

1-1 By: Woolley, et al. (Senate Sponsor - Bivins) H.B. No. 1941
1-2 (In the Senate - Received from the House April 24, 2003;
1-3 April 25, 2003, read first time and referred to Committee on
1-4 Finance; May 24, 2003, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 11, Nays 1;
1-6 May 24, 2003, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 1941 By: Bivins

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

1-10 relating to authorizing the issuance of revenue bonds to finance
1-11 certain facilities and projects at certain public institutions of
1-12 higher education and exempting the facilities and projects financed
1-13 by the bonds from prior approval by the Texas Higher Education
1-14 Coordinating Board.

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

1-16 SECTION 1. Section 55.1732(a), Education Code, is amended
1-17 to read as follows:

1-18 (a) In addition to the other authority granted by this
1-19 subchapter, the board of regents of The University of Texas System
1-20 may issue in accordance with this subchapter and in accordance with
1-21 a systemwide revenue financing program adopted by the board bonds
1-22 for the following institutions not to exceed the following
1-23 aggregate principal amounts to finance projects specified as
1-24 follows:

1-25 (1) The University of Texas at Arlington, \$16,635,945
1-26 to construct a science building;

1-27 (2) The University of Texas at Brownsville,
1-28 \$26,010,000 to construct a life and health science and education
1-29 facility (Phase II) and to procure and install permanent equipment
1-30 and other fixtures in the facility;

1-31 (3) The University of Texas at Dallas, \$21,993,750 to
1-32 renovate and develop space at the Founders Hall, Founders Annex,
1-33 and Berkner Hall;

1-34 (4) The University of Texas at El Paso, \$12,750,000 to
1-35 construct a biomedical and health sciences research center;

1-36 (5) The University of Texas--Pan American,
1-37 \$29,950,000 for education complex, library, and multipurpose
1-38 center renovation and construction;

1-39 (6) The University of Texas of the Permian Basin,
1-40 \$5,610,000 for integrated Mesa Building renovations and gymnasium
1-41 renovations;

1-42 (7) The University of Texas at San Antonio,
1-43 \$22,950,000 to construct a science building on the main campus;

1-44 (8) The University of Texas at Tyler, \$20,910,000 to
1-45 construct an engineering, sciences, and technology building and
1-46 make other physical plant improvements;

1-47 (9) The University of Texas Southwestern Medical
1-48 Center at Dallas, \$40 million for North Campus phase IV
1-49 construction;

1-50 (10) The University of Texas Medical Branch at
1-51 Galveston, \$20 million to renovate and expand research facilities;

1-52 (11) The University of Texas Health Science Center at
1-53 Houston, \$19,550,000 to construct or purchase a classroom building
1-54 that includes facilities for clinical teaching and clinical
1-55 research;

1-56 (12) The University of Texas Health Science Center at
1-57 San Antonio, \$28.9 million to construct a facility for student
1-58 services and academic administration and to construct and develop a
1-59 facility at the Laredo Extension Campus for educational and
1-60 administrative purposes;

1-61 (13) the Regional Academic Health Center established
1-62 under Section 74.611, \$25.5 million to construct a teaching and
1-63 learning laboratory in or near the city of Harlingen;

(14) The University of Texas Health Center at Tyler, \$11,513,250 to construct a biomedical research center addition; and
 (15) The University of Texas M. D. Anderson Cancer Center, \$20 million to construct a basic sciences research building.

SECTION 2. Subchapter B, Chapter 55, Education Code, is amended by adding Section 55.1741 to read as follows:

Sec. 55.1741. THE TEXAS A&M UNIVERSITY SYSTEM; ADDITIONAL REVENUE BONDS. (a) In addition to the other authority granted by this subchapter, the board of regents of The Texas A&M University System may acquire, purchase, construct, improve, renovate, enlarge, or equip facilities to support kinesiology and related programs, campus utility infrastructure facilities, and campus support services facilities (phase V), including roads and related infrastructure, for Texas A&M International University, 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 \$12.5 million.

(b) The board may pledge irrevocably to the payment of the bonds authorized by this section all or any part of the revenue funds of an institution, branch, or entity of The Texas A&M University System, including student tuition charges. 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.

(c) 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 Texas A&M University 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.

SECTION 3. Subchapter B, Chapter 55, Education Code, is amended by adding Section 55.1742 to read as follows:

Sec. 55.1742. THE UNIVERSITY OF TEXAS SYSTEM; ADDITIONAL REVENUE BONDS. (a) In addition to the other authority granted by this subchapter, 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 recovery from the damage caused by Tropical Storm Allison, 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 \$34.9 million.

(b) In addition to the other authority granted by this subchapter, 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 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 an aggregate principal amount not to exceed \$20 million.

(c) In addition to the other authority granted by this subchapter, the board of regents of The University of Texas System may acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, or other facilities, including roads and related infrastructure, for The University of Texas Southwestern Medical Center at Dallas, to be used primarily to conduct 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 \$56 million.

(d) The board may pledge irrevocably to the payment of the

bonds authorized by this section all or any part of the revenue funds of an institution, branch, or entity of The University of Texas System, including student tuition charges. 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.

(e) 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 duties and purposes.

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

SECTION 4. Subchapter B, Chapter 55, Education Code, is amended by adding Section 55.1743 to read as follows:

Sec. 55.1743. THE UNIVERSITY OF HOUSTON SYSTEM. (a) In addition to the other authority granted by this subchapter, the board of regents of the University of Houston System may acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, facilities, roads, or related infrastructure for the University of Houston System, including the individual campuses of the system, to be financed by the issuance of bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the board in an aggregate principal amount not to exceed \$25 million.

(b) The board may pledge irrevocably to the payment of those bonds all or any part of the revenue funds of an institution, branch, or entity of the University of Houston System, including student tuition charges. 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.

(c) 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 Houston 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.

SECTION 5. 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, 55.1742, or 55.1743, 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 6. 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, 55.1742, or 55.1743, 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 7. 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

4-1 Act takes effect September 1, 2003.

4-2 * * * * *