

By: Morrison, et al.

H.B. No. 6

A BILL TO BE ENTITLED

1 AN ACT

2 relating to authorizing the issuance of revenue bonds or other
3 obligations to fund capital projects at public institutions of
4 higher education; making an appropriation.

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

6 SECTION 1. Subchapter B, Chapter 55, Education Code, is
7 amended by adding Sections 55.1751, 55.1752, 55.1753, 55.1754,
8 55.1755, 55.1756, 55.1757, 55.1758, 55.1759, and 55.17591 to read
9 as follows:

10 Sec. 55.1751. THE TEXAS A&M UNIVERSITY SYSTEM; ADDITIONAL
11 BONDS. (a) In addition to the other authority granted by this
12 subchapter, the board of regents of The Texas A&M University System
13 may acquire, purchase, construct, improve, renovate, enlarge, or
14 equip facilities, including roads and related infrastructure, for
15 projects to be financed through the issuance of bonds in accordance
16 with this subchapter and in accordance with a systemwide revenue
17 financing program adopted by the board for the following
18 institutions not to exceed the following aggregate principal
19 amounts for the projects specified as follows:

20 (1) Prairie View A&M University:

21 (A) \$3,656,390 for a solar observatory; and

22 (B) \$9,946,577 for the Child and Family
23 Development Center;

24 (2) Tarleton State University:

1 (A) \$8 million for the Tarleton State University
2 Dairy Center; and

3 (B) \$48 million for the Tarleton State University
4 nursing program facilities, the Tarleton Research Park, and the
5 Tarleton State University central physical plant and campus piping
6 loop for distribution of utilities;

7 (3) Tarleton State University System Center--Central
8 Texas, \$45 million for educational facilities for the Tarleton
9 State University System Center--Central Texas at the location that
10 may become Texas A&M University--Central Texas;

11 (4) Texas A&M University--Commerce, \$37,770,000 for a
12 music building and for the James G. Gee Library;

13 (5) Texas A&M University--Corpus Christi, \$58 million
14 for a kinesiology and wellness center, a college of business
15 academic facility, and facilities for the distribution of
16 utilities;

17 (6) Texas A&M University--Kingsville:

18 (A) \$80 million for System Center--San Antonio
19 for educational-related facilities at the location proposed for
20 Texas A&M University--San Antonio;

21 (B) \$26 million for the South Texas natural
22 resource management facilities;

23 (C) \$22 million for campuswide improvements; and

24 (D) \$6 million for the music building addition;

25 (7) Texas A&M University--Texarkana, \$65 million for
26 educational and support facilities;

27 (8) West Texas A&M University, \$28,580,500 for

1 educational facilities;

2 (9) The Texas A&M University Health Science Center:

3 (A) \$7,250,000 for the dentistry sciences
4 building of the Baylor College of Dentistry; and

5 (B) \$40 million for educational facilities for
6 the College of Medicine;

7 (10) Texas A&M University, \$100 million for the
8 Emerging Technologies and Economic Development Building;

9 (11) Texas A&M University at Galveston, \$50 million
10 for a new science building; and

11 (12) Texas A&M International University:

12 (A) \$26 million for the student success center;

13 (B) \$10 million for a border center for homeland
14 security;

15 (C) \$8 million for infrastructure development;

16 and

17 (D) \$4 million for a support services facility.

18 (b) The board may pledge irrevocably to the payment of bonds
19 authorized by this section all or any part of the revenue funds of
20 an institution, branch, or entity of The Texas A&M University
21 System, including student tuition charges. The amount of a pledge
22 made under this subsection may not be reduced or abrogated while the
23 bonds for which the pledge is made, or bonds issued to refund those
24 bonds, are outstanding.

25 (c) If sufficient funds are not available to the board to
26 meet its obligations under this section, the board may transfer
27 funds among institutions, branches, and entities of The Texas A&M

1 University System to ensure the most equitable and efficient
2 allocation of available resources for each institution, branch, or
3 entity to carry out its duties and purposes.

