

BILL ANALYSIS

S.B. 1952
By: Jackson, Mike
Higher Education
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Current law authorizes certain cities and counties to issue public securities, including certificates of obligation to acquire, construct, or improve land, buildings, or other permanent improvements for use by an institution of higher education. The City of Pearland desires to enter into an agreement to issue public securities to finance and construct a building, a portion of which will be leased to the University of Houston–Clear Lake to create a University of Houston–Pearland campus. The public finance division of the Office of the Attorney General has raised several concerns about the use current relevant law as authority to finance the campus.

S.B. 1952 authorizes certain home-rule municipalities and counties to issue public securities for the financing of permanent improvements for use by an institution of higher education.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 1952 amends the Government Code to clarify that provisions governing the issuance of county and municipal higher education improvement bonds apply to a home-rule municipality with a population of 25,000 or more that has an institution of higher education, rather than a general academic teaching institution, located within its boundaries and to add to the municipalities to which those provisions may apply a municipality with a population of 25,000 or more that has entered into an agreement with an institution of higher education relating to the provision of services in furtherance of the completion of certificate programs, degree programs, or other higher education programs within the municipality by the institution of higher education. The bill defines "agreement" to include a lease, contract, or lease-purchase agreement and revises the meaning of "institution of higher education" for these provisions by excluding from the term a public junior college.

S.B. 1952 revises legislative findings relating to assistance provided by counties and municipalities in promoting and providing higher education opportunities for residents of Texas.

S.B. 1952 authorizes a municipality that has entered into a lease, contract, or lease-purchase agreement with an institution of higher education relating to the provision of educational services within the municipality to:

- issue public securities, including certificates of obligation, to acquire, construct, or improve land, buildings, or other permanent improvements for use by an institution of higher education;
- impose property taxes to pay the principal of and interest on those securities and to provide a sinking fund; and
- pledge those taxes, any portion of the revenues received in connection with the lease, contract, or lease-purchase agreement, or any combination of the taxes and revenues to secure payment of any portion of the public securities issued to acquire, construct, or improve land, buildings, or other permanent improvements for use by an institution of higher education.

EFFECTIVE DATE

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.