

Amend Amendment No. 1 by Taylor to **CSHB 21** (senate committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter E, Chapter 45, Education Code, is amended by adding Section 45.116 to read as follows:

Sec. 45.116. ASSISTANCE FROM TEXAS PUBLIC FINANCE AUTHORITY. (a) A school district may:

(1) borrow money from the Texas Public Finance Authority made available in accordance with Section 1232.1031, Government Code; and

(2) as necessary in connection with obtaining loans or other financial assistance from the Texas Public Finance Authority in accordance with Section 1232.1031, Government Code:

(A) issue bonds and notes, provided that the term of an obligation issued for this purpose may not exceed 15 years; and

(B) enter into loan agreements, lease agreements, lease purchase agreements, or other appropriate financing agreements with the Texas Public Finance Authority.

(b) A school district may:

(1) make payments on an obligation or agreement issued or executed under Subsection (a) using any available funds, including maintenance and operations tax revenue; and

(2) secure the payment of an obligation or agreement issued or executed under Subsection (a) through:

(A) creating a lien against equipment obtained using the proceeds of the obligation;

(B) imposing an ad valorem tax otherwise authorized by law; or

(C) obtaining credit enhancement under Subchapter I.

SECTION _____. Section 45.252, Education Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) A school district may apply for credit enhancement under this subchapter of obligations issued under Section 45.116.

SECTION _____. Subchapter C, Chapter 1232, Government Code,

is amended by adding Section 1232.1031 to read as follows:

Sec. 1232.1031. ISSUANCE OF OBLIGATIONS TO ASSIST SCHOOL DISTRICTS. (a) The authority may issue and sell obligations to finance:

(1) loans to eligible school districts for eligible purposes;

(2) the purchase by the authority of vehicles, equipment, or appliances for sale, lease, or lease purchase to eligible school districts;

(3) a lease or other agreement that concerns equipment that an eligible school district has purchased or leased or intends to purchase or lease; and

(4) costs associated with maintenance, repair, rehabilitation, or renovation of eligible school district facilities.

(b) The authority may use proceeds of obligations issued under this section to pay costs of administering this section, including costs of issuing obligations.

(c) In connection with a purchase or project financed with the proceeds of obligations issued under this section, the authority may:

(1) enter into loan agreements, lease agreements, lease purchase agreements, or other appropriate financing agreements with eligible school districts;

(2) purchase obligations issued by eligible school districts; and

(3) enter into credit agreements and exercise other powers granted to issuers under Chapter 1371.

(d) The authority may secure payment of authority obligations issued under this section with the pledge of money in the school district equipment and improvement fund established under Subsection (e).

(e) The school district equipment and improvement fund is established outside the treasury as a trust fund and is administered by the comptroller on behalf of the authority as directed or agreed to by the board. The fund consists of proceeds of obligations issued by the authority under this section and

obligations and agreements issued or executed by school districts and purchased or funded by the authority with proceeds of authority obligations. Money in the fund may be spent without appropriation and may be used only to fund activities under this section or to secure repayment of authority obligations. Interest and income from the assets of the fund shall be credited to and deposited in the fund.

(f) The board may establish funds and accounts determined to be necessary or appropriate in connection with the activities of the authority under this section.

(g) The aggregate amount of obligations issued by the authority under this section outstanding at one time may not exceed \$100 million.

(h) The board shall adopt rules necessary to implement this section, including rules prescribing eligibility requirements for school districts seeking assistance under this section, rules identifying eligible purposes for purposes of Subsection (a)(1), and rules identifying eligible school district facilities for purposes of Subsection (a)(4). Before adopting or modifying a rule under this subsection, the board shall consult with the commissioner of education.

(i) Rules adopted under Subsection (h) may establish a process under which a school district must obtain approval by the commissioner of education in order to be eligible for assistance under this section.

(j) The authority may not issue an obligation under this section on or after September 1, 2021. The prohibition imposed by this subsection does not apply to:

(1) refunding bonds issued by the authority in accordance with Chapter 1207; or

(2) other obligations issued by the authority to refinance obligations incurred under this section before September 1, 2021.