4 Sec. 55.1752. THE UNIVERSITY OF TEXAS SYSTEM; ADDITIONAL
5 BONDS. (a) In addition to the other authority granted by this
6 subchapter, the board of regents of The University of Texas System
7 may acquire, purchase, construct, improve, renovate, enlarge, or
8 equip facilities, including roads and related infrastructure, for
9 projects to be financed through the issuance of bonds in accordance
10 with this subchapter and in accordance with a systemwide revenue
11 financing program adopted by the board for the following
12 institutions not to exceed the following aggregate principal
13 amounts for the projects specified as follows:

14 (1) The University of Texas at Arlington, \$76,600,000
15 for educational and related facilities, including an Engineering
16 Research Building and the renovation of three engineering
17 facilities;

18 (2) The University of Texas at Austin, \$75 million for
19 the Experimental Science Building;

20 (3) The University of Texas at Brownsville,
21 \$46,300,000 for educational and related facilities, including a
22 classroom, laboratory, and office building;

23 (4) The University of Texas at Dallas:

24 (A) \$85 million for a new natural science and
25 engineering research building and technology accelerator as part of
26 the Erik Jonsson School of Engineering and Computer Science; and

27 (B) \$55 million for educational and related

1 facilities, including an administration building and renovation of
2 Green Hall and Jonsson Hall;

3 (5) The University of Texas at El Paso:

4 (A) \$65 million for educational and related
5 facilities, including existing facilities in need of renovation,
6 repair, or completion; and

7 (B) \$70 million for educational and related
8 facilities, including facilities for the College of Health Sciences
9 complex;

10 (6) The University of Texas--Pan American:

11 (A) \$7,500,000 for The University of Texas--Pan
12 American South Texas College Multi-Institution Teaching Center in
13 Starr County to address the need for facilities in the Rio Grande
14 Valley high growth corridor; and

15 (B) \$29,900,000 for the construction and
16 renovation of academic infrastructure to accommodate student and
17 faculty population growth;

18 (7) The University of Texas of the Permian Basin, \$54
19 million for educational and related facilities, including a campus
20 convocation center and a science and technology complex;

21 (8) The University of Texas at San Antonio:

22 (A) \$50 million for the Loop 1604 Campus Academic
23 Building (phase IV);

24 (B) \$72 million for an engineering building
25 (phase II);

26 (C) \$50 million for the downtown campus
27 architecture building; and

1 (D) \$17 million for completion of Phase V
2 construction at the downtown campus;

3 (9) The University of Texas Southwestern Medical
4 Center at Dallas, \$63 million for facilities to be used primarily to
5 conduct biomedical research;

6 (10) The University of Texas Medical Branch at
7 Galveston, \$57 million for facilities for the National
8 Biocontainment Laboratory;

9 (11) The University of Texas Health Science Center at
10 Houston:

11 (A) \$41,100,000 for facilities to be used
12 primarily to conduct biomedical research;

13 (B) \$60 million for educational, clinical,
14 administrative, and research facilities for The University of Texas
15 Dental Branch at Houston; and

16 (C) \$15 million for educational and related
17 facilities;

18 (12) The University of Texas Health Science Center at
19 San Antonio:

20 (A) \$60 million for the South Texas Research
21 Tower;

22 (B) \$20 million for a center for academic
23 medicine and clinical research; and

24 (C) \$20 million for a faculty office building;

25 (13) The University of Texas Health Science Center at
26 Tyler, \$32,400,000 for educational and related facilities,
27 including an academic center;

1 (14) The University of Texas M. D. Anderson Cancer
2 Center, \$40 million for educational and support facilities; and

3 (15) The University of Texas at Tyler, \$51 million for
4 educational and support facilities.

5 (b) The board may pledge irrevocably to the payment of bonds
6 authorized by this section all or any part of the revenue funds of
7 an institution, branch, or entity of The University of Texas
8 System, including student tuition charges. The amount of a pledge
9 made under this subsection may not be reduced or abrogated while the
10 bonds for which the pledge is made, or bonds issued to refund those
11 bonds, are outstanding.

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

18 Sec. 55.1753. UNIVERSITY OF HOUSTON SYSTEM; ADDITIONAL
19 BONDS. (a) In addition to the other authority granted by this
20 subchapter, the board of regents of the University of Houston
21 System may acquire, purchase, construct, improve, renovate,
22 enlarge, or equip facilities, including roads and related
23 infrastructure, for the following institutions, to be financed
24 through the issuance of bonds in accordance with this subchapter
25 and in accordance with a systemwide revenue financing program
26 adopted by the board, in aggregate principal amounts not to exceed
27 the following:

- 1 (1) the University of Houston, \$60 million;
2 (2) the University of Houston--Downtown, \$30 million;
3 (3) the University of Houston--Clear Lake, \$38
4 million; and
5 (4) the University of Houston--Victoria, \$30 million.

6 (b) The board may pledge irrevocably to the payment of bonds
7 authorized by this section all or any part of the revenue funds of
8 an institution, branch, or entity of the University of Houston
9 System, including student tuition charges. The amount of a pledge
10 made under this subsection may not be reduced or abrogated while the
11 bonds for which the pledge is made, or bonds issued to refund those
12 bonds, are outstanding.

