

By: Lucio

S.B. No. 965

A BILL TO BE ENTITLED

AN ACT

relating to authorizing the issuance of revenue bonds by The University of Texas 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 55.17525 to read as follows:

Sec. 55.17525. THE UNIVERSITY OF TEXAS SYSTEM; ADDITIONAL BONDS. (a) In addition to the other authority granted by this subchapter, the board of regents of The University of Texas System may acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, or other facilities, including roads and related infrastructure, for educational and related facilities, to be financed by the issuance of bonds in accordance with this subchapter, including bonds issued in accordance with a systemwide revenue financing program and secured as provided by that program, in aggregate principal amounts not to exceed:

(1) \$134.1 million for The University of Texas at Brownsville;

(2) \$30 million for the medical education and research divisions of the regional academic health center established under Section 74.611 that are under the control of The University of Texas Health Science Center at San Antonio; and

(3) \$19.4 million for the public health division of

1 the regional academic health center that is under the control of The  
2 University of Texas Health Science Center at Houston.

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

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

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

18 (e) Approval of the board is not required to acquire real  
19 property that is financed by bonds issued under Section 55.17(e)(3)  
20 or (4), 55.1713-55.1718, 55.1721-55.1728, 55.1735(a)(1), 55.174,  
21 55.1742, 55.1743, ~~or~~ 55.1744, or 55.17525, except that the board  
22 shall review all real property to be financed by bonds issued under  
23 those sections to determine whether the property meets the  
24 standards adopted by the board for cost, efficiency, and space use.  
25 If the property does not meet those standards, the board shall  
26 notify the governor, the lieutenant governor, the speaker of the  
27 house of representatives, and the Legislative Budget Board.

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

3           (b) This section does not apply to construction, repair, or  
4 rehabilitation financed by bonds issued under Section 55.17(e)(3)  
5 or (4), 55.1713-55.1718, 55.1721-55.1728, 55.174, 55.1742,  
6 55.1743, ~~or~~ 55.1744, or 55.17525, except that the board shall  
7 review all construction, repair, or rehabilitation to be financed  
8 by bonds issued under those sections to determine whether the  
9 construction, rehabilitation, or repair meets the standards  
10 adopted by board rule for cost, efficiency, and space use. If the  
11 construction, rehabilitation, or repair does not meet those  
12 standards, the board shall notify the governor, the lieutenant  
13 governor, the speaker of the house of representatives, and the  
14 Legislative Budget Board.

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