

BILL ANALYSIS

H.B. 1941
By: Woolley
Higher Education
Committee Report (Unamended)

BACKGROUND AND PURPOSE

On June 9, 2001 The University of Texas Health Science Center at Houston experienced great losses due to Tropical Storm Allison. Tropical Storm Allison caused \$92 million in actual damages to The University of Texas Health Science Center at Houston medical school complex. Tuition revenue bonds would restore the physical integrity of the structures of The University of Texas Health Science Center at Houston and prevent future flood damage. House Bill 1941 authorizes the issuance of tuition revenue bonds for The University of Texas Health Science Center at Houston and exempts the property and projects financed by the bonds from prior approval by the Texas Higher Education Coordinating Board.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

HB 1941 amends Subchapter B, Chapter 55, Education Code, by adding Section 55.1742 to authorize the board of regents of The University of Texas Health Science Center at Houston (board) to finance the acquisition, purchase, construction, improvement, renovation, enlargement, or equipment of specified structures or infrastructure for The University of Texas Health Science Center at Houston (UTHSC-H) by the issuance of bonds, in accordance with the guidelines for revenue bonds and facilities, in an aggregate principal amount not to exceed \$34.9 million.

The bill authorizes the board to pledge to pay the bonds with all or any part of the revenue funds of any entity of the University of Texas System. The bill provides that once committed, the amount of a pledge may not be changed while the bonds, or bonds issued to refund those bonds, are outstanding. The bill provides that if the board does not have sufficient funds available to meet its obligations under these provisions, the board is authorized to transfer funds among entities of the University of Texas System to ensure equitable and efficient resource allocation.

HB 1941 provides that approval of the board is not required to acquire real property that is financed by bonds issued under Section 55.1742. The bill provides that approval of the board is not required for construction, repair or rehabilitation that is financed by bonds issued under Section 55.1742..

EFFECTIVE DATE

This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2003.