

By: Branch

H.B. No. 741

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the powers of certain nonprofit corporations to finance
3 facilities for an institution of higher education under the Higher
4 Education Authority Act.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 53.35(b), Education Code, is amended to
7 read as follows:

8 (b) In addition to or in lieu of establishing an authority
9 under the provisions of this chapter, the governing body of a city
10 or cities may request or order created one or more nonprofit
11 corporations to act on its behalf and as its duly constituted
12 authority and instrumentality to exercise the powers granted to an
13 authority under the provisions of Section 53.33[~~, Texas Education~~
14 ~~Code~~]. If a nonprofit corporation is created for such purposes or
15 agrees to such request, the directors thereof shall thereafter be
16 appointed and be subject to removal by the governing body of the
17 city or cities. In addition to the powers of lease or acquisition
18 of facilities granted under Section 53.33, the corporation shall
19 have all powers granted under the Texas Non-Profit Corporation Act
20 for the purpose of aiding institutions of higher education in
21 providing educational facilities and housing facilities and
22 facilities incidental, subordinate, or related thereto or
23 appropriate in connection therewith, and in providing any other
24 facility that the institution of higher education for which the

1 facility is provided is authorized by law or by the institution's
2 charter, articles of incorporation, or bylaws to provide. In
3 addition to the provisions of Section 53.33 and the Texas
4 Non-Profit Corporation Act, as amended (Article 1396-1.01,
5 Vernon's Texas Civil Statutes), Sections 53.131, 53.14, 53.15,
6 53.31, 53.32, 53.331, 53.34, 53.35, 53.38, and 53.41[~~7, Texas~~
7 ~~Education Code,~~] shall apply to and govern such corporation and its
8 procedures and bonds.

9 SECTION 2. This Act takes effect immediately if it receives
10 a vote of two-thirds of all the members elected to each house, as
11 provided by Section 39, Article III, Texas Constitution. If this
12 Act does not receive the vote necessary for immediate effect, this
13 Act takes effect September 1, 2003.