

BILL ANALYSIS

Senate Research Center
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S.B. 415
By: Carona
Subcommittee on Higher Education
2/20/2003
As Filed

DIGEST AND PURPOSE

Currently, the Higher Education Authority Act, Chapter 53, Education Code, which extends the tax-exempt financing opportunities under the federal Internal Revenue Code to non-profit institutions of higher education, does not adequately define the allowable use of that tax-exempt aid or issuance of bonds for the financing or refinancing of facilities at non-profit institutions of higher education. As proposed, S.B. 415 expands the ability of institutions of higher education to fund and construct co-curricular facilities through tax-exempt aid or bond by clarifying the purposes for which aid may be given and bonds issued.

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 53.35(b), Education Code, as follows:

(b) Deletes text referencing the Texas Education Code. Requires a nonprofit corporation created to finance higher education facilities, in addition to the powers of lease or acquisition of facilities granted under Section 53.33, to have all powers granted under the Texas Non-Profit Corporation Act for the purpose of aiding institutions of higher education in providing educational facilities and housing facilities and facilities incidental, subordinate, or related thereto or appropriate in connection therewith, and in providing any other facility that the institution of higher education for which the facility is provided is authorized by law or by the institution's charter, articles of incorporation, or bylaws to provide. Makes a conforming change.

SECTION 2. Effective date: upon passage or September 1, 2003.