

By: Carona

S.B. No. 415

A BILL TO BE ENTITLED

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AN ACT

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

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

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

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