

BILL ANALYSIS

Senate Research Center
77R6053 MCK-F

S.J.R. 38
By: Truan
Finance
3/29/2001
As Filed

DIGEST AND PURPOSE

Currently, the Texas Veteran's Land Board of the General Land Office may transfer excess funds from the Veterans' Land Fund, the Veterans' Housing Assistance Fund, and the Veterans' Housing Assistance Fund II, when not used to pay the principal and interest on the bonds, to purchase and sell lands to veterans or to make veterans' home mortgage loans and to issue an additional amount of general obligation bonds for the Veterans' Housing Assistance Program. As proposed, S.J.R. 38 proposes a constitutional amendment authorizing the Veterans' Land Board to use excess assets in certain funds to provide for veteran's homes and veteran's cemeteries and to issue additional general obligation bonds for veterans' housing assistance.

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 Section 49-b, Article III, Texas Constitution, by amending Subsections (r) and (s) and adding Subsection (w) as follows:

(r) Authorizes that receipts of all kinds of the Veterans' Land Fund, the Veterans' Housing Assistance Fund, or the Veterans' Housing Assistance Fund II that the Veterans Land Board (board) determines are not required for the payment of principal of and interest on the general obligation bonds benefitting those funds, including payments by the board under a bond enhancement agreement with respect to principal of or interest on the bonds, to be used by the board, to the extent not inconsistent with the proceedings authorizing the bonds to pay the principal of and interest on revenue bonds of the board or make bond enhancement payments with respect to the bonds if the bonds are issued to provide funds to purchase lands and sell lands to veterans, make home mortgage loans to veterans, or provide for one or more veterans homes or veterans cemeteries.

(s) Authorizes the board if it determines that assets from the Veterans' Land Fund, the Veterans' Housing Assistance Fund, or the Veterans' Housing Assistance Fund II are not required for the purposes of the fund, to transfer the assets to another of those funds, use the assets to secure revenue bonds issued by the board, or use the assets to construct, acquire, own, operate, maintain, enlarge, improve, furnish, or equip veterans homes or veterans cemeteries.

(w) Authorizes the board, in addition to the general obligation bonds authorized to be issued and to be sold by the Veterans' Land Board by previous constitutional amendments, to provide for, issue, and sell general obligation bonds of the state to provide home mortgage loans to veterans of the state. Prohibits the principal amount of outstanding bonds authorized by this subsection from, at any one time, exceeding \$1 billion. Requires the bond proceeds to be deposited in or used to benefit and augment the Veterans' Housing Assistance Fund II and to

be administered and invested as provided by law. Requires that payments of principal and interest on the bonds, including payments made under a bond enhancement agreement with respect to principal of or interest on the bonds, to be made from the sources and in the manner provided by this section for general obligation bonds issued for the benefit of the Veterans' Housing Assistance Fund II.

SECTION 2. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held November 6, 2001. Requires the ballot to be printed to permit voting for or against the proposition: "The constitutional amendment authorizing the Veterans' Land Board to issue up to \$1 billion in general obligation bonds payable from the general revenues of the state for veterans' housing assistance and to use excess assets in certain veterans' land and veterans' housing assistance funds to provide for one or more veterans homes for the aged or infirm and to provide for veterans cemeteries."