

1-1 By: Whitmire, Hegar S.B. No. 654
1-2 (In the Senate - Filed March 3, 2011; March 8, 2011, read
1-3 first time and referred to Committee on Government Organization;
1-4 March 31, 2011, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 6, Nays 0; March 31, 2011,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 654 By: Hegar

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

1-10 relating to the continuation and functions of the Texas Public
1-11 Finance Authority.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Section 1232.072, Government Code, is amended to
1-14 read as follows:

1-15 Sec. 1232.072. SUNSET PROVISION. The Texas Public Finance
1-16 Authority is subject to Chapter 325 (Texas Sunset Act). Unless
1-17 continued in existence as provided by that chapter, the authority
1-18 is abolished and this chapter expires September 1, 2023 [2011].

1-19 SECTION 2. Subchapter B, Chapter 1232, Government Code, is
1-20 amended by adding Section 1232.073 to read as follows:

1-21 Sec. 1232.073. NEGOTIATED RULEMAKING AND ALTERNATIVE
1-22 DISPUTE RESOLUTION. (a) The board shall develop and implement a
1-23 policy to encourage the use of:

1-24 (1) negotiated rulemaking procedures under Chapter
1-25 2008 for the adoption of authority rules; and

1-26 (2) appropriate alternative dispute resolution
1-27 procedures under Chapter 2009 to assist in the resolution of
1-28 internal and external disputes under the authority's jurisdiction.

1-29 (b) The authority's procedures relating to alternative
1-30 dispute resolution must conform, to the extent possible, to any
1-31 model guidelines issued by the State Office of Administrative
1-32 Hearings for the use of alternative dispute resolution by state
1-33 agencies.

1-34 (c) The authority shall:

1-35 (1) coordinate the implementation of the policy
1-36 adopted under Subsection (a);

1-37 (2) provide training as needed to implement the
1-38 procedures for negotiated rulemaking or alternative dispute
1-39 resolution; and

1-40 (3) collect data concerning the effectiveness of those
1-41 procedures.

1-42 SECTION 3. Section 1232.101, Government Code, is amended to
1-43 read as follows:

1-44 Sec. 1232.101. ISSUANCE OF BONDS FOR CERTAIN STATE
1-45 AGENCIES. (a) With respect to all bonds authorized to be issued by
1-46 or on behalf of the adjutant general's department, Parks and
1-47 Wildlife Department, Texas Agricultural Finance Authority, Texas
1-48 Low-Level Radioactive Waste Disposal Authority[, ~~Stephen F. Austin~~
1-49 ~~State University~~], ~~Midwestern State University~~, and Texas Southern
1-50 University, the authority has the exclusive authority to act on
1-51 behalf of those entities in issuing bonds on their behalf. In
1-52 connection with those issuances and with the issuance of refunding
1-53 bonds on behalf of those entities, the authority is subject to all
1-54 rights, duties, and conditions surrounding issuance previously
1-55 applicable to the issuing entity under the statute authorizing the
1-56 issuance. A reference in an authorizing statute to the entity on
1-57 whose behalf the bonds are being issued applies equally to the
1-58 authority in its capacity as issuer on behalf of the entity.

1-59 (b) Except as provided by Subsection (a), the authority may,
1-60 under an agreement entered into with Texas State Technical College
1-61 System or a general academic teaching institution as defined by
1-62 Section 61.003, Education Code, act on behalf of Texas State
1-63 Technical College System or a general academic teaching institution

2-1 in issuing bonds on the system's or institution's behalf. In
 2-2 connection with those issuances and with the issuance of refunding
 2-3 bonds on behalf of the system or those institutions, the authority
 2-4 is subject to all rights, duties, and conditions surrounding
 2-5 issuance previously applicable to the issuing system or institution
 2-6 under the statute authorizing the issuance. A reference in an
 2-7 authorizing statute to the system or institution on whose behalf
 2-8 the bonds are being issued applies equally to the authority in its
 2-9 capacity as issuer on behalf of the system or institution. An
 2-10 agreement under this subsection may provide for reimbursement to
 2-11 the authority for costs incurred in issuing bonds under the
 2-12 agreement.