13 (c) If sufficient funds are not available to the board to
14 meet its obligations under this section, the board may transfer
15 funds among institutions, branches, and entities of the University
16 of Houston System to ensure the most equitable and efficient
17 allocation of available resources for each institution, branch, or
18 entity to carry out its duties and purposes.

19 Sec. 55.1754. TEXAS STATE UNIVERSITY SYSTEM; ADDITIONAL
20 BONDS. (a) In addition to the other authority granted by this
21 subchapter, the board of regents of the Texas State University
22 System may acquire, purchase, construct, improve, renovate,
23 enlarge, or equip facilities, including roads and related
24 infrastructure, for projects to be financed through the issuance of
25 bonds in accordance with this subchapter and in accordance with a
26 systemwide revenue financing program adopted by the board for the
27 following institutions not to exceed the following aggregate

1 principal amounts for the projects specified as follows:

2 (1) Angelo State University, \$24,500,000 for
3 constructing a warehouse, the renovation of campus buildings, and
4 land acquisition;

5 (2) Lamar University, \$40 million for educational
6 facilities;

7 (3) Lamar Institute of Technology, \$4,200,000 for
8 educational facilities;

9 (4) Lamar State College--Orange, \$3,500,000 for
10 educational facilities;

11 (5) Lamar State College--Port Arthur, \$3,500,000 for
12 educational facilities;

13 (6) Sul Ross State University:

14 (A) \$7,500,000 for facilities in the Rio Grande
15 high growth corridor;

16 (B) \$5,800,000 for the renovation of the
17 Industrial Technology Building and Lawrence Hall; and

18 (C) \$3,820,000 for the renovation and
19 replacement of underground utilities;

20 (7) Texas State University--San Marcos:

21 (A) \$45,461,248 for infrastructure repairs and
22 improvements;

23 (B) \$47,700,000 for an undergraduate academic
24 center;

25 (C) \$50 million for a fine arts and
26 communications center; and

27 (D) \$40 million for facilities for educational

1 programs and supporting activities at the Round Rock Higher
2 Education Center in Williamson County and for facilities to be used
3 by other educational entities to further institutional efficiency
4 and coordinate educational programs at the center; and

5 (8) Sam Houston State University, \$20 million for the
6 construction of a performing arts complex (phase I).

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

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

20 Sec. 55.1755. UNIVERSITY OF NORTH TEXAS SYSTEM; ADDITIONAL
21 BONDS. (a) In addition to the other authority granted by this
22 subchapter, the board of regents of the University of North Texas
23 System may acquire, purchase, construct, improve, renovate, or
24 enlarge, or equip facilities, including roads and related
25 infrastructure, for projects to be financed through the issuance of
26 bonds in accordance with this subchapter and in accordance with a
27 systemwide revenue financing program adopted by the board for the

1 following institutions not to exceed the following aggregate
2 principal amounts for the projects specified as follows:

3 (1) the University of North Texas, \$94 million for
4 educational and support facilities;

5 (2) the University of North Texas Health Science
6 Center at Fort Worth, \$42,100,000 for campus expansion and
7 construction of a public health education building; and

8 (3) the University of North Texas System Center at
9 Dallas, \$25 million for the construction of a building for
10 classrooms, labs, and student support facilities necessary to
11 accommodate projected student population growth.

12 (b) The board may pledge irrevocably to the payment of bonds
13 authorized by this section all or any part of the revenue funds of
14 an institution, branch, or entity of the University of North Texas
15 System, including student tuition charges. The amount of a pledge
16 made under this subsection may not be reduced or abrogated while the
17 bonds for which the pledge is made, or bonds issued to refund those
18 bonds, are outstanding.

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

25 Sec. 55.1756. TEXAS WOMAN'S UNIVERSITY. (a) In addition to
26 the other authority granted by this subchapter, the board of
27 regents of Texas Woman's University may acquire, purchase,

1 construct, improve, renovate, enlarge, or equip facilities,
2 including roads and related infrastructure, for Texas Woman's
3 University, to be financed through the issuance of bonds in
4 accordance with this subchapter in an aggregate principal amount
5 not to exceed \$44,500,000.

6 (b) The board may pledge irrevocably to the payment of bonds
7 authorized by this section all or any part of the revenue funds of
8 Texas Woman's University, including student tuition charges. The
9 amount of a pledge made under this subsection may not be reduced or
10 abrogated while the bonds for which the pledge is made, or bonds
11 issued to refund those bonds, are outstanding.

