

By: Ogden

S.B. No. 4

A BILL TO BE ENTITLED

AN ACT

relating to authorizing the issuance of revenue bonds or other obligations to fund capital projects at public institutions of higher education.

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

SECTION 1. Subchapter B, Chapter 55, Education Code, is amended by adding Sections 55.1751 to read as follows:

Sec. 55.1751. THE TEXAS A&M UNIVERSITY SYSTEM; ADDITIONAL 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, including roads and related infrastructure, for projects to be financed through the issuance of bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the board for the following institutions not to exceed the following aggregate principal amounts for the projects specified as follows:

(1) Texas A&M University -- Kingsville:

(A) \$50 million for System Center -- San Antonio for educational-related facilities at the location proposed for Texas A&M University -- San Antonio; and

(2) Texas A&M University -- Texarkana, \$45 million for educational and support facilities.

(b) The board may pledge irrevocably to the payment of bonds

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

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

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

15 (e) Approval of the board is not required to acquire real
16 property that is financed by bonds issued under Section 55.17(e)(3)
17 or (4), 55.1713-55.1718, 55.1721-55.1728, 55.1735(a)(1), 55.174,
18 55.1742, 55.1743, ~~or~~ 55.1744, or 55.1751, except that the board
19 shall review all real property to be financed by bonds issued under
20 those sections to determine whether the property meets the
21 standards adopted by the board for cost, efficiency, and space use.
22 If the property does not meet those standards, the board shall
23 notify the governor, the lieutenant governor, the speaker of the
24 house of representatives, and the Legislative Budget Board.

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

27 (b) This section does not apply to construction, repair, or

1 rehabilitation financed by bonds issued under Section 55.17(e)(3)
2 or (4), 55.1713-55.1718, 55.1721-55.1728, 55.174, 55.1742,
3 55.1743, [~~or~~] 55.1744, or 55.1751, except that the board shall
4 review all construction, repair, or rehabilitation to be financed
5 by bonds issued under those sections to determine whether the
6 construction, rehabilitation, or repair meets the standards
7 adopted by board rule for cost, efficiency, and space use. If the
8 construction, rehabilitation, or repair does not meet those
9 standards, the board shall notify the governor, the lieutenant
10 governor, the speaker of the house of representatives, and the
11 Legislative Budget Board.

12 SECTION 4. This Act takes effect September 1, 2005, if it
13 receives a vote of two-thirds of all the members elected to each
14 house, as provided by Section 39, Article III, Texas Constitution.
15 If this Act does not receive the vote necessary for immediate
16 effect, this Act takes effect on the 91st day after the last day of
17 the legislative session.