

BILL ANALYSIS

Senate Research Center
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C.S.S.J.R. 37
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Business & Commerce
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Committee Report (Substituted)

DIGEST AND PURPOSE

Currently, unscrupulous development and substandard housing conditions along the Texas-Mexico border are prohibited by state law. However, many neighborhoods, known as *colonias*, were built in this region prior to 1989 when legislative reform began. Since little is available or affordable to the residents of these *colonias*, many Texas residents continue to live in neighborhoods without basic services. C.S.S.J.R. 37 authorizes the issuance of general obligation bonds to aid counties in roadway improvement projects to serve *colonias*.

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 III, Texas Constitution, by adding Section 49-1, as follows:

Sec. 49-1. (a) Authorizes the legislature, in order to fund financial assistance to counties for roadways to serve border *colonias*, to authorize the governor by general law to authorize the Texas Public Finance Authority or its successor to issue general obligation bonds of the State of Texas in an aggregate amount not to exceed \$175 million and to enter into related bond enhancement agreements. Authorizes the proceeds from the sale of the bonds to be used, except as provided by Subsection (c), only to provide financial assistance to counties for projects to provide access roads to connect border *colonias* with public roads. Authorizes projects to include the construction of *colonia* access roads, the acquisition of materials used in maintaining *colonia* access roads, and projects related to the construction of *colonia* access roads, such as projects for the drainage of the roads.

(b) Authorizes the Texas Transportation Commission, in its discretion and in consultation with the office of the governor, to determine what constitutes a border *colonia* for purposes of selecting the counties and projects that may receive assistance under this section.

(c) Authorizes a portion of the proceeds from the sale of the bonds and a portion of the interest earned on the bonds to be used to pay the costs of administering projects authorized under this section.

(d) Provides that the bonds authorized under this section constitute a general obligation of the state. Provides that while any of the bonds or interest on the bonds is outstanding and unpaid, there is appropriated out of the general revenue fund in each fiscal year an amount sufficient to pay the principal of and interest on the bonds that mature or become due during the fiscal year, including an amount sufficient to make payments under a related bond enhancement agreement.

SECTION 2. Requires that this constitutional amendment be put before the voters in an election on November 6, 2001. Requires the ballot to be printed to permit a person to vote for or against the proposition and sets forth specific wording to be contained on the ballot.

SUMMARY OF COMMITTEE CHANGES

SECTION 1. Amends As Filed S.J.R. 37, as follows:

- (a) Authorizes the legislature, in order to fund financial assistance to counties for roadways to serve border colonias, to authorize the governor by general law to authorize the Texas Public Finance Authority or its successor to issue general obligation bonds of the State of Texas in an aggregate amount not to exceed \$175 million and to enter into related bond enhancement agreements. Authorizes the proceeds from the sale of the bonds to be used, except as provided by Subsection (c), only to provide financial assistance to counties for projects to provide access roads to connect border colonias with public roads. Authorizes projects to include the construction of colonia access roads, the acquisition of materials used in maintaining colonia access roads, and projects related to the construction of colonia access roads, such as projects for the drainage of the roads.
- (b) Authorizes the Texas Transportation Commission, in its discretion and in consultation with the office of the governor, to determine what constitutes a border colonia for purposes of selecting the counties and projects that may receive assistance under this section.
- (c) Authorizes a portion of the proceeds from the sale of the bonds and a portion of the interest earned on the bonds to be used to pay the costs of administering projects authorized under this section.
- (d) Provides that the bonds authorized under this section constitute a general obligation of the state. Provides that while any of the bonds or interest on the bonds is outstanding and unpaid, there is appropriated out of the general revenue fund in each fiscal year an amount sufficient to pay the principal of and interest on the bonds that mature or become due during the fiscal year, including an amount sufficient to make payments under a related bond enhancement agreement.