

Amend CSHB 3459 as follows:

(1) On page 20, between lines 13 and 14, insert the following appropriately numbered sections:

SECTION \_\_. Section 53.47(a)(6), Education Code, is amended to read as follows:

(6) "Qualified nonprofit corporation" means a nonprofit corporation:

(A)(i) that issued bonds on or after January 1, 1990, and before January 1, 2001, that qualified as qualified student loan bonds under Section 144(b), Internal Revenue Code of 1986, as amended; or

(ii) that issues bonds the proceeds of which are used to refund bonds issued on or after January 1, 1990, and before January 1, 2001, that qualified as qualified student loan bonds under Section 144(b), Internal Revenue Code of 1986, as amended; or

(B) that the office of the governor, in consultation with the state student loan guaranty agency or any other public or private entity the office of the governor considers appropriate, has determined meets a need for student loan financing that existing qualified nonprofit corporations cannot meet, which determination may include information provided by the nonprofit corporation's plan for doing business that should include documented limitations in:

(i) the geographic coverage of existing qualified nonprofit corporations in the nonprofit corporation's proposed area of service;

(ii) the willingness of existing qualified nonprofit corporations to serve the eligible lenders in the proposed area of service; and

(iii) the ability of existing qualified nonprofit corporations to serve the eligible lenders in the proposed area of service.

SECTION \_\_. Section 53.47, Education Code, is amended by adding Subsection (1) to read as follows:

(1) The governing body of a city by ordinance or resolution may authorize the incorporation of a nonprofit corporation under

this chapter to act on behalf of the city as its duly constituted instrumentality for the purpose of exercising the powers set forth in this subsection. On approval by the city, the nonprofit corporation is authorized to issue its revenue bonds and to loan the proceeds of the bonds to an entity that has assumed the outstanding bond obligations of a nonprofit corporation, such loan being for the limited purpose of refunding the outstanding bonds. In issuing the bonds, the nonprofit corporation is considered to be acting on behalf of the city by which it was created. The bonds to be refunded must have been originally issued as "qualified scholarship funding bonds," as defined by Section 150(d)(2), Internal Revenue Code of 1986, as amended, by a nonprofit corporation that was acting pursuant to Subsection (f) and that subsequently made the election permitted under Section 150(d)(3), Internal Revenue Code of 1986, as amended. Any refunding bonds shall be solely the obligation of the nonprofit corporation and shall not be or constitute a debt or obligation of the city. The ordinance or resolution of the city authorizing the incorporation of the corporation must approve the articles of incorporation and any amendments to the articles of incorporation. On dissolution of the corporation, title to all property owned by the corporation shall be vested in and become the property of the city. A corporation may be incorporated under this chapter by filing its articles of incorporation with the secretary of state in the manner prescribed for the incorporation of nonprofit corporations under the Texas Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's Texas Civil Statutes). On filing of the articles of incorporation, the secretary of state shall issue a certificate of incorporation showing that the corporation is incorporated under this chapter. Except to the extent provided by this section, Sections 53.131, 53.14, 53.15, 53.31, 53.32, 53.35(a), and 53.39 apply to and govern such corporation and its procedures and bonds. In addition to the specific powers granted under this subsection, the corporation shall have all powers granted under the Texas Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's Texas Civil Statutes) that are necessary, incidental, or subordinate in carrying out the purposes authorized in this subsection.

(2) On page 26, line 5, strike "8.051(a) and 8.121" and substitute "8.051(a), 8.121, and 53.47(k)".

(3) Renumber the sections of the bill accordingly.