

By: Morrison

H.B. No. 2329

A BILL TO BE ENTITLED

AN ACT

relating to authorizing the issuance of revenue bonds for institutions in the University of Houston 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 55.1753 to read as follows:

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

(1) the University of Houston, \$60 million;

(2) the University of Houston--Clear Lake, \$38 million;

(3) the University of Houston--Downtown, \$30 million;
and

(4) the University of Houston--Victoria, \$30 million.

(b) The board of regents may pledge irrevocably to the payment of the bonds authorized by this section all or any part of

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

6 (c) If sufficient funds are not available to the board of
7 regents to meet its obligations under this section, the board may
8 transfer funds among institutions, branches, and entities of the
9 University of Houston System to ensure the most equitable and
10 efficient allocation of available resources for each institution,
11 branch, or 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, 55.1735(a)(1), 55.174,
17 55.1742, 55.1743, ~~or~~ 55.1744, or 55.1753, except that the board
18 shall review all real property to be financed by bonds issued under
19 those sections to determine whether the property meets the
20 standards adopted by the board for cost, efficiency, and space use.
21 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 55.1753, except that the board shall
3 review all construction, repair, or rehabilitation to be financed
4 by bonds issued under those sections to determine whether the
5 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. This Act takes effect immediately if it receives
12 a vote of two-thirds of all the members elected to each house, as
13 provided by Section 39, Article III, Texas Constitution. If this
14 Act does not receive the vote necessary for immediate effect, this
15 Act takes effect September 1, 2005.