

BILL ANALYSIS

Senate Research Center

S.B. 1060
By: Patterson
Veterans Affairs
3-25-97
As Filed

DIGEST

Currently, Texas is lacking a sufficient number of veterans homes. This factor places Texas at the top of the list for federal assistance with respect to veterans homes. This bill would establish long-term care facilities exclusively for veterans. This bill also sets forth provisions for the state-federal matching funding structure that is needed to cover the costs of such facilities.

PURPOSE

As proposed, S.B. 1060 sets forth provisions for the management of certain funds by the Veterans Land Board, creates the veterans assistance centers, and provides procedures for bond enhancement agreements for certain bonds.

RULEMAKING AUTHORITY

Rulemaking authority is grant to the Veterans Land Board in SECTIONS 7 and 11 (Sections 164.004(6) and 164.011(g), Natural Resources Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 161.171(b), Natural Resources Code, to require money in the veterans land fund (fund) to be deposited in the State Treasury to the credit of the fund, except as provided by law.

SECTION 2. Amends Chapter 161E, Natural Resources Code, by adding Sections 161.1731 and 161.1732, as follows:

Sec. 161.1731. CUSTODY AND INVESTMENT OF ASSETS PENDING TRANSACTIONS. Authorizes the Veterans Land Board (board), in managing the assets of the fund, pending the completion of an investment transaction, to perform certain functions.

Sec. 161.1732. LENDING SECURITIES. Authorizes the board to perform certain other functions in managing the assets of the fund. Requires a custodian selected by the board under Subsection (a) to be experienced in the operation of a fully secured securities loan program and to perform certain functions.

SECTION 3. Amends Section 162.002(b), Natural Resources Code, to make a conforming change.

SECTION 4. Amends Chapter 162A, Natural Resources Code, by adding Sections 162.0041 and 162.0042, as follows:

Sec. 162.0041. CUSTODY AND INVESTMENT OF ASSETS PENDING TRANSACTIONS. Makes conforming changes.

Sec. 162.0042. LENDING SECURITIES. Makes conforming changes.

SECTION 5. Amends Section 164.002, Natural Resources Code, by adding Subdivision (7), to define "veterans assistance center."

SECTION 6. Amends Section 164.003, Natural Resources Code, to authorize a program to be limited to the purpose of purchasing land, selling land to veterans, making home mortgage loans to veterans, or providing one or more veterans assistance centers.

SECTION 7. Amends Section 164.004, Natural Resources Code, to provide that rules adopted under this section include rules concerning the construction, acquisition, ownership, operation, maintenance, enlargement, improvement, or furnishing or equipping of veterans assistance centers. Makes a conforming change.

SECTION 8. Amends Section 164.005, Natural Resources Code, to authorize the board or the board in conjunction with other state or federal agencies, to acquire by purchase, gift, devise, lease, or a combination of those methods, construct, operate, enlarge, improve, furnish, or equip one or more veterans assistance centers. Authorizes the board to enter into an agreement with any person for the management or operation of all or part of a veterans assistance center. Authorizes the board to delegate to the manager the authority to manage the center and to employ and discharge employees.

SECTION 9. Amends Section 164.009, Natural Resources Code, to authorize the board to provide for a pledge of and lien on general obligations bonds issued under Article II, Sections 49-b, 49-b-1, and 49-b-2, of the Texas Constitution if the bonds are issued to provide funds to purchase land and sell land to veterans or to make home mortgage loans to veterans; and the payments and repayment received by the board from the board's financial assistance provided under this chapter. Makes a conforming change.

SECTION 10. Amends Section 164.010, Natural Resources Code, to authorize the resolution of the board authorizing a bond enhancement agreement to authorize one or more designated officers or employees of the board to act on behalf of the board in entering into and delivering the bond enhancement agreement and in determining or setting the counterparty and terms of the bond enhancement agreement specified in the resolution, with an exception. Provides that the bond enhancement agreement is not a credit agreement for purposes of Chapter 656, Article 717q, V.T.C.S., regardless of whether the bonds relating to the bond enhancement agreement were issued in part under that law.

SECTION 11. Amends Section 164.011, Natural Resources Code, to require the board to select the comptroller or one or more commercial banks, depository trust companies, or other entities to serve as custodian of the cash or securities of the fund and may authorize the custodian to invest the cash in investments as determined by the board. Authorizes the board to permit the custodian of the fund's securities to lend the securities as provided by this section and by rules adopted by the board. Requires a custodian selected under Subsection (f) to be experienced in the operation of a fully secured security loan program and to perform certain functions. Requires the board to require the custodian or custodians, rather than the state treasurer as custodian, of the fund to administer the fund solely and strictly as provided by this chapter.

SECTION 12. Effective date: September 1, 1997.

SECTION 13. Emergency clause.