

BILL ANALYSIS

Senate Research Center

H.B. 2759
By: Wong (Janek)
Finance
5-13-2003
Engrossed

DIGEST AND PURPOSE

The University of Texas M. D. Anderson Cancer Center (UTMDACC) needs new facilities to house research programs in molecular pathology, molecular therapeutics, gastrointestinal medicine, nutrition, and gastrointestinal medical oncology, as well as a conference center and cafeteria for use by the entire research park. UTMDACC seeks partial financing (56 percent) of this facility through revenue bonds, while the other 44 percent will be financed from institutional revenue bonds and hospital revenues. H.B. 2759 grants The University of Texas M. D. Anderson Cancer Center the authority to issue revenue bonds for biotechnology research and development facilities.

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 Subchapter B, Chapter 55, Education Code, by adding Section 55.17421, as follows:

Sec. 55.17421. THE UNIVERSITY OF TEXAS SYSTEM; ADDITIONAL REVENUE BONDS. (a) Authorizes the board of regents of The University of Texas System (board), in addition to the other authority granted by this subchapter, to take certain actions regarding related infrastructure for The University of Texas M. D. Anderson Cancer Center for biotechnology research and development facilities, to be financed by the issuance of bonds in accordance with this subchapter, including bonds issued in accordance with its systemwide revenue financing program and secured as provided by that program in aggregate principal amounts not to exceed \$20 million.

(b) Authorizes the board, in addition to the other authority granted by this subchapter, to acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, or other facilities, including roads and related infrastructure, for The University of Texas Medical Branch at Galveston, to be used primarily to conduct certain biomedical research and to be financed by the issuance of bonds in accordance with this subchapter, including bonds issued in accordance with a systemwide revenue financing program and secured as provided by that program in an aggregate principal amount not to exceed \$57 million.

(c) Authorizes the board to pledge irrevocably to the payment of bonds authorized by Subsection (a) all or any part of the revenue funds of an institution, branch, or entity of The University of Texas System, including student tuition charges required or authorized by law to be imposed on students enrolled at an institution, branch, or entity of The University of Texas System. Prohibits the amount of a pledge made under this subsection from being reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

(d) Authorizes the board, if sufficient funds are not available to the board to meet

its obligations under this section, to transfer funds among institutions, branches, and entities of The University of Texas System to ensure the most equitable and efficient allocation of available resources for each institution, branch, or entity to carry out its constitutional and statutory duties and purposes.

SECTION 2. Amends Section 61.0572(e), Education Code, to provide that the approval of the board is not required to acquire real property that is financed by bonds issued under Section 55.17(e)(3) or (4) or Sections 55.1713-55.1718, 55.1721-55.1728, 55.174, or 55.17421, except that the board shall review all real property to be financed by bonds issued under those sections to determine whether the property meets the standards adopted by the board for cost, efficiency, and space use.

SECTION 3. Amends Section 61.058(b), Education Code, to make conforming changes.

SECTION 4. Effective date: upon passage or September 1, 2003.