12 Sec. 55.1757. MIDWESTERN STATE UNIVERSITY; ADDITIONAL
13 BONDS. (a) In addition to the other authority granted by this
14 subchapter, the board of regents of Midwestern State University may
15 issue bonds in accordance with this subchapter in an aggregate
16 principal amount not to exceed \$10,395,000 to finance utility
17 infrastructure and campus renovations at Midwestern State
18 University.

19 (b) The board may pledge irrevocably to the payment of bonds
20 authorized by this section all or any part of the revenue funds of
21 Midwestern State University, including student tuition charges.
22 The amount of a pledge made under this subsection may not be reduced
23 or abrogated while the bonds for which the pledge is made, or bonds
24 issued to refund those bonds, are outstanding.

25 Sec. 55.1758. STEPHEN F. AUSTIN STATE UNIVERSITY. (a) In
26 addition to the other authority granted by this subchapter, the
27 board of regents of Stephen F. Austin State University may acquire,

1 purchase, construct, improve, renovate, enlarge, or equip
2 facilities, including roads and related infrastructure, at Stephen
3 F. Austin University, to be financed through the issuance of bonds
4 in accordance with this subchapter in an aggregate principal
5 amount not to exceed \$65,450,000.

6 (b) The board may pledge irrevocably to the payment of bonds
7 authorized by this section all or any part of the revenue funds of
8 Stephen F. Austin State University, including student tuition
9 charges. The amount of a pledge made under this subsection may not
10 be reduced or abrogated while the bonds for which the pledge is
11 made, or bonds issued to refund those bonds, are outstanding.

12 Sec. 55.1759. TEXAS TECH UNIVERSITY SYSTEM; ADDITIONAL
13 BONDS. (a) In addition to the other authority granted by this
14 subchapter, the board of regents of the Texas Tech University
15 System may acquire, purchase, construct, improve, renovate,
16 enlarge, or equip facilities, including roads and related
17 infrastructure, for projects to be financed through the issuance of
18 bonds in accordance with this subchapter and in accordance with a
19 systemwide revenue financing program adopted by the board not to
20 exceed the following aggregate principal amounts for the projects
21 specified as follows:

22 (1) Texas Tech University Health Sciences Center:

23 (A) \$13,500,000 for educational and related
24 facilities in the city of Midland for the Permian Basin OB-GYN
25 residency program, the physician's assistant program, and the
26 internal medicine residency program;

27 (B) \$9 million for the medical science building

1 for the Texas Tech University Health Sciences Center in El Paso; and
2 (C) \$11,250,000 for the pharmacy education
3 building expansion for the Texas Tech University Health Sciences
4 Center in Amarillo; and

5 (2) Texas Tech University, \$56 million for educational
6 and related facilities including a College of Business building,
7 renovation of classroom buildings, and an addition to the School of
8 Law building.

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

16 (c) 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 Texas Tech
19 University System to ensure the most equitable and efficient
20 allocation of available resources for each institution, branch, or
21 entity to carry out its duties and purposes.

22 Sec. 55.17591. TEXAS SOUTHERN UNIVERSITY; ADDITIONAL
23 BONDS. (a) In addition to the other authority granted by this
24 subchapter, the board of regents of Texas Southern University may
25 acquire, purchase, construct, improve, renovate, enlarge, or equip
26 facilities, including roads and related infrastructure, for a
27 multipurpose university center, a fine arts building, a building

1 for the school of technology, the Robert J. Terry Library, and
2 deferred maintenance of campus facilities and infrastructure, to be
3 financed through the issuance of bonds in accordance with this
4 subchapter in an aggregate principal amount not to exceed
5 \$109,560,000.

6 (b) The board may pledge irrevocably to the payment of bonds
7 authorized by this section all or any part of the revenue funds of
8 Texas Southern University, including student tuition charges. The
9 amount of a pledge made under this subsection may not be reduced or
10 abrogated while the bonds for which the pledge is made, or bonds
11 issued to refund those bonds, are outstanding.

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, 55.1735(a)(1), 55.174,
17 55.1742, 55.1743, ~~or~~ 55.1744, or 55.1751-55.17591, except that
18 the board shall review all real property to be financed by bonds
19 issued under those sections to determine whether the property meets
20 the standards adopted by the board for cost, efficiency, and space
21 use. If the property does not meet those standards, the board shall
22 notify the governor, the lieutenant governor, the speaker of the
23 house of representatives, and the 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, 55.174, 55.1742,
2 55.1743, [~~or~~] 55.1744, or 55.1751-55.17591, except that the board
3 shall review all construction, repair, or rehabilitation to be
4 financed by bonds issued under those sections to determine whether
5 the construction, rehabilitation, or repair meets the standards
6 adopted by board rule for cost, efficiency, and space use. If the
7 construction, rehabilitation, or repair does not meet those
8 standards, the board shall notify the governor, the lieutenant
9 governor, the speaker of the house of representatives, and the
10 Legislative Budget Board.

