

By: Dutton

H.B. No. 1400

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the issuance by a corporation established by the Texas  
3 Public Finance Authority of revenue bonds for open-enrollment  
4 charter school facilities.

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

6 SECTION 1. Sections 53.351(a), (c), (d), and (e), Education  
7 Code, are amended to read as follows:

8 (a) The Texas Public Finance Authority shall establish a  
9 nonprofit corporation to act ~~[issue revenue bonds]~~ on behalf of the  
10 state, as its duly constituted authority and instrumentality, to  
11 issue revenue bonds for authorized open-enrollment charter schools  
12 for the acquisition, construction, repair, or renovation of  
13 educational facilities of those schools.

14 (c) The corporation has all powers granted under the Texas  
15 Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's  
16 Texas Civil Statutes), or granted to a nonprofit corporation under  
17 the Business Organizations Code, for the purpose of aiding  
18 authorized open-enrollment charter schools in providing  
19 educational facilities. In addition, Sections 53.131, 53.15,  
20 53.31, 53.32, 53.331, 53.34, 53.35, 53.38, 53.40, and 53.41  
21 ~~[53.36(a), and 53.37-53.42]~~ apply to and govern the corporation and  
22 its procedures and bonds. The corporation may exercise the powers  
23 granted to the governing body of an issuer with regard to the  
24 issuance of obligations and the execution of credit agreements

1 under Chapter 1371, Government Code.

2 (d) The corporation shall adopt rules governing the  
3 issuance of bonds under this section [~~on behalf of an authorized~~  
4 ~~open-enrollment charter school~~].

5 (e) The comptroller shall establish a fund dedicated to the  
6 credit enhancement of bonds issued by any issuer under this  
7 subchapter for any open-enrollment charter school [~~section~~]. The  
8 fund may receive donations. The corporation may also use the money  
9 held under this subsection to provide loans or other credit support  
10 for the obligations of any open-enrollment charter school issued by  
11 any issuer in any manner not inconsistent with the Texas Non-Profit  
12 Corporation Act (Article 1396-1.01, Vernon's Texas Civil  
13 Statutes), or the provisions of the Business Organizations Code  
14 governing nonprofit corporations. The obligation of the fund is  
15 limited to an amount equal to the balance of the fund.

16 SECTION 2. This Act takes effect immediately if it receives  
17 a vote of two-thirds of all the members elected to each house, as  
18 provided by Section 39, Article III, Texas Constitution. If this  
19 Act does not receive the vote necessary for immediate effect, this  
20 Act takes effect September 1, 2007.