

By: Lucio III

H.B. No. 1809

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the authority of a cultural education facilities  
3 finance corporation to acquire and finance certain public property  
4 projects.

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

6 SECTION 1. Section 2(a), Cultural Education Facilities  
7 Finance Corporation Act (Article 1528m, Vernon's Texas Civil  
8 Statutes), is amended to read as follows:

9 (a) The legislature finds that:

10 (1) the health, education, and general welfare of the  
11 people of this state require the development of new and expanded  
12 cultural and community facilities for the purpose of:

13 (A) exhibition and promotion of and education  
14 about the performing, dramatic, visual, and literary arts; the  
15 culture and history of races, ethnic groups, and national heritage  
16 groups; and history, natural history, and science;

17 (B) promotion of and education about health and  
18 physical fitness, public health and safety, conservation and  
19 preservation of the environment or natural resources, child care,  
20 adoption, children's services, substance abuse counseling, family  
21 counseling, and care of persons who are elderly or disabled;

22 (C) administering the provision and granting of  
23 charitable services and grants in accomplishment of the purposes  
24 described by Paragraph (B) of this subdivision;

1 (D) promotion of and education about activities  
2 devoted to general cultural improvement, including scouting  
3 programs and programs by which agencies seek to provide facilities  
4 for retreats in urban or rural settings;

5 (E) support of agencies devoted to the  
6 eradication, elimination, or amelioration of one or more diseases  
7 or afflictions affecting health or improving the condition of  
8 individuals or groups within a community; ~~and~~

9 (F) provision of public health and safety and  
10 charitable services to communities in times of catastrophe or  
11 disaster; and

12 (G) the acquisition or improvement of real  
13 property, including buildings, or personal property, including  
14 equipment, for use by this state or counties, cities, or other  
15 governmental entities for authorized needs and purposes;

16 (2) the existence, development, and expansion of  
17 cultural facilities are essential to the continuing education,  
18 health, general welfare, and comfort of the citizens of this state;

19 (3) the means and measures authorized and the  
20 assistance provided by this Act are in the public interest and serve  
21 a public purpose in promoting the health, education, and general  
22 welfare of the people of this state by securing and maintaining  
23 cultural facilities and the resulting advancement of culture and  
24 civilization;

25 (4) qualified cultural organizations in this state  
26 have invested substantial funds in useful and beneficial cultural  
27 facilities and have experienced difficulty in undertaking

1 additional projects because of the partial inadequacy of their own  
2 funds or of funds potentially available from local subscription  
3 sources and because of limitations of local financial institutions  
4 in providing necessary financing for these facilities;

5 (5) qualified nonprofit corporations in this state  
6 have invested substantial funds in useful and beneficial cultural  
7 facilities and have experienced difficulty in undertaking  
8 additional projects because of the inadequacy of their own funds or  
9 of funds potentially available from local subscription sources and  
10 because of limitations of local financial institutions in providing  
11 necessary financing for these facilities; ~~and~~

12 (6) the lease, purchase, or other acquisition or  
13 improvement or use of real or personal property by this state or  
14 counties, cities, or other governmental entities and the financing  
15 of that lease, purchase, or other acquisition or improvement or use  
16 of real or personal property are necessary to the efficient and  
17 economic operation of government; and

18 (7) the enactment of this Act will:

19 (A) secure for present and future generations the  
20 benefits and nurturance derived from these cultural facilities; and

21 (B) enhance the public health and welfare of  
22 communities receiving the benefit of the cultural facilities.

23 SECTION 2. Section 3(5), Cultural Education Facilities  
24 Finance Corporation Act (Article 1528m, Vernon's Texas Civil  
25 Statutes), is amended to read as follows:

26 (5) "Cultural facility" means any capital expenditure  
27 by a user. The term includes:

1 (A) real property or an interest in real  
2 property, including buildings and improvements, or equipment,  
3 furnishings, or other personal property that:

4 (i) is found by the board to be necessary or  
5 convenient to finance, refinance, acquire, construct, enlarge,  
6 remodel, renovate, improve, furnish, or equip for cultural  
7 education or community benefit;

8 (ii) is made available for use by the  
9 general public, the user, or community groups; and

10 (iii) is used for a purpose described by  
11 Section 2(a)(1) of this Act;

12 (B) real property, including buildings and  
13 improvements, or equipment, furnishings, or other personal  
14 property to be used by the state or a county, city, or other  
15 governmental entity;

16 (C) a facility in which any of the following  
17 entities engage in any activity in which the entity is permitted to  
18 engage:

19 (i) a nonprofit corporation exempt from the  
20 state franchise tax under Section 171.063, Tax Code;

21 (ii) an organization described in Section  
22 11.18, Tax Code; or

23 (iii) an organization described in Section  
24 501(c)(3), Internal Revenue Code of 1986; and

25 (D) [~~C~~] facilities incidental, subordinate, or  
26 related to or appropriate in connection with property described by  
27 Paragraph (A), [~~or~~] (B), or (C) of this subdivision, regardless of

1 the date of construction or acquisition.

2 SECTION 3. Sections 4(c) and (d), Cultural Education  
3 Facilities Finance Corporation Act (Article 1528m, Vernon's Texas  
4 Civil Statutes), are amended to read as follows:

5 (c) The powers of a corporation under Subsection (b) include  
6 the power to acquire, purchase, lease, mortgage, and convey  
7 property with respect to a facility; finance the acquisition of  
8 property with respect to a facility, including by lease-purchase;  
9 borrow money by issuing bonds, notes, and other obligations; lend  
10 money for its corporate purposes; invest and reinvest its funds;  
11 and secure its bonds, notes, and obligations by mortgaging,  
12 pledging, assigning, or otherwise encumbering its property or  
13 assets. Except as otherwise provided by this Act, any bonds, notes,  
14 or other obligations authorized under this subsection must be  
15 issued in accordance with Chapter 1201, Government Code.

16 (d) Regardless of any provision in Chapter 221, Health and  
17 Safety Code, or Chapter 53, Education Code, the authority of the  
18 corporation may be exercised inside or outside the limits of the  
19 city that created the corporation [~~if the city is located in a~~  
20 ~~county with a population of more than 300,000~~] or inside or outside  
21 the limits of the county that created the corporation [~~if the county~~  
22 ~~has a population of more than 300,000~~]. The authority may be  
23 exercised without the consent or other action of any person that  
24 would otherwise be required under Chapter 221, Health and Safety  
25 Code, or Chapter 53, Education Code, unless the articles of  
26 incorporation or bylaws of the corporation provide differently.  
27 The authority of a corporation under this section shall not preempt

1 the police powers of any sponsoring entity or any other laws  
2 regulating or empowering sponsoring entities to regulate the  
3 activities of the corporation.

4 SECTION 4. This Act takes effect immediately if it receives  
5 a vote of two-thirds of all the members elected to each house, as  
6 provided by Section 39, Article III, Texas Constitution. If this  
7 Act does not receive the vote necessary for immediate effect, this  
8 Act takes effect September 1, 2013.