

1-1 By: Dutton (Senate Sponsor - Shapiro) H.B. No. 1400
1-2 (In the Senate - Received from the House April 30, 2007;
1-3 May 2, 2007, read first time and referred to Committee on
1-4 Education; May 10, 2007, reported favorably by the following vote:
1-5 Yeas 6, Nays 0; May 10, 2007, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the issuance by a corporation established by the Texas
1-9 Public Finance Authority of revenue bonds for open-enrollment
1-10 charter school facilities.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Sections 53.351(a), (c), (d), and (e), Education
1-13 Code, are amended to read as follows:

1-14 (a) The Texas Public Finance Authority shall establish a
1-15 nonprofit corporation to act ~~[issue revenue bonds]~~ on behalf of the
1-16 state, as its duly constituted authority and instrumentality, to
1-17 issue revenue bonds for authorized open-enrollment charter schools
1-18 for the acquisition, construction, repair, or renovation of
1-19 educational facilities of those schools.

1-20 (c) The corporation has all powers granted under the Texas
1-21 Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's
1-22 Texas Civil Statutes), or granted to a nonprofit corporation under
1-23 the Business Organizations Code, for the purpose of aiding
1-24 authorized open-enrollment charter schools in providing
1-25 educational facilities. In addition, Sections 53.131, 53.15,
1-26 53.31, 53.32, 53.331, 53.34, 53.35, 53.38, 53.40, and 53.41
1-27 [53.36(a), and 53.37-53.42] apply to and govern the corporation and
1-28 its procedures and bonds. The corporation may exercise the powers
1-29 granted to the governing body of an issuer with regard to the
1-30 issuance of obligations and the execution of credit agreements
1-31 under Chapter 1371, Government Code.

1-32 (d) The corporation shall adopt rules governing the
1-33 issuance of bonds under this section ~~[on behalf of an authorized~~
1-34 ~~open-enrollment charter school]~~.

1-35 (e) The comptroller shall establish a fund dedicated to the
1-36 credit enhancement of bonds issued by any issuer under this
1-37 subchapter for any open-enrollment charter school ~~[section]~~. The
1-38 fund may receive donations. The corporation may also use the money
1-39 held under this subsection to provide loans or other credit support
1-40 for the obligations of any open-enrollment charter school issued by
1-41 any issuer in any manner not inconsistent with the Texas Non-Profit
1-42 Corporation Act (Article 1396-1.01, Vernon's Texas Civil
1-43 Statutes), or the provisions of the Business Organizations Code
1-44 governing nonprofit corporations. The obligation of the fund is
1-45 limited to an amount equal to the balance of the fund.

1-46 SECTION 2. This Act takes effect immediately if it receives
1-47 a vote of two-thirds of all the members elected to each house, as
1-48 provided by Section 39, Article III, Texas Constitution. If this
1-49 Act does not receive the vote necessary for immediate effect, this
1-50 Act takes effect September 1, 2007.

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