

House Bill 2679
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

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.

No equivalent provision.

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 sponsor; or

SENATE VERSION (IE)

SECTION 1. Same as House version.

SECTION __. 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. [FA1]

SECTION 2. Same as House version.

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

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

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

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

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

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

(B) grant other security;

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

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

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

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

SENATE VERSION (IE)

SECTION 3. Same as House version.

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

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

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

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

No equivalent provision.

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

SENATE VERSION (IE)

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

(f) Notwithstanding Subsections (a) and (b), during the period of time that a corporation owns a particular public facility, a leasehold or other possessory interest in the real property of the public facility granted by the corporation shall be treated in the same manner as a leasehold or other possessory interest in real property granted by an authority under Section 379B.011(b). [FA1]

SECTION 4. Same as House version.

CONFERENCE