11 SECTION 4. Section 1371.001(4), Government Code, as amended
12 by H.B. No. 647, Acts of the 79th Legislature, Regular Session,
13 2005, as effective June 18, 2005, and H.B. No. 2701, Acts of the
14 79th Legislature, Regular Session, 2005, as effective September 1,
15 2005, is amended to read as follows:

- 16 (4) "Issuer" means:
- 17 (A) a home-rule municipality that:
- 18 (i) adopted its charter under Section 5,
19 Article XI, Texas Constitution;
- 20 (ii) has a population of 50,000 or more; and
- 21 (iii) has outstanding long-term
22 indebtedness that is rated by a nationally recognized rating agency
23 for municipal securities in one of the four highest rating
24 categories for a long-term obligation;
- 25 (B) a conservation and reclamation district
26 created and organized as a river authority under Section 52,
27 Article III, or Section 59, Article XVI, Texas Constitution;

1 (C) a joint powers agency organized and operating
2 under Chapter 163, Utilities Code;

3 (D) a metropolitan rapid transit authority or
4 regional transportation authority created, organized, and
5 operating under Chapter 451 or 452, Transportation Code;

6 (E) a conservation and reclamation district
7 organized or operating as a navigation district under Section 52,
8 Article III, or Section 59, Article XVI, Texas Constitution;

9 (F) a district organized or operating under
10 Section 59, Article XVI, Texas Constitution, that has all or part of
11 two or more municipalities within its boundaries;

12 (G) a state agency, including a state institution
13 of higher education;

14 (H) a hospital authority created or operating
15 under Chapter 262 or 264, Health and Safety Code, in a county that:

16 (i) has a population of more than 3.3
17 million; or

18 (ii) is included, in whole or in part, in a
19 standard metropolitan statistical area of this state that includes
20 a county with a population of more than 2.2 million;

21 (I) a hospital district in a county that has a
22 population of more than two million;

23 (J) a nonprofit corporation organized to
24 exercise the powers of a higher education loan authority under
25 Section 53B.47(e), Education Code;

26 (K) a county:

27 (i) that has a population of 3.3 million or

1 more; or

2 (ii) that, on the date of issuance of
3 obligations under this chapter, has authorized, outstanding, or any
4 combination of authorized and outstanding, indebtedness of at least
5 \$100 million secured by and payable from the county's ad valorem
6 taxes and the authorized long-term indebtedness of which is rated
7 by a nationally recognized rating agency of securities issued by
8 local governments in one of the four highest rating categories for a
9 long-term obligation;

10 (L) an independent school district that has an
11 average daily attendance of 50,000 or more as determined under
12 Section 42.005, Education Code;

13 (M) a municipality or county operating under
14 Chapter 334, Local Government Code; ~~[or]~~

15 (N) a district created under Chapter 335, Local
16 Government Code; or

17 (O) a junior college district that has a total
18 headcount enrollment of 40,000 or more based on enrollment in the
19 most recent regular semester.

20 SECTION 5. There is hereby appropriated to the respective
21 institutions of higher education \$108,000,000 in General Revenue
22 for the 2006-07 biennium for the purpose of paying debt service on
23 the bonds authorized by this Act. The debt service appropriations
24 shall be transferred to affected institutions of higher education
25 based on a plan developed by the Texas Higher Education
26 Coordinating Board and approved by the Legislative Budget Board.

27 SECTION 6. This Act does not affect any authority or

1 restriction regarding the activities that a public institution of
2 higher education may conduct in connection with a facility financed
3 by bonds authorized by this Act.

4 SECTION 7. (a) Except as provided by Subsection (b), this
5 Act takes effect immediately if it receives a vote of two-thirds of
6 all the members elected to each house, as provided by Section 39,
7 Article III, Texas Constitution. If this Act does not receive the
8 vote necessary for immediate effect, this Act takes effect on the
9 91st day after the last day of the legislative session.

10 (b) Section 4 of this Act takes effect September 1, 2005, if
11 this Act receives a vote of two-thirds of all the members elected to
12 each house, as provided by Section 39, Article III, Texas
13 Constitution. If this Act does not receive that vote, Section 4 of
14 this Act takes effect on the 91st day after the last day of the
15 legislative session.