

1-1 By: Morrison, et al. (Senate Sponsor - Ogden) H.B. No. 2329
1-2 (In the Senate - Received from the House May 16, 2005;
1-3 May 17, 2005, read first time and referred to Committee on Finance;
1-4 May 21, 2005, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 11, Nays 0; May 21, 2005,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 2329 By: Ogden

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to authorizing the issuance of revenue bonds or other
1-11 obligations to fund capital projects at public institutions of
1-12 higher education.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. Subchapter B, Chapter 55, Education Code, is
1-15 amended by adding Sections 55.1751 to read as follows:

1-16 Sec. 55.1751. THE TEXAS A&M UNIVERSITY SYSTEM; ADDITIONAL
1-17 BONDS. (a) In addition to the other authority granted by this
1-18 subchapter, the board of regents of The Texas A&M University System
1-19 may acquire, purchase, construct, improve, renovate, enlarge, or
1-20 equip facilities, including roads and related infrastructure, for
1-21 projects to be financed through the issuance of bonds in accordance
1-22 with this subchapter and in accordance with a systemwide revenue
1-23 financing program adopted by the board for the following
1-24 institutions not to exceed the following aggregate principal
1-25 amounts for the projects specified as follows:

1-26 (1) Texas A&M University -- Kingsville:
1-27 (A) \$50 million for System Center -- San Antonio
1-28 for educational-related facilities at the location proposed for
1-29 Texas A&M University -- San Antonio; and

1-30 (2) Texas A&M University -- Texarkana, \$45 million for
1-31 educational and support facilities.

1-32 (b) The board may pledge irrevocably to the payment of bonds
1-33 authorized by this section all or any part of the revenue funds of
1-34 an institution, branch, or entity of The Texas A&M University
1-35 System, including student tuition charges. The amount of a pledge
1-36 made under this subsection may not be reduced or abrogated while the
1-37 bonds for which the pledge is made, or bonds issued to refund those
1-38 bonds, are outstanding.

1-39 (c) If sufficient funds are not available to the board to
1-40 meet its obligations under this section, the board may transfer
1-41 funds among institutions, branches, and entities of The Texas A&M
1-42 University System to ensure the most equitable and efficient
1-43 allocation of available resources for each institution, branch, or
1-44 entity to carry out its duties and purposes.

1-45 SECTION 2. Section 61.0572(e), Education Code, is amended
1-46 to read as follows:

1-47 (e) Approval of the board is not required to acquire real
1-48 property that is financed by bonds issued under Section 55.17(e)(3)
1-49 or (4), 55.1713-55.1718, 55.1721-55.1728, 55.1735(a)(1), 55.174,
1-50 55.1742, 55.1743, ~~or~~ 55.1744, or 55.1751, except that the board
1-51 shall review all real property to be financed by bonds issued under
1-52 those sections to determine whether the property meets the
1-53 standards adopted by the board for cost, efficiency, and space use.
1-54 If the property does not meet those standards, the board shall
1-55 notify the governor, the lieutenant governor, the speaker of the
1-56 house of representatives, and the Legislative Budget Board.

1-57 SECTION 3. Section 61.058(b), Education Code, is amended to
1-58 read as follows:

1-59 (b) This section does not apply to construction, repair, or
1-60 rehabilitation financed by bonds issued under Section 55.17(e)(3)
1-61 or (4), 55.1713-55.1718, 55.1721-55.1728, 55.174, 55.1742,
1-62 55.1743, ~~or~~ 55.1744, or 55.1751, except that the board shall
1-63 review all construction, repair, or rehabilitation to be financed

2-1 by bonds issued under those sections to determine whether the
2-2 construction, rehabilitation, or repair meets the standards
2-3 adopted by board rule for cost, efficiency, and space use. If the
2-4 construction, rehabilitation, or repair does not meet those
2-5 standards, the board shall notify the governor, the lieutenant
2-6 governor, the speaker of the house of representatives, and the
2-7 Legislative Budget Board.

2-8 SECTION 4. This Act takes effect immediately if it receives
2-9 a vote of two-thirds of all the members elected to each house, as
2-10 provided by Section 39, Article III, Texas Constitution. If this
2-11 Act does not receive the vote necessary for immediate effect, this
2-12 Act takes effect September 1, 2005.

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