

BILL ANALYSIS

S.B. 1604
By: Zaffirini
Higher Education
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The 82nd Legislature passed S.B. 5, which streamlined the administration of institutions of higher education. Interested parties contend that S.B. 5 failed to address some matters and created still others. Interested parties argue that S.B. 1604 implements policies designed to address these considerations, including resolving certain asset management, asset acquisition, and institution administration and management issues.

S.B. 1604 provides amends the law relating any contract for goods and services into which The University of Texas M.D. Anderson Cancer Center enters.

S.B. 1604 excludes institutions of higher education from certain laws applying to the co-owners of residential property.

S.B. 1604 makes certain changes to composition the board of directors of The University of Texas System Permanent University Fund.

S.B. 1604 repeals an obsolete provision of law relating to component institutions of The University of Texas Medical Branch at Galveston.

S.B. 1604 amends provisions of law related to the authority of the board of regents of the Texas A&M University System to grant, sell, lease, or otherwise dispose of certain lands.

S.B. 1604 authorizes the board of regents of The University of Texas System to acquire certain lands.

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

SECTION 1. Amends Section 73.115, Education Code, by adding Subsection (g), to provide that, in any contract for the acquisition of goods and services to which an institution of higher education is a party, a provision required by applicable law to be included in the contract is considered to be a part of the executed contract without regard to whether the provision appears on the face of the contract or whether the contract includes any provision to the contrary.

SECTION 2. Amends Chapter 64, Property Code, as added by Chapter 918, Acts of the 82nd Legislature, Regular Session, 2011, by adding Section 64.0011, as follows:

Sec. 64.0011. APPLICATION TO INSTITUTION OF HIGHER EDUCATION.
Provides that this chapter does not apply to residential property for which an institution of higher education is a co-owner.

SECTION 3. Amends Section 66.08(d), Education Code, to require the board of directors (board) of the corporation to have nine members, including seven, rather than six, members appointed by the board, of whom three are required to be members of the board; three are required to have a substantial background and expertise in investments; and one is required to be

a qualified individual as determined by the board, which is authorized to include the chancellor of the University of Texas System and two members appointed by the board of regents of the Texas A&M University System, at least one of whom is required to have a substantial background and expertise in investments.

SECTION 4. Repealer: Section 74.002 (Jennie Sealy Hospital; R. Waverly Smith Pavilion), Education Code.

SECTION 5. Amends Section 82.25(b), Education Code, to authorize the board to grant, sell, lease, or otherwise dispose of the lands and mineral interests under its jurisdiction to other units or agencies of government, or to any individual, group of individuals, corporation, or other entity, under terms and conditions the board considers best in the public interest, rather than authorizing the board to grant, sell, lease, or otherwise dispose of the lands and mineral interests under its jurisdiction that do not comprise any portion of the original main campus of Texas A&M University to other units or agencies of government, or to any individual, group of individuals, corporation, or other entity under terms and conditions it deems best in the public interest.

SECTION 6. Repealers: Sections 85.25(c) (relating to requiring that any grant, sale, or lease of the surface estate of the original Texas A&M University main campus property be approved by the legislature) and (d) (relating to the original main campus of Texas A&M University comprises that certain 748 acres, bounded in certain areas), Education Code.

SECTION 7. Authorizes the board or regents of The University of Texas System to acquire by purchase, exchange, gift, or otherwise, for campus and other university purposes, all or any part of the land described in this section, and all improvements located on the land, in or near the City of Brownsville, Cameron County, Texas, consisting of multiple parcels, the boundaries of which tracts of land are specifically described in the bill.

SECTION 8. Effective date: upon passage or September 1, 2013.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2013.