

1-1 By: Jackson S.B. No. 1952  
1-2 (In the Senate - Filed March 12, 2009; March 24, 2009, read  
1-3 first time and referred to Committee on Economic Development;  
1-4 April 8, 2009, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 5, Nays 0; April 8, 2009,  
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1952 By: Eltife

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to the authorization of certain municipalities and  
1-11 counties to issue public securities for the financing of permanent  
1-12 improvements for use by an institution of higher education.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. Section 1434.001, Government Code, is amended to  
1-15 read as follows:

1-16 Sec. 1434.001. APPLICABILITY OF CHAPTER. This chapter  
1-17 applies only to:

1-18 (1) a home-rule municipality with a population of  
1-19 25,000 or more that has an ~~[a general academic teaching]~~  
1-20 institution of higher education located within its boundaries or  
1-21 has entered into an agreement with an institution of higher  
1-22 education relating to the provision of services in furtherance of  
1-23 the completion of certificate programs, degree programs, or other  
1-24 higher education programs within the municipality by the  
1-25 institution of higher education; or

1-26 (2) a county within which a municipality described by  
1-27 Subdivision (1) is located.

1-28 SECTION 2. Section 1434.002, Government Code, is amended to  
1-29 read as follows:

1-30 Sec. 1434.002. DEFINITIONS. In this chapter:

1-31 (1) "Agreement" includes a lease, contract, or  
1-32 lease-purchase agreement.

1-33 (2) "Institution of higher education" means:

1-34 (A) an institution of higher education as defined  
1-35 by Section 61.003, Education Code, other than a public junior  
1-36 college; or

1-37 (B) a private, nonprofit institution of higher  
1-38 education that is accredited by the recognized accrediting agency  
1-39 and is located and authorized to operate in this state, other than a  
1-40 private institution of higher education operated exclusively for  
1-41 sectarian purposes.

1-42 (3) ~~[(2)]~~ "Public security" has the meaning assigned  
1-43 by Section 1201.002.

1-44 (4) ~~[(3)]~~ "Recognized accrediting agency" has the  
1-45 meaning assigned by Section 61.003, Education Code.

1-46 SECTION 3. Section 1434.003, Government Code, is amended to  
1-47 read as follows:

1-48 Sec. 1434.003. LEGISLATIVE FINDING. The legislature finds:

1-49 (1) that the assistance provided by counties and  
1-50 municipalities in promoting and providing higher education  
1-51 opportunities for residents of this state will benefit and enhance  
1-52 the general welfare of their residents by providing new and  
1-53 alternative higher education resources and enhanced access to those  
1-54 resources, improving and enhancing the educational opportunities  
1-55 of their residents, and allowing the completion of certificate  
1-56 programs, degree programs, and other higher education programs  
1-57 locally; and

1-58 (2) that those benefits and enhancements constitute  
1-59 public purposes for counties and municipalities ~~[encourage the~~  
1-60 ~~development and diversification of the economy of this state and~~  
1-61 ~~the elimination of unemployment and underemployment in this state].~~

1-62 SECTION 4. Section 1434.051, Government Code, is amended by  
1-63 adding Subsection (a-1) to read as follows:

2-1 (a-1) A municipality that has entered into an agreement  
2-2 described by Section 1434.001(1) may:

2-3 (1) issue public securities, including certificates  
2-4 of obligation, to acquire, construct, or improve land, buildings,  
2-5 or other permanent improvements for use by an institution of higher  
2-6 education;

2-7 (2) impose ad valorem taxes to pay and secure payment  
2-8 of the principal of and interest on those securities and to provide  
2-9 a sinking fund; and

2-10 (3) pledge those taxes, any portion of the revenues  
2-11 received in connection with the agreement, or any combination of  
2-12 the taxes and revenue to secure payment of any portion of the public  
2-13 securities issued to acquire, construct, or improve the land,  
2-14 buildings, or other permanent improvements for use by the  
2-15 institution of higher education.

2-16 SECTION 5. Any notice published by a municipality  
2-17 indicating the intent of the municipality to issue certificates of  
2-18 obligation in accordance with Subchapter C, Chapter 271, Local  
2-19 Government Code, for a purpose authorized by this Act is effective  
2-20 in accordance with its terms without regard to whether the notice  
2-21 was published before the effective date of this Act.

2-22 SECTION 6. This Act takes effect immediately if it receives  
2-23 a vote of two-thirds of all the members elected to each house, as  
2-24 provided by Section 39, Article III, Texas Constitution. If this  
2-25 Act does not receive the vote necessary for immediate effect, this  
2-26 Act takes effect September 1, 2009.

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