

1-1 By: Flynn (Senate Sponsor - Estes) H.B. No. 2679
 1-2 (In the Senate - Received from the House April 27, 2015;
 1-3 April 27, 2015, read first time and referred to Committee on
 1-4 Intergovernmental Relations; May 5, 2015, reported favorably by
 1-5 the following vote: Yeas 5, Nays 0; May 5, 2015, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Lucio	X			
1-8 Bettencourt			X	
1-9 Campbell	X			
1-10 Garcia	X			
1-11 Menéndez	X			
1-12 Nichols	X			
1-13 Taylor of Galveston			X	

1-15 A BILL TO BE ENTITLED
 1-16 AN ACT

1-17 relating to the powers of a public facility corporation.
 1-18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
 1-19 SECTION 1. Section 303.003(4), Local Government Code, is
 1-20 amended to read as follows:
 1-21 (4) "Credit agreement" means a loan agreement,
 1-22 revolving credit agreement, agreement establishing a line of
 1-23 credit, letter of credit, reimbursement agreement, insurance
 1-24 contract, commitment to purchase bonds or sponsor obligations,
 1-25 purchase or sale agreement, interest rate or commodities price swap
 1-26 agreement, cap or collar agreement, protection or management
 1-27 agreement, or commitment or other contract or agreement authorized
 1-28 and approved by the board of directors of a corporation in
 1-29 anticipation of, related to, or in connection with the
 1-30 authorization, issuance, incurrence, sale, security, exchange,
 1-31 payment, purchase, remarketing, or redemption of bonds or interest
 1-32 on bonds.
 1-33 SECTION 2. Section 303.021(a), Local Government Code, is
 1-34 amended to read as follows:
 1-35 (a) A sponsor may create one or more nonmember, nonstock,
 1-36 nonprofit public facility corporations to:
 1-37 (1) issue bonds under this chapter, including bonds to
 1-38 purchase sponsor obligations;
 1-39 (2) finance public facilities on behalf of its
 1-40 sponsor; or
 1-41 (3) loan the proceeds of the obligations to other
 1-42 entities to accomplish the purposes of the sponsor.
 1-43 SECTION 3. Section 303.041, Local Government Code, is
 1-44 amended by amending Subsection (a) and adding Subsection (d) to
 1-45 read as follows:
 1-46 (a) Subject to Section 303.045, a corporation has the rights
 1-47 and powers necessary or convenient to accomplish the corporation's
 1-48 purposes, including the power to:
 1-49 (1) acquire title to a public facility in order to
 1-50 lease, convey, or dispose of the public facility to the
 1-51 corporation's sponsor or, on direction of the sponsor and in
 1-52 furtherance of the sponsor's purposes, to another entity;
 1-53 (2) accept or grant a mortgage or pledge of a public
 1-54 facility financed, refinanced, or provided by the corporation or by
 1-55 sponsor obligations purchased by the corporation and, as security
 1-56 for the payment of any connected bonds or credit agreements that the
 1-57 corporation issues or incurs:
 1-58 (A) assign the mortgage or pledge and the revenue
 1-59 and receipts from the mortgage or pledge or ~~and~~ from the
 1-60 corporation or sponsor obligations; or
 1-61 (B) grant other security;

2-1 (3) sell, convey, mortgage, pledge, lease, exchange,
2-2 transfer, and otherwise dispose of all or any part of the
2-3 corporation's property and other assets, including sponsor
2-4 obligations;

2-5 (4) make a contract, including a credit agreement,
2-6 incur a liability, and borrow money at interest;

2-7 (5) lend money for its corporate purposes, invest its
2-8 money, and take and hold security for the payment of money loaned or
2-9 invested;

2-10 (6) sue and be sued in its corporate name;

2-11 (7) appoint agents of the corporation and determine
2-12 their duties; ~~and~~

2-13 (8) have a corporate seal and use the seal by having it
2-14 or a facsimile of it impressed on, affixed to, or reproduced on an
2-15 instrument required or authorized to be executed by the
2-16 corporation's proper officers; and

2-17 (9) exercise any powers that a nonprofit corporation
2-18 may exercise, to the extent necessary or convenient to accomplish
2-19 the purpose of the corporation.

2-20 (d) The authority granted under Subsection (a)(3) includes
2-21 the authority to grant a leasehold or other possessory interest in a
2-22 public facility owned by the corporation.

2-23 SECTION 4. This Act takes effect immediately if it receives
2-24 a vote of two-thirds of all the members elected to each house, as
2-25 provided by Section 39, Article III, Texas Constitution. If this
2-26 Act does not receive the vote necessary for immediate effect, this
2-27 Act takes effect September 1, 2015.

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