

By: West

S.B. No. 1689

A BILL TO BE ENTITLED

AN ACT

relating to the creation and use of public facilities corporations.

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

SECTION 1. Subchapter B, Chapter 303, Local Government Code, is amended by adding Section 303.0225 to read as follows:

Sec. 303.0225. CREATION BY MULTIPLE SPONSORS. (a) Two or more sponsors may create a corporation under this chapter to accomplish the corporation's purposes with respect to each of the sponsors.

(b) The governing body of each sponsor must follow the procedures described by Section 303.023 to create the corporation.

(c) The articles of incorporation or the bylaws of the corporation may provide any terms that are mutually acceptable to the corporation's sponsors, including terms allowing:

(1) sponsors to be added or removed from the corporation; or

(2) one or more sponsors to be delegated the authority or duty to take actions under this chapter.

(d) Subject to the terms of the corporation's articles of incorporation and bylaws, if a corporation is created under this section:

(1) each sponsor may use the corporation in any manner in which a sponsor may use a corporation under this chapter;

(2) each sponsor is treated for purposes of this

1 chapter as a sponsor of the corporation;

2 (3) the corporation may issue bonds or refunding bonds
3 or incur other obligations to finance, refinance, or provide one or
4 more public facilities on behalf of one or more of the corporation's
5 sponsors; and

6 (4) the corporation may loan the proceeds of an
7 obligation to any entity to accomplish the purposes of one or more
8 of the corporation's sponsors.

9 SECTION 2. Subchapter B, Chapter 303, Local Government
10 Code, is amended by adding Section 303.048 to read as follows:

11 Sec. 303.048. USE OF CORPORATION BY NON-SPONSORING
12 ENTITIES. (a) In this section, "non-sponsoring entity" means a
13 municipality, county, school district, housing authority, or
14 special district that is not a sponsor of the corporation being used
15 by the municipality, county, school district, housing authority, or
16 special district.

17 (b) With the consent of a corporation's sponsor, a
18 corporation may agree to be used by one or more non-sponsoring
19 entities in any manner in which a sponsor may use a corporation.
20 The agreement may contain any terms mutually acceptable to the
21 corporation and the non-sponsoring entity. The sponsor of the
22 corporation used in accordance with this section may be a party to
23 the agreement.

24 (c) A corporation used by a non-sponsoring entity under this
25 section may exercise the corporation's powers in the same manner
26 that the corporation may with respect to the corporation's sponsor,
27 including:

1 (1) issuing bonds or refunding bonds or incurring
2 other obligations to finance, refinance, or provide one or more
3 public facilities on behalf of the non-sponsoring entity, the
4 corporation's sponsor, or both; and

5 (2) loaning the proceeds of the obligations to any
6 entity to accomplish the purposes of the non-sponsoring entity, the
7 corporation's sponsor, or both.

8 SECTION 3. This Act takes effect September 1, 2019.