

BILL ANALYSIS

Senate Research Center
82R29868 GCB-D

C.S.H.J.R. 109
By: Orr et al. (Ogden)
Finance
5/19/2011
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

C.S.H.J.R. 109 proposes a constitutional amendment to clarify references to the permanent school fund, to allow the General Land Office to distribute revenue derived from permanent school fund land or other properties to the available school fund, and to provide for an increase in the market value of the permanent school fund for the purpose of allowing increased distributions from the available school fund.

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(h), Article III, Texas Constitution, to replace a reference to the Permanent Free Public School Fund with the Permanent School Fund.

SECTION 2. Amends Sections 2 and 4, Article VII, Texas Constitution, to replace references to the perpetual public school fund or the Public Free School Fund with the permanent school fund.

SECTION 3. Amends Section 5, Article VII, Texas Constitution, by amending Subsection (a) and adding Subsection (g), as follows:

(a) Provides that the total amount distributed from the permanent school fund to the available school fund:

(1) in each year of a state fiscal biennium must be an amount that is not more than six percent of the average of the market value of the permanent school fund, excluding real property belonging to the fund that is managed, sold, or acquired under Section 4 of this article, but including discretionary real assets investments and cash in the state treasury derived from property belonging to the fund, on the last day of each of the 16 state fiscal quarters preceding the regular session of the legislature that begins before the state fiscal biennium, in accordance with the rate adopted by a vote of two-thirds of the total membership of the State Board of Education (SBOE), taken before the regular session of the legislature convenes, or the legislature by general law and appropriation, if SBOE does not adopt a rate as provided by a vote of two-thirds of the total membership of SBOE taken before the regular session of the legislature convenes; and

(2) Makes no changes to this subdivision.

(g) Authorizes the General Land Office or an entity other than SBOE that has responsibility for the management of permanent school fund land or other properties to, in its sole discretion, notwithstanding any other provision of this constitution or of a statute, distribute to the available school fund each year revenue derived during that year from the land or properties, not to exceed \$300 million each year.

SECTION 4. Provides that the following temporary provision is added to the Texas Constitution:

TEMPORARY PROVISION. (a) Provides that this temporary provision applies to the constitutional amendment proposed by H.J.R. No. 109, 82nd Legislature, Regular Session, 2011, providing for an increase in the market value of the permanent school fund for the purpose of allowing increased distributions from the available school fund.

(b) Provides that the change to Section 5(a), Article VII, of this constitution made by the amendment applies to a distribution from the permanent school fund to the available school fund made on or after September 1, 2011.

(c) Provides that this temporary provision expires December 1, 2015.

SECTION 5. Requires that the proposed constitutional amendment be submitted to the voters at an election to be held November 8, 2011. Sets forth the required language of the ballot.