

By: Flynn

H.B. No. 2679

A BILL TO BE ENTITLED

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 303.021(a), Local Government Code, is amended to read as follows:

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

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

(2) finance public facilities on behalf of its

1 sponsor; or

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

4 SECTION 3. Section 303.041, Local Government Code, is  
5 amended by amending Subsection (a) and adding Subsection (d) to  
6 read as follows:

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

10 (1) acquire title to a public facility in order to  
11 lease, convey, or dispose of the public facility to the  
12 corporation's sponsor or, on direction of the sponsor and in  
13 furtherance of the sponsor's purposes, to another entity;

14 (2) accept or grant a mortgage or pledge of a public  
15 facility financed, refinanced, or provided by the corporation or by  
16 sponsor obligations purchased by the corporation and, as security  
17 for the payment of any connected bonds or credit agreements that the  
18 corporation issues or incurs:

19 (A) assign the mortgage or pledge and the revenue  
20 and receipts from the mortgage or pledge or ~~and~~ from the  
21 corporation or sponsor obligations; or

22 (B) grant other security;

23 (3) sell, convey, mortgage, pledge, lease, exchange,  
24 transfer, and otherwise dispose of all or any part of the  
25 corporation's property and other assets, including sponsor  
26 obligations;

27 (4) make a contract, including a credit agreement,

1 incur a liability, and borrow money at interest;

2 (5) lend money for its corporate purposes, invest its  
3 money, and take and hold security for the payment of money loaned or  
4 invested;

5 (6) sue and be sued in its corporate name;

6 (7) appoint agents of the corporation and determine  
7 their duties; ~~and~~

8 (8) have a corporate seal and use the seal by having it  
9 or a facsimile of it impressed on, affixed to, or reproduced on an  
10 instrument required or authorized to be executed by the  
11 corporation's proper officers; and

12 (9) exercise any powers that a nonprofit corporation  
13 may exercise, to the extent necessary or convenient to accomplish  
14 the purpose of the corporation.

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

18 SECTION 4. This Act takes effect immediately if it receives  
19 a vote of two-thirds of all the members elected to each house, as  
20 provided by Section 39, Article III, Texas Constitution. If this  
21 Act does not receive the vote necessary for immediate effect, this  
22 Act takes effect September 1, 2015.