

By: West

S.B. No. 1799

A BILL TO BE ENTITLED

AN ACT

relating to the student loan program administered by the Texas Higher Education Coordinating Board; authorizing the issuance of bonds.

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

SECTION 1. Chapter 52, Education Code is amended to read as follows:

Sec. 52.01. ADMINISTRATION. The Texas Higher Education Coordinating Board, or its successors, shall administer the student loan program authorized by this chapter pursuant to Sections 50b-4, 50b-5, ~~and~~ 50b-6, and 50b-7, Article III, Texas Constitution, and any former provision of the Texas Constitution authorizing bonds to finance educational loans to students. Personnel and other expenses required to properly administer this chapter shall be funded by:

- (1) the general appropriations acts; or
- (2) any other source of revenue received by the board in connection with the operation of the student loan program.

Sec. 52.501. DEFINITIONS. In this chapter:

(1) "Board" means the Texas Higher Education Coordinating Board.

(2) "Board interest and sinking fund" means an interest and sinking fund established by the board under Section 52.03 of this code.

(3) "Board student loan fund" means a student loan fund established by the board under Section 52.04 of this code.

(4) "Bond" means a general obligation bond issued by the board under Section 50b-4, 50b-5, ~~[or]~~ 50b-6, or 50b-7, Article III, Texas Constitution, or any former provision of the Texas Constitution authorizing bonds to finance educational loans to students.

(5) "Student loan program" means the student loan program administered by the board under this chapter.

Sec. 52.81. DEFINITIONS. In this subchapter:

(1) "Board" means the Texas Higher Education Coordinating Board.

(2) "Bond" means a general obligation bond issued by the board under former Section 50b-3 or Section 50b-4, 50b-5, ~~[or]~~ 50b-6, or 50b-7, Article III, Texas Constitution.

(3) "Fund" means the student loan auxiliary fund.

Sec. 52.82. ISSUANCE; SALE. (a) The board may by resolution authorize the issuance of general obligation bonds in a principal amount of outstanding bonds that must at all times be equal to or less than the aggregate principal amount of bonds authorized under Section 50b-7, Article III, Texas Constitution ~~[total aggregate amounts not to exceed:~~

~~(1) \$300 million under former Section 50b-3, Article III, Texas Constitution,~~

~~(2) \$300 million under Section 50b-4, Article III, Texas Constitution,~~

~~(3) \$400 million under Section 50b-5, Article III,~~

~~Texas Constitution, and~~

~~(4) \$500 million under Section 50b-6, Article III, Texas Constitution].~~

(b) Before the board may issue bonds under this subchapter, the Bond Review Board must review and approve the bonds under Chapter 1231, Government Code.

(c) The board may sell the bonds at a negotiated sale if the board determines that a negotiated sale is a more efficient and economical method of selling the bonds. If the board has determined that the bonds will be sold by competitive bid, the board by resolution shall prescribe the manner of giving notice of the sale.

(d) The total amount of bonds issued by the board in a state fiscal year may not exceed \$350 ~~[125]~~ million.

Sec. 52.87. MANDAMUS. The performance of official duties prescribed by this subchapter and by former Section 50b-3 and Sections 50b-4, 50b-5, ~~and~~ 50b-6, and 50b-7, Article III, Texas Constitution, in reference to the payment of the bonds, may be enforced in a court of competent jurisdiction by mandamus or other appropriate proceedings.

SECTION 2. This Act takes effect on the date on which the constitutional amendment proposed by the 82nd Legislature, Regular Session, 2011, providing for the issuance general obligation bonds to finance educational loans to students and authorizing bond enhancement agreements with respect to general obligation bonds issued for that purpose takes effect.