

1-1 By: Wolens, et al. (Senate Sponsor - Shapiro) H.B. No. 1912  
1-2 (In the Senate - Received from the House May 6, 2003;  
1-3 May 8, 2003, read first time and referred to Committee on  
1-4 Education; May 20, 2003, reported adversely, with favorable  
1-5 Committee Substitute by the following vote: Yeas 5, Nays 1;  
1-6 May 20, 2003, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 1912 By: Shapiro

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to authorizing the issuance of revenue bonds for certain  
1-11 research facilities of component institutions of The University of  
1-12 Texas System and exempting the facilities financed by the bonds  
1-13 from prior approval by the Texas Higher Education Coordinating  
1-14 Board.

1-15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-16 SECTION 1. Subchapter B, Chapter 55, Education Code, is  
1-17 amended by adding Section 55.17421 to read as follows:

1-18 Sec. 55.17421. THE UNIVERSITY OF TEXAS SYSTEM; ADDITIONAL  
1-19 REVENUE BONDS FOR BIOMEDICAL AND BIOTECHNOLOGY FACILITIES. (a) In  
1-20 addition to the other authority granted by this subchapter, the  
1-21 board of regents of The University of Texas System may acquire,  
1-22 purchase, construct, improve, renovate, enlarge, or equip  
1-23 property, buildings, structures, or other facilities, including  
1-24 roads and related infrastructure, for The University of Texas  
1-25 Southwestern Medical Center at Dallas, to be used primarily to  
1-26 conduct biomedical research and to be financed by the issuance of  
1-27 bonds in accordance with this subchapter, including bonds issued in  
1-28 accordance with a systemwide revenue financing program and secured  
1-29 as provided by that program, in an aggregate principal amount not to  
1-30 exceed \$56 million.

1-31 (b) In addition to the other authority granted by this  
1-32 subchapter, the board of regents of The University of Texas System  
1-33 may acquire, purchase, construct, improve, renovate, enlarge, or  
1-34 equip property, buildings, structures, or other facilities,  
1-35 including roads and related infrastructure, for The University of  
1-36 Texas M.D. Anderson Cancer Center, to be used for biotechnology  
1-37 research and development and to be financed by the issuance of bonds  
1-38 in accordance with this subchapter, including bonds issued in  
1-39 accordance with a systemwide revenue financing program and secured  
1-40 as provided by that program, in an aggregate principal amount not to  
1-41 exceed \$20 million.

1-42 (c) In addition to the other authority granted by this  
1-43 subchapter, the board of regents of The University of Texas System  
1-44 may acquire, purchase, construct, improve, renovate, enlarge, or  
1-45 equip property, buildings, structures, or other facilities,  
1-46 including roads and related infrastructure, for The University of  
1-47 Texas Medical Branch at Galveston, to be used primarily to conduct  
1-48 biomedical research, including research related to national  
1-49 bio-defense, and to be financed by the issuance of bonds in  
1-50 accordance with this subchapter, including bonds issued in  
1-51 accordance with a systemwide revenue financing program and secured  
1-52 as provided by that program, in an aggregate principal amount not to  
1-53 exceed \$30 million.

1-54 (d) The board may pledge irrevocably to the payment of the  
1-55 bonds authorized by this section all or any part of the revenue  
1-56 funds of an institution, branch, or entity of The University of  
1-57 Texas System, including student tuition charges. The amount of a  
1-58 pledge made under this subsection may not be reduced or abrogated  
1-59 while the bonds for which the pledge is made, or bonds issued to  
1-60 refund those bonds, are outstanding.

1-61 (e) If sufficient funds are not available to the board to  
1-62 meet its obligations under this section, the board may transfer  
1-63 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 duties and purposes.

(f) The board may not issue bonds authorized by this section at a time that would require the payment of any debt service on the bonds before September 1, 2004.

SECTION 2. Section 61.0572(e), Education Code, is amended to read as follows:

(e) 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), 55.1713-55.1718, 55.1721-55.1728, ~~or~~ 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. If the property does not meet those standards, the board shall notify the governor, the lieutenant governor, the speaker of the house of representatives, and the Legislative Budget Board.

SECTION 3. Section 61.058(b), Education Code, is amended to read as follows:

(b) This section does not apply to construction, repair, or rehabilitation financed by bonds issued under Section 55.17(e)(3) or (4), 55.1713-55.1718, 55.1721-55.1728, ~~or~~ 55.174, or 55.17421, except that the board shall review all construction, repair, or rehabilitation to be financed by bonds issued under those sections to determine whether the construction, rehabilitation, or repair meets the standards adopted by board rule for cost, efficiency, and space use. If the construction, rehabilitation, or repair does not meet those standards, the board shall notify the governor, the lieutenant governor, the speaker of the house of representatives, and the Legislative Budget Board.

SECTION 4. 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.

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