater rate of interest than ten per
- 11 centum (10%) per annum shall be deemed usurious; provided, further,
- 12 that in contracts where no rate of interest is agreed upon, the rate
- 13 shall not exceed six per centum (6%) per annum.
- 14 (b) Notwithstanding Subsection (a) of this section, the
- 15 Legislature, with respect to commercial loans, may create
- 16 exemptions from the maximum rates of interest. For purposes of this
- 17 subsection, "commercial loan" means a loan made primarily for
- 18 business, commercial, investment, agricultural, or similar
- 19 purposes and not primarily for personal, family, or household
- 20 purposes.
- 21 SECTION 2. This proposed constitutional amendment shall be
- 22 submitted to the voters at an election to be held November 8, 2005.
- 23 The ballot shall be printed to permit voting for or against the
- 24 proposition: "The constitutional amendment allowing the

legislature to define rates of interest for commercial loans."

maria	Bus	hurst
Dresident	of the	Senate

Speaker of the House

<u>I hereby certify</u> that S.J.R. No. 21 was adopted by the Senate on April 14, 2005, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

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I hereby certify that S.J.R. No. 21 was adopted by the House on May 9, 2005, by the following vote: Yeas 139, Nays 0, three present not voting.

Chief

FILED IN THE OFFICE OF THE SECRETARY OF STATE GAS AM O'CLOCK

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