

**SUBJECT:** Removing statutory cap on Veterans' Land Board revenue bonds

**COMMITTEE:** Financial Institutions — committee substitute recommended

**VOTE:** 7 ayes — Averitt, Solomons, Denny, Grusendorf, Hopson, Menendez, Wise  
0 nays  
2 absent — Marchant, Pitts

**WITNESSES:** For — None  
Against — None  
On — Rusty Martin, General Land Office, Veterans Land Board; *Registered, but did not testify:* Doug Oldmixon, General Land Office, Veterans Land Board

**BACKGROUND:** The Veterans' Land Board (VLB) and Veterans' Land Fund were created in 1946 to purchase land for resale to World War II veterans, using money borrowed by the state by issuing general obligation bonds. The VLB's role was expanded to assist veterans with home-loan mortgages, and the board now also manages the Veterans' Housing Assistance Program and the Veterans' Financial Assistance Program.

In 1993, Texas voters approved Texas Constitution, Art. 3, sec. 49-b-2, which authorized \$750 million in general revenue bonds for VLB loan programs, including \$500 million for the Veterans' Housing Assistance Fund II created by the amendment. Texas voters amended the Constitution again in 1995 to authorize an additional \$500 million in bonds for veterans' housing programs.

Also in 1993, the 73rd Legislature enacted Natural Resources Code, sec. 164.007(f), which limited issuance of revenue bonds for housing programs to \$250 million, except for bonds to buy back or refund existing VLB general revenue bonds issued under Texas Constitution, Art. 3, secs. 49-b, 49-b-1 or 49-b-2. Currently, about \$50 million in revenue bond authorization remains.

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**DIGEST:** CSHB 2453 would repeal Natural Resources Code, sec. 164.007(f) and remove the cap of \$250 million in revenue bonds for VLB housing programs.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2001.

**NOTES:** The committee substitute would modify the original bill to conform to Texas Legislative Council style and format and to change the effective date.

On April 4, the House adopted HJR 82 by Counts that would submit a proposed constitutional amendment to Texas voters to approve \$1 billion in general revenue bonds for the VLB home mortgage loan program and would permit the VLB to authorize the use of some of the proceeds of the fund to construct, acquire, own, operate, maintain, enlarge, improve, furnish, or equip veterans' homes or cemeteries. HJR 82 has been set for a public hearing today in the Senate Finance Committee.