

By: Otto

H.B. No. 2002

A BILL TO BE ENTITLED

AN ACT

relating to a limit on state reimbursement to public institutions of higher education for debt service on tuition revenue bonds.

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

SECTION 1. Subchapter B, Chapter 55, Education Code, is amended by adding Section 55.185 to read as follows:

Sec. 55.185. LIMIT ON STATE REIMBURSEMENT FOR DEBT SERVICE.

(a) In this section, "institution of higher education" has the meaning assigned by Section 61.003.

(b) The legislature may not appropriate undedicated general revenue to reimburse institutions of higher education for the payment of debt service on tuition revenue bonds authorized under this subchapter in any state fiscal year in a total amount that exceeds 1.25 percent of an amount equal to the average of the amount of general revenue fund revenues, excluding revenues constitutionally dedicated for purposes other than payment of state debt, for each of the three preceding state fiscal years.

(c) The limit provided by this section applies to appropriations made to reimburse debt service on all tuition revenue bonds, including previously authorized but unissued bonds.

(d) The Bond Review Board shall compute the limit provided by Subsection (b). The Legislative Budget Board shall provide the Bond Review Board with expenditure and appropriations information on debt service reimbursements for tuition revenue bonds. The Bond

1 Review Board shall estimate debt service reimbursements for
2 previously authorized but unissued bonds using any standard
3 assumptions considered appropriate by the Bond Review Board and may
4 tailor those assumptions to each institution of higher education
5 based on the most recent credit ratings and typical issuing
6 practices of that institution.

7 SECTION 2. The change in law made by this Act applies
8 beginning with appropriations for the state fiscal biennium
9 beginning September 1, 2013.

10 SECTION 3. This Act takes effect September 1, 2013.