

By: Parker

H.B. No. 2851

A BILL TO BE ENTITLED

AN ACT

relating to the immunities of a non-profit corporation created for the purpose of aiding open-enrollment charter schools in providing educational facilities.

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

SECTION 1. Section 53.351, Education Code, is amended to read as follows:

Sec. 53.351. BONDS FOR OPEN-ENROLLMENT CHARTER SCHOOL FACILITIES. (a) The Texas Public Finance Authority shall establish a nonprofit corporation to act on behalf of the state, as its duly constituted authority and instrumentality, to issue revenue bonds for authorized open-enrollment charter schools for the acquisition, construction, repair, or renovation of educational facilities of those schools.

(b) The Texas Public Finance Authority shall appoint the directors of the corporation in consultation with the commissioner of education and subject to the approval of the Governor. Directors serve without compensation but are entitled to reimbursement for travel expenses incurred in attending board meetings. The board shall meet at least once a year.

(c) The corporation has all powers granted under the Texas Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's Texas Civil Statutes), or granted to a nonprofit corporation under the Business Organizations Code, for the purpose of aiding

1 authorized open-enrollment charter schools in providing
2 educational facilities. In addition, Sections 53.131, 53.15,
3 53.31, 53.32, 53.331, 53.34, 53.35, 53.38, 53.40, and 53.41 apply
4 to and govern the corporation and its procedures and bonds. The
5 corporation may exercise the powers granted to the governing body
6 of an issuer with regard to the issuance of obligations and the
7 execution of credit agreements under Chapter 1371, Government Code.

8 (c-1) A director, officer, or employee, of the corporation
9 or of the Texas Public Finance Authority, acting on behalf of the
10 corporation is not personally liable:

11 (1) for damage, loss, or injury resulting from the
12 performance of the person's duties under this chapter; or

13 (2) on any commitment or agreement executed on behalf
14 of the corporation under this chapter.

15 (d) The corporation shall adopt rules governing the
16 issuance of bonds under this section.

17 (e) The comptroller shall establish a fund dedicated to the
18 credit enhancement of bonds issued by any issuer under this
19 subchapter for any open-enrollment charter school. The fund may
20 receive donations. The corporation may also use the money held
21 under this subsection to provide loans or other credit support for
22 the obligations of any open-enrollment charter school issued by any
23 issuer in any manner not inconsistent with the Texas Non-Profit
24 Corporation Act (Article 1396-1.01, Vernon's Texas Civil
25 Statutes), or the provisions of the Business Organizations Code
26 governing nonprofit corporations. The obligation of the fund is
27 limited to an amount equal to the balance of the fund.

1 (f) Except as provided by Subsection (f-1), a revenue bond
2 issued under this section is not a debt of the state or any state
3 agency, political corporation, or political subdivision of the
4 state and is not a pledge of the faith and credit of any of these
5 entities. A revenue bond is payable solely from the revenue of the
6 authorized open-enrollment charter school on whose behalf the bond
7 is issued. A revenue bond issued under this section must contain on
8 its face a statement to the effect that:

9 (1) neither the state nor a state agency, political
10 corporation, or political subdivision of the state is obligated to
11 pay the principal of or interest on the bond; and

12 (2) neither the faith and credit nor the taxing power
13 of the state or any state agency, political corporation, or
14 political subdivision of the state is pledged to the payment of the
15 principal of or interest on the bond.

16 (f-1) Subsection (f) does not apply to a revenue bond issued
17 under this section for a charter district if the bond is approved
18 for guarantee by the permanent school fund under Subchapter C,
19 Chapter 45.

20 (g) An educational facility financed in whole or in part
21 under this section is exempt from taxation if the facility:

22 (1) is owned by an authorized open-enrollment charter
23 school;

24 (2) is held for the exclusive benefit of the school;
25 and

26 (3) is held for the exclusive use of the students,
27 faculty, and staff members of the school.

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