

## **BILL ANALYSIS**

Senate Research Center  
81R23125 JRJ-F

H.B. 2805  
By: Maldonado et al. (Ogden)  
Higher Education  
5/18/2009  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Temple College at Taylor has operated in east Williamson County since 1997. Growth and increasing demand for course offerings caused Temple College and Taylor community partners to create the East Williamson County Multi-Institution Teaching Center (center) in Taylor, which has grown to include Texas State Technical College-Waco, Texas Tech University, Tarleton State University-Central Texas, Taylor Independent School District (ISD), and Hutto ISD.

The existing center's building and land are at capacity, and the center's annual growth projections are in double digits. To address capacity limitations, five of the center's member institutions pledged \$550,000 per year for 20 years to finance the construction of a new building. Unfortunately, because several of these entities required annual approval of their pledges, banks refused to finance the project.

H.B. 2805 amends current law relating to the administration, powers, duties, operation, and financing of the East Williamson County Multi-Institution Teaching Center.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 130.092, Education Code, by adding Subsections (f), (g), (h), (i), (j), (k), and (l), as follows:

(f) Authorizes a member institution of the center, a political subdivision, an entity created by a political subdivision, or a nonprofit corporation to individually or jointly, under the terms of an agreement under Subsection (d) (relating to making provisions for adequate physical facilities for use by the center), finance or refinance the acquisition, purchase, construction, improvement, renovation, enlargement, or equipping of physical facilities described by Subsection (d) through the issuance of bonds, notes, or other obligations. Authorizes the financing of facilities under this subsection to be made through a long-term agreement with another member institution, political subdivision, or other entity described by this subsection, or through a guarantee of any bond, note, or other obligation. Prohibits any bond, note, or other obligation issued or a long-term agreement or guarantee made under this subsection from exceeding a term of 40 years.

(g) Authorizes any bond, note, or other obligation issued or long-term agreement or guarantee made under Subsection (f) to be pledged as security for and used towards the payment of any bond, note, or other obligation issued for the benefit of the center. Provides that a bond, note, or other obligation issued or long-term agreement or guarantee made under Subsection (f) is not subject to annual appropriation.

(h) Provides that the financing of facilities under this section promotes the public purpose of supporting higher education and further promotes the public purpose of developing and diversifying the economy of this state and eliminating unemployment and underemployment in this state under the authority granted by Section 52-a (Loan or Grant

of Public Money for Economic Development), Article III (Legislative Department), Texas Constitution.

(i) Authorizes a member institution of the center, political subdivision, entity created by a political subdivision, or nonprofit corporation to pledge irrevocably to the payment of bonds, notes, or other obligations issued or a long-term agreement or guarantee made under Subsection (f), and to the extent permitted by law, all or any part of the available revenues, taxes, or any combination of revenues and taxes of the member institution, political subdivision, entity, or nonprofit corporation. Prohibits the amount of a pledge made under this subsection from being reduced or abrogated while any bonds, notes, or obligations for which the pledge is made, or bonds, notes, or other obligations issued to refund those bonds, notes, or obligations, are outstanding.

(j) Authorizes an agreement providing for bonds, notes, or other obligations, or a long-term agreement or guarantee, under Subsection (f) to provide for a member institution, political subdivision, entity created by a political subdivision, or nonprofit corporation to have an ownership or other interest in the facilities to be financed by the bonds, notes, or obligations, or long-term agreements or guarantees, or to participate in the operation of the facility.

(k) Authorizes a member institution of the center, political subdivision, entity created by a political subdivision, or nonprofit corporation to use an entity created under Chapter 53 (Higher Education Facility Authorities for Public Schools) or 53A (Higher Education Facility Authorities for Private Schools) to accomplish the purposes of this section.

(l) Provides that this section is wholly sufficient authority for the execution of agreements, the pledge of revenues, taxes, or any combination of revenues and taxes, and the performance of other acts and procedures authorized by this section without reference to any other provision of law or any restriction or limitation contained in those provisions, except as specifically provided by this section. Requires that this section, to the extent of any conflict or inconsistency between this section and any other law, prevail and control. Authorizes a member institution of the center, political subdivision, entity created by a political subdivision, or nonprofit corporation to use any law not in conflict with this section to the extent convenient or necessary to carry out any power or authority, expressed or implied, granted by this section.

SECTION 2. Effective date: upon passage or September 1, 2009.