

AN ACT

relating to the powers of a public facility corporation.

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

SECTION 1. Section 303.003(4), Local Government Code, is amended to read as follows:

(4) "Credit agreement" means a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitment to purchase bonds or sponsor obligations, purchase or sale agreement, interest rate or commodities price swap agreement, cap or collar agreement, protection or management agreement, or commitment or other contract or agreement authorized and approved by the board of directors of a corporation in anticipation of, related to, or in connection with the authorization, issuance, incurrence, sale, security, exchange, payment, purchase, remarketing, or redemption of bonds or interest on bonds.

SECTION 2. Section 303.003(7), Local Government Code, is amended to read as follows:

(7) "Public facility" means any real, personal, or mixed property, or an interest in property devoted or to be devoted to public use, and authorized to be financed, refinanced, or provided by sponsor obligations or bonds issued under this chapter.

SECTION 3. Section 303.021(a), Local Government Code, is

1 amended to read as follows:

2 (a) A sponsor may create one or more nonmember, nonstock,
3 nonprofit public facility corporations to:

4 (1) issue bonds under this chapter, including bonds to
5 purchase sponsor obligations;

6 (2) finance public facilities on behalf of its
7 sponsor; or

8 (3) loan the proceeds of the obligations to other
9 entities to accomplish the purposes of the sponsor.

10 SECTION 4. Section 303.041, Local Government Code, is
11 amended by amending Subsection (a) and adding Subsection (d) to
12 read as follows:

13 (a) Subject to Section 303.045, a corporation has the rights
14 and powers necessary or convenient to accomplish the corporation's
15 purposes, including the power to:

16 (1) acquire title to a public facility in order to
17 lease, convey, or dispose of the public facility to the
18 corporation's sponsor or, on direction of the sponsor and in
19 furtherance of the sponsor's purposes, to another entity;

20 (2) accept or grant a mortgage or pledge of a public
21 facility financed, refinanced, or provided by the corporation or by
22 sponsor obligations purchased by the corporation and, as security
23 for the payment of any connected bonds or credit agreements that the
24 corporation issues or incurs:

25 (A) assign the mortgage or pledge and the revenue
26 and receipts from the mortgage or pledge or [~~and~~] from the
27 corporation or sponsor obligations; or

- 1 (B) grant other security;
- 2 (3) sell, convey, mortgage, pledge, lease, exchange,
3 transfer, and otherwise dispose of all or any part of the
4 corporation's property and other assets, including sponsor
5 obligations;
- 6 (4) make a contract, including a credit agreement,
7 incur a liability, and borrow money at interest;
- 8 (5) lend money for its corporate purposes, invest its
9 money, and take and hold security for the payment of money loaned or
10 invested;
- 11 (6) sue and be sued in its corporate name;
- 12 (7) appoint agents of the corporation and determine
13 their duties; ~~and~~
- 14 (8) have a corporate seal and use the seal by having it
15 or a facsimile of it impressed on, affixed to, or reproduced on an
16 instrument required or authorized to be executed by the
17 corporation's proper officers; and
- 18 (9) exercise any powers that a nonprofit corporation
19 may exercise, to the extent necessary or convenient to accomplish
20 the purpose of the corporation.

21 (d) The authority granted under Subsection (a)(3) includes
22 the authority to grant a leasehold or other possessory interest in a
23 public facility owned by the corporation.

24 SECTION 5. Section 303.042, Local Government Code, is
25 amended by adding Subsection (f) to read as follows:

26 (f) Notwithstanding Subsections (a) and (b), during the
27 period of time that a corporation owns a particular public

1 facility, a leasehold or other possessory interest in the real
2 property of the public facility granted by the corporation shall be
3 treated in the same manner as a leasehold or other possessory
4 interest in real property granted by an authority under Section
5 [379B.011\(b\)](#).

6 SECTION 6. This Act takes effect immediately if it receives
7 a vote of two-thirds of all the members elected to each house, as
8 provided by Section [39](#), Article III, Texas Constitution. If this
9 Act does not receive the vote necessary for immediate effect, this
10 Act takes effect September 1, 2015.

President of the Senate

Speaker of the House

I certify that H.B. No. 2679 was passed by the House on April 23, 2015, by the following vote: Yeas 136, Nays 3, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 2679 on May 23, 2015, by the following vote: Yeas 130, Nays 0, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2679 was passed by the Senate, with amendments, on May 21, 2015, by the following vote: Yeas 28, Nays 3.

Secretary of the Senate

APPROVED: _____

Date

Governor