

By: Weber

H.B. No. 4016

A BILL TO BE ENTITLED

AN ACT

relating to the authorization of certain municipalities and counties to issue public securities for the financing of permanent improvements for use by an institution of higher education.

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

SECTION 1. Section 1434.001, Government Code, is amended to read as follows:

Sec. 1434.001. APPLICABILITY OF CHAPTER. This chapter applies only to:

(1) a home-rule municipality with a population of 25,000 or more that has an ~~[a general academic teaching]~~ institution of higher education located within its boundaries or has entered into an agreement with an institution of higher education relating to the provision of educational services within the municipality by the institution of higher education; or

(2) a county within which a municipality described by Subdivision (1) is located.

SECTION 2. Section 1434.002, Government Code, is amended to read as follows:

Sec. 1434.002. DEFINITIONS. In this chapter:

(1) "Agreement" includes a lease, contract, or lease-purchase agreement.

(2) [~~(1)~~] "Institution of higher education" means:

(A) an institution of higher education as defined

1 by Section 61.003, Education Code, other than a public junior
2 college; or

3 (B) a private, nonprofit institution of higher
4 education that is accredited by the recognized accrediting agency
5 and is located and authorized to operate in this state, other than a
6 private institution of higher education operated exclusively for
7 sectarian purposes.

8 (3) ~~[(2)]~~ "Public security" has the meaning assigned
9 by Section 1201.002.

10 (4) ~~[(3)]~~ "Recognized accrediting agency" has the
11 meaning assigned by Section 61.003, Education Code.

12 SECTION 3. Section 1434.003, Government Code, is amended to
13 read as follows:

14 Sec. 1434.003. LEGISLATIVE FINDING. The legislature finds:

15 (1) that the assistance provided by counties and
16 municipalities in promoting and providing higher education
17 opportunities for residents of this state will benefit and enhance
18 the general welfare of their residents by providing new and
19 alternative higher education resources and enhanced access to those
20 resources, improving and enhancing the educational opportunities
21 of their residents, and allowing the completion of certificate
22 programs, degree programs, and other higher education programs
23 locally; and

24 (2) that those benefits and enhancements constitute
25 public purposes for counties and municipalities ~~[encourage the~~
26 ~~development and diversification of the economy of this state and~~
27 ~~the elimination of unemployment and underemployment in this state]~~.

SECTION 4. Section 1434.051, Government Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) A municipality that has entered into an agreement described by Section 1434.001(1) may:

(1) 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 located within a county to which this chapter applies;

(2) impose ad valorem taxes to pay the principal of and interest on those securities and to provide a sinking fund; and

(3) pledge any portion of the revenues received in connection with the agreement 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.

SECTION 5. Any notice published by a municipality indicating the intent of the municipality to issue certificates of obligation in accordance with Subchapter C, Chapter 271, Local Government Code, for a purpose authorized by this Act is effective in accordance with its terms without regard to whether the notice was published before the effective date of this Act.

SECTION 6. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2009.