

By: Eiland, Taylor

H.B. No. 3321

A BILL TO BE ENTITLED

AN ACT

1
2 relating to authorizing the issuance of revenue bonds for The
3 University of Texas Medical Branch at Galveston to finance
4 biomedical research facilities and exempting the facilities
5 financed by the bonds from prior approval by the Texas Higher
6 Education Coordinating Board.

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

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

10 Sec. 55.17421. THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT
11 GALVESTON; ADDITIONAL REVENUE BONDS. (a) In addition to the other
12 authority granted by this subchapter, the board of regents of The
13 University of Texas System may acquire, purchase, construct,
14 improve, renovate, enlarge, or equip property, buildings,
15 structures, or other facilities, including roads and related
16 infrastructure, for The University of Texas Medical Branch at
17 Galveston, to be used primarily to conduct biomedical research
18 including research related to national bio-defense and to be
19 financed by the issuance of bonds in accordance with this
20 subchapter, including bonds issued in accordance with a systemwide
21 revenue financing program and secured as provided by that program
22 in an aggregate principal amount not to exceed \$57 million.

23 (b) The board may pledge irrevocably to the payment of the
24 bonds authorized by Subsection (a) all or any part of the revenue

1 funds of an institution, branch, or entity of The University of
2 Texas System, including student tuition charges. The amount of a
3 pledge made under this subsection may not be reduced or abrogated
4 while the bonds for which the pledge is made, or bonds issued to
5 refund those bonds, are outstanding.

6 (c) If sufficient funds are not available to the board to
7 meet its obligations under this section, the board may transfer
8 funds among institutions, branches, and entities of The University
9 of Texas System to ensure the most equitable and efficient
10 allocation of available resources for each institution, branch, or
11 entity to carry out its duties and purposes.

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

14 (e) Approval of the board is not required to acquire real
15 property that is financed by bonds issued under Section 55.17(e)(3)
16 or (4), 55.1713-55.1718, 55.1721-55.1728, [~~or~~] 55.174, or
17 55.17421, except that the board shall review all real property to be
18 financed by bonds issued under those sections to determine whether
19 the property meets the standards adopted by the board for cost,
20 efficiency, and space use. If the property does not meet those
21 standards, the board shall notify the governor, the lieutenant
22 governor, the speaker of the house of representatives, and the
23 Legislative Budget Board.

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

26 (b) This section does not apply to construction, repair, or
27 rehabilitation financed by bonds issued under Section 55.17(e)(3)

1 or (4), 55.1713-55.1718, 55.1721-55.1728, [~~or~~] 55.174, or
2 55.17421, except that the board shall review all construction,
3 repair, or rehabilitation to be financed by bonds issued under
4 those sections to determine whether the construction,
5 rehabilitation, or repair meets the standards adopted by board rule
6 for cost, efficiency, and space use. If the construction,
7 rehabilitation, or repair does not meet those standards, the board
8 shall notify the governor, the lieutenant governor, the speaker of
9 the house of representatives, and the Legislative Budget Board.

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