

BILL ANALYSIS

H.B. 3245
By: Crownover
Higher Education
Committee Report (Unamended)

BACKGROUND AND PURPOSE

According to interested parties, the North Texas Higher Education Authority, which was created to ensure access to federal student loans, is in the process of winding down its bond portfolios now that recent federal legislation made the federal government the sole provider of federal student loans. H.B. 3245 seeks to facilitate this effort by simplifying the authority's organizational structure.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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

H.B. 3245 amends the Education Code to authorize a qualified nonprofit corporation that has agreed to exercise the powers relating to the issuance of revenue bonds or otherwise borrowing money for the purchase of guaranteed student loans or alternative education loans for and on behalf of two or more cities to withdraw from acting for and on behalf of any of those cities if the governing body of the applicable city consents to the withdrawal and rescinds its earlier request that the nonprofit corporation act for and on behalf of the city. The bill establishes that a nonprofit corporation that completes a withdrawal continues to act for and on behalf of the remaining city or cities. The bill establishes that, following the qualified nonprofit corporation's withdrawal from acting for and on behalf of a city, the applicable city is no longer entitled to participate in the appointment or removal of a member of the nonprofit corporation's board of directors or authorized or required to participate in the approval of the issuance of revenue bonds or other borrowings by the nonprofit corporation, and members of the nonprofit corporation's board of directors who were appointed by that city are no longer considered to be qualified directors of the nonprofit corporation.

H.B. 3245 authorizes a qualified nonprofit corporation that withdraws from acting for and on behalf of a city to change the size of its board of directors to reflect the withdrawal, provided that its bylaws at all times require at least three directors. The bill establishes that the governing body or bodies of the city or cities for and on behalf of which the nonprofit corporation continues to act retain the power to appoint and remove the directors of the nonprofit corporation and to approve the issuance of revenue bonds or other borrowings by the nonprofit corporation.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.