

By: Wong, et al.

H.B. No. 2759

A BILL TO BE ENTITLED

AN ACT

relating to authorizing the issuance of revenue bonds for certain component institutions of The University of Texas System.

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

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

Sec. 55.17421. 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 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 aggregate principal amounts not to exceed \$20 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, or other facilities, including roads and related infrastructure, for The University of Texas Medical Branch at Galveston, to be used primarily to conduct

1 biomedical research including research related to national
2 bio-defense and to be financed by the issuance of bonds in
3 accordance with this subchapter, including bonds issued in
4 accordance with a systemwide revenue financing program and secured
5 as provided by that program in an aggregate principal amount not to
6 exceed \$57 million.

7 (c) The board may pledge irrevocably to the payment of the
8 bonds authorized by this section all or any part of the revenue
9 funds of an institution, branch, or entity of The University of
10 Texas System, including student tuition charges required or
11 authorized by law to be imposed on students enrolled at an
12 institution, branch, or entity of The University of Texas System.
13 The amount of a pledge made under this subsection may not be reduced
14 or abrogated while the bonds for which the pledge is made, or bonds
15 issued to refund those bonds, are outstanding.

16 (d) If sufficient funds are not available to the board to
17 meet its obligations under this section, the board may transfer
18 funds among institutions, branches, and entities of The University
19 of Texas System to ensure the most equitable and efficient
20 allocation of available resources for each institution, branch, or
21 entity to carry out its constitutional and statutory duties and
22 purposes.

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

25 (e) Approval of the board is not required to acquire real
26 property that is financed by bonds issued under Section 55.17(e)(3)
27 or (4), 55.1713-55.1718, 55.1721-55.1728, [~~or~~] 55.174, or

1 55.17421, except that the board shall review all real property to be
2 financed by bonds issued under those sections to determine whether
3 the property meets the standards adopted by the board for cost,
4 efficiency, and space use. If the property does not meet those
5 standards, the board shall notify the governor, the lieutenant
6 governor, the speaker of the house of representatives, and the
7 Legislative Budget Board.

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

10 (b) This section does not apply to construction, repair, or
11 rehabilitation financed by bonds issued under Section 55.17(e)(3)
12 or (4), 55.1713-55.1718, 55.1721-55.1728, [~~or~~] 55.174, or
13 55.17421, except that the board shall review all construction,
14 repair, or rehabilitation to be financed by bonds issued under
15 those sections to determine whether the construction,
16 rehabilitation, or repair meets the standards adopted by board rule
17 for cost, efficiency, and space use. If the construction,
18 rehabilitation, or repair does not meet those standards, the board
19 shall notify the governor, the lieutenant governor, the speaker of
20 the house of representatives, and the Legislative Budget Board.

21 SECTION 4. This Act takes effect immediately if it receives
22 a vote of two-thirds of all the members elected to each house, as
23 provided by Section 39, Article III, Texas Constitution. If this
24 Act does not receive the vote necessary for immediate effect, this
25 Act takes effect September 1, 2003.