2-13 SECTION 4. Subchapter C, Chapter 1232, Government Code, is
 2-14 amended by adding Section 1232.1221 to read as follows:

2-15 Sec. 1232.1221. COMMENCEMENT OF CERTAIN MULTIYEAR
 2-16 CANCER-RELATED PROJECTS. A multiyear project for which funds are
 2-17 granted by the Cancer Prevention and Research Institute of Texas
 2-18 Oversight Committee as authorized by Section 102.257, Health and
 2-19 Safety Code, may begin after:

2-20 (1) the authority has certified that obligations in an
 2-21 amount sufficient to pay the money needed to fund the project have
 2-22 been authorized for issuance by the authority and approved by the
 2-23 Bond Review Board; or

2-24 (2) the proceeds have been deposited into the state
 2-25 treasury and:

2-26 (A) the comptroller has certified that the
 2-27 proceeds are available;

2-28 (B) the reserve funds and capitalized interest,
 2-29 as certified by the authority as reasonably required, have been
 2-30 paid; and

2-31 (C) the costs of issuing the obligations, as
 2-32 certified by the authority, have been paid.

2-33 SECTION 5. Subsection (c), Section 55.13, Education Code,
 2-34 is amended to read as follows:

2-35 (c) Notwithstanding any other provision of this section,
 2-36 with respect to all bonds authorized to be issued by Midwestern
 2-37 State University~~[, Stephen F. Austin State University,]~~ or Texas
 2-38 Southern University, the Texas Public Finance Authority shall
 2-39 exercise the authority of a board to issue bonds on behalf of those
 2-40 institutions, in the manner provided by this subchapter, including
 2-41 the authority to issue refunding bonds under Section 55.19. In
 2-42 connection with the issuance of bonds under this chapter, the Texas
 2-43 Public Finance Authority has all the rights and duties granted or
 2-44 assigned to and is subject to the same conditions as a board under
 2-45 this chapter.

2-46 SECTION 6. Section 102.257, Health and Safety Code, is
 2-47 amended to read as follows:

2-48 Sec. 102.257. MULTIYEAR PROJECTS. The oversight committee
 2-49 may grant funds for a multiyear project. The oversight committee
 2-50 must specify the total amount of ~~[All the]~~ money approved ~~[needed]~~
 2-51 to fund the ~~[a]~~ multiyear project. The total amount specified is
 2-52 considered for purposes of this subchapter to have been ~~[must be]~~
 2-53 awarded in the state fiscal year that the project is approved by the
 2-54 research and prevention programs committee. The institute shall
 2-55 distribute only the money that will be expended during that fiscal
 2-56 year. The remaining money shall be ~~[maintained in an escrow account~~
 2-57 ~~to be]~~ distributed by the institute as the money is needed in each
 2-58 subsequent fiscal year ~~[years of the project]~~.

2-59 SECTION 7. (a) The changes in law made by this Act apply
 2-60 only to a grant of funds for a multiyear project by the Cancer
 2-61 Prevention and Research Institute of Texas Oversight Committee as
 2-62 authorized by Section 102.257, Health and Safety Code, as amended
 2-63 by this Act, made on or after September 1, 2011. A grant of funds
 2-64 for a multiyear project made before that date is governed by the law
 2-65 in effect on the date the grant was made, and the former law is
 2-66 continued in effect for that purpose.

2-67 (b) The changes in law made by this Act to Section 55.13,
 2-68 Education Code, and Section 1232.101, Government Code, apply only
 2-69 to bonds authorized on or after the effective date of this Act.

3-1 Bonds authorized before that date are governed by the law in effect
3-2 on the date the bonds were authorized, and the former law is
3-3 continued in effect for that purpose.

3-4 SECTION 8. This Act takes effect immediately if it receives
3-5 a vote of two-thirds of all the members elected to each house, as
3-6 provided by Section 39, Article III, Texas Constitution. If this
3-7 Act does not receive the vote necessary for immediate effect, this
3-8 Act takes effect September 1, 2011.

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