

BILL ANALYSIS

H.B. 3351
By: Davis, John
Higher Education
Committee Report (Unamended)

BACKGROUND AND PURPOSE

On June 9, 2001, just days after the adjournment of the 77th Legislature, the University of Texas Health Science Center at Houston Medical School complex suffered devastating and catastrophic damages as a result of Tropical Storm Allison. Over 10 million gallons of water poured into basement and ground floor research and academic space, killing thousands of research animals and destroying expensive research equipment. Determined to “build out of harm’s way” in the event another storm of this magnitude should ever come our way, means that a significant portion of this damaged space will not be reclaimed, leaving the medical school complex with lost basic science research space equaling approximately 75,000 gross square feet.

This bill proposes to authorize the issuance of \$30 million in tuition revenue bonds for the purpose of building new space to recapture research space and the infrastructure to support it - mechanical, electrical, air-handling systems - lost as a result of Tropical Storm Allison.

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 3351 amends Subchapter B, Chapter 55, Education Code, by adding Section 55.17321 to provide that the board of regents of The University of Texas System may acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, facilities, roads, or related infrastructure for The University of Texas Health Science Center at Houston for the replacement of research and academic facilities lost in Tropical Storm Allison, 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 \$30 million.

HB 3351 provides that the board may pledge irrevocably to the payment of the 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. The amount of a pledge made under this subsection may not be reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding. The bill provides that if sufficient funds are not available to the board to meet its obligations under this section, the board may 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.

HB 3351 amends Subsection (e), Section 61.0572, Education Code, to provide that approval of the board is not required to acquire real

property that is financed by bonds issued under Section Sections 55.1713-55.174

HB 3351 amends Subsection (b), Section 61.058, Education Code, to provide that this section does not apply to construction, repair, or rehabilitation financed by bonds issued under Section Sections 55.1713-55.174